AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON AUGUST 21, 2001

REGISTRATION NO. 333-65168

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AMN HEALTHCARE SERVICES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	8099	06-1500476
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(IRS EMPLOYER IDENTIFICATION NUMBER)

12235 EL CAMINO REAL, SUITE 200
SAN DIEGO, CALIFORNIA 92130
(800) 282-0300
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

STEVEN C. FRANCIS
PRESIDENT AND CHIEF EXECUTIVE OFFICER
AMN HEALTHCARE SERVICES, INC.
12235 EL CAMINO REAL, SUITE 200
SAN DIEGO, CALIFORNIA 92130
(800) 282-0300
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

JOHN C. KENNEDY, ESQ.	IAN B. BLUMENSTEIN, ESQ.
PAUL, WEISS, RIFKIND, WHARTON & GARRISON	LATHAM & WATKINS
1285 AVENUE OF THE AMERICAS	275 GROVE STREET, 4TH FLOOR
NEW YORK, NEW YORK 10019-6064	NEWTON, MASSACHUSETTS 02466
(212) 373-3000	(617) 663-5700

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF THE SECURITIES TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [ ]

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

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

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

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

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SUCH SECTION 8(a), MAY DETERMINE.

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THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED WITHOUT NOTICE. AMN HEALTHCARE SERVICES, INC. MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES, AND AMN HEALTHCARE SERVICES, INC. IS NOT SOLICITING OFFERS TO BUY THESE SECURITIES, IN ANY STATE WHERE THE OFFER OR SALE OF THESE SECURITIES IS NOT PERMITTED.

Prospectus (Not Complete)

Issued August 21, 2001

10,000,000 SHARES

[AMN HEATHCARE SERVICES, INC. LOGO]

COMMON STOCK

AMN Healthcare Services, Inc. is offering 10,000,000 shares of common stock in our initial public offering. We anticipate that the initial public offering price for our shares will be between $14.00 and $16.00 per share. After this offering, the market price for our shares may be outside of this range.

Our common stock is expected to be approved for listing on the New York Stock Exchange under the symbol "AHS."

INVESTING IN OUR COMMON STOCK INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS" BEGINNING ON PAGE 7.

	Per Share	Total
Offering Price	$	$
Discounts and Commissions to Underwriters	$	$
Offering Proceeds to AMN Healthcare Services, Inc.	$	$

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

We have granted the underwriters the right to purchase up to an additional 1,500,000 shares of our common stock to cover any over-allotments. The underwriters can exercise this right at any time within thirty days after this offering. Banc of America Securities LLC expects to deliver the shares of common stock to investors on , 2001.

JOINT BOOK-RUNNING MANAGERS

BANC OF AMERICA SECURITIES LLC UBS WARBURG

JPMORGAN

, 2001

[ART WORK: COMPANY LOGO, SLOGAN ("A LEADER IN HEALTHCARE STAFFING") AND A FULL PAGE PHOTO OF TWO NURSES WORKING IN A HOSPITAL HALLWAY.]

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary is not complete and does not contain all of the information that you should consider before investing in the common stock. You should read the entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors." Unless we state otherwise, the terms "we," "us" and "our" refer to AMN Healthcare Services, Inc. and its subsidiaries. Some of the statements in this "Prospectus Summary" are forward-looking statements. See "Forward-Looking Statements."

THE COMPANY

We are a leading temporary healthcare staffing company and the largest nationwide provider of travel nurse staffing services, one of the fastest growing segments of the temporary healthcare staffing industry. We recruit nurses and allied health professionals, our "travelers," and place them on temporary assignments, typically for 13 weeks away from their permanent homes, at hospitals and healthcare facilities throughout the United States. Approximately 90% of our travelers are nurses, while the remainder are technicians, therapists and technologists. We are actively working with a pre-screened pool of over 25,000 prospective travelers, of whom over 6,000 were on assignment during July 2001. Additionally, in August 2001, we had over 15,500 open orders from our network of over 2,500 hospital and healthcare facility clients.

In recent years our business has grown significantly, outpacing the growth of the temporary healthcare staffing market. From 1996 to 2000, our revenue and Adjusted EBITDA (as defined) increased at compound annual growth rates of 48% and 58%, respectively. Approximately one-third of this growth was generated through strategic acquisitions, while the remaining two-thirds was generated through the organic growth of our operations. On a combined basis, assuming all of our acquisitions had occurred on January 1, 1999, we would have generated revenues of $413.0 million and Adjusted EBITDA of $51.0 million for the twelve months ended June 30, 2001. This represents organic compound annual growth rates of 48% and 86%, respectively, since 1999.

We market our services to two distinct customer bases: (1) travelers and (2) hospital and healthcare facility clients. To enhance our ability to successfully attract travelers, we use a multi-brand recruiting strategy to recruit travelers in the United States and internationally under our five separate brand names: American Mobile Healthcare, Medical Express, NursesRx, Preferred Healthcare Staffing and O'Grady-Peyton International. Our large number of hospital and healthcare facility clients allows us to offer traveling positions in all 50 states, and in a variety of work environments. We believe that we attract travelers due to our long-standing reputation for providing a high level of service, our numerous job opportunities and our most effective recruiting tool, word-of-mouth referrals from our thousands of current and former travelers.

We have established a growing and diverse hospital and healthcare facility client base, ranging from national healthcare providers to premier teaching and regional hospitals. We currently hold contracts with approximately 42% of all acute-care hospitals in the United States, where we place the vast majority of our travelers. Hospital and healthcare facilities utilize our services to help cost-effectively manage staff shortages, new unit openings, seasonal variations and other flexible staffing needs.

MARKET OPPORTUNITY AND COMPETITIVE STRENGTHS

We believe that the following industry characteristics and competitive strengths provide us an attractive opportunity to profitably grow our business:

- FAVORABLE INDUSTRY DYNAMICS. Favorable industry trends have increased demand in the $7.2 billion temporary healthcare staffing industry, which is projected to grow 21%, to $8.7 billion, in 2001. We believe these trends will continue to grow demand for our services. Key industry dynamics include:

  -- Increasing Healthcare Expenditures. The Centers for Medicare & Medicaid Services projects healthcare expenditures will increase by approximately $1.3 trillion over the next decade, to

$2.6 trillion. This growth is expected to be fueled by an increasingly aging U.S. population and by advances in medical technology.

  -- Increasing Nurse Vacancies. Most regions of the United States are experiencing a shortage of nurses. The American Hospital Association estimates that up to 126,000 position vacancies currently exist for registered nurses, representing approximately 10% of the current hospital-based nursing workforce. A study published in the Journal of the American Medical Association projects that the registered nurse workforce will be nearly 20% below projected requirements by 2020.

  -- Continuing Shift to Outsourced Services. In the current cost containment environment, hospitals and healthcare facilities are increasingly using flexible staffing models to more effectively manage labor costs and fluctuations in demand for their services.

- CONSISTENT GROWTH OF REVENUE AND PROFITS. From 1996 to 2000, our revenue and Adjusted EBITDA increased at compound annual growth rates of 48% and 58%, respectively. On a combined basis, assuming all of our acquisitions had occurred on January 1, 1996, the compound annual growth rate of our revenues from 1996 to 2000 would have been 30%.

- NATIONWIDE PRESENCE AND SCALE. Our broad client base helps us attract potential travelers, as we offer more employment opportunities than our smaller competitors. Within our industry, we have the largest number of working travelers, which generates a strong volume of word-of-mouth traveler referrals. In addition, our size provides us with economy of scale benefits in our administrative areas, information systems, benefits and housing programs.

- PROVEN MULTI-BRAND RECRUITING STRATEGY. We have capitalized on our multi-brand recruiting strategy by utilizing our five strong brand names, complementary geographic concentrations and cross-selling opportunities to successfully recruit travelers. Each of our five brands has significant opportunity for growth through leveraging our nationwide presence, extensive traveler network and hospital client base.

- ESTABLISHED INTERNATIONAL RECRUITING BRAND. Our recent acquisition of O'Grady-Peyton International (USA), Inc. expanded our traveler recruiting capabilities beyond the United States. O'Grady-Peyton International is the leading recruiter of registered nurses from English-speaking foreign countries for placement in the United States, with approximately 20 years of international recruiting experience.

- NO DIRECT REIMBURSEMENT RISK. We are not subject to direct reimbursement risk from Medicare, Medicaid or any other federal or state healthcare reimbursement programs. We contract with, and are paid directly by, our hospital and healthcare facility clients.

- EXPERIENCED MANAGEMENT. We have an experienced management team, which has successfully expanded our business, grown our revenues and Adjusted EBITDA, and integrated strategic acquisitions. Our six senior operating officers have worked an average of 12 years in the temporary healthcare staffing industry. Steven Francis, our President and CEO, co-founded our company in 1985, and has been instrumental in shaping the growth of the travel nurse staffing sector.

There are a number of risks and uncertainties associated with an investment in our common stock. For example, if we are unable to attract qualified nurses and other allied healthcare professionals for our healthcare staffing business at reasonable costs, it could increase our operating costs and negatively impact our business. We also operate in a highly competitive market and our success depends on our ability to remain competitive in obtaining and retaining hospital and healthcare facility clients and travelers. In addition, our business depends upon our ability to secure and fill new orders from our hospital and healthcare facility clients because we do not have long-term agreements or exclusive contracts with them. For a discussion of these and other risks related to our business and an investment in our common stock, see "Risk Factors."

We were incorporated in Delaware on November 10, 1997. Our corporate headquarters is located at 12235 El Camino Real, Suite 200, San Diego, California 92130. Our telephone number is (800) 282-0300

and our corporate website is www.amnhealthcare.com. The information on our website is not part of this prospectus.

THE OFFERING

Common stock offered.....	10,000,000 shares
Common stock outstanding after the offering.....	40,714,643 shares
Use of proceeds.....	We intend to use the net proceeds from this offering to repay indebtedness under our credit facility and our senior subordinated notes. The remaining net proceeds, if any, will be used for working capital and general corporate purposes. See "Use of Proceeds."
Proposed New York Stock Exchange Symbol.....	"AHS"

Unless we indicate otherwise, the number of shares of common stock to be outstanding after this offering is based on the number of shares outstanding as of , 2001 and excludes 7,710,936 shares of common stock reserved for issuance under our stock option plans, of which 5,727,955 shares are subject to options outstanding at a weighted average exercise price of $4.98 per share.

Unless we indicate otherwise, the information in this prospectus assumes:

- that the underwriters will not exercise their over-allotment option;
- the exercise of an outstanding warrant resulting in the issuance of 1,879,628 shares immediately prior to this offering (assuming a cashless exercise of the warrant with a fair market valuation based upon an initial offering price of $15.00 per share, the mid-point of the range shown on the cover page of this prospectus); and
- a 43.10849-for-1 stock split of our common stock effected , 2001.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH DIFFERENT INFORMATION. WE ARE NOT MAKING AN OFFER TO SELL THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED. YOU SHOULD ASSUME THAT THE INFORMATION APPEARING IN THIS PROSPECTUS IS ACCURATE AS OF THE DATE ON THE FRONT COVER OF THIS PROSPECTUS ONLY. OUR BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS MAY HAVE CHANGED SINCE THAT DATE.

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

You should read the following summary consolidated financial and operating data in conjunction with "Selected Consolidated Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," our pro forma financial statements, our historical financial statements and the historical financial statements of Nurses RX, Inc., Preferred Healthcare Staffing, Inc., and O'Grady-Peyton International (USA), Inc. and the related notes appearing elsewhere in this prospectus.

The following table summarizes our consolidated financial and operating data as of June 30, 2001, and for the years ended December 31, 1998, 1999 and 2000 and for the six months ended June 30, 2000 and 2001, prepared from our historical accounting records. The pro forma consolidated statements of operations and other financial and operating data for the year ended December 31, 2000 and for the six months ended June 30, 2000 give effect to the acquisitions of NursesRx, Preferred Healthcare Staffing and O'Grady-Peyton International, as well as this offering, as if these events had occurred on January 1, 2000. The pro forma consolidated statements of operations and other financial and operating data for the six months ended June 30, 2001 give effect to the acquisition of O'Grady-Peyton International, as well as this offering, as if these events had occurred on January 1, 2000. The as adjusted consolidated balance sheet data as of June 30, 2001 gives effect to this offering as of such date. The pro forma information is not necessarily indicative of the actual results of operations that would have occurred had the acquisitions of NursesRx, Preferred Healthcare Staffing and O'Grady-Peyton International and this offering occurred on the assumed dates nor do they represent any indication of future performance.

	YEARS ENDED DECEMBER 31,				SIX MONTHS ENDED JUNE 30,			
	1998	1999	2000	2000 PRO FORMA	2000	2001	2000 PRO FORMA	2001 PRO FORMA
				(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
	(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE DATA)							
CONSOLIDATED STATEMENTS OF OPERATIONS:								
Revenue	$ 87,718	$146,514	$230,766	$326,355	$90,996	$219,169	$143,071	$229,751
Cost of revenue	67,244	111,784	170,608	241,984	68,478	164,235	106,251	171,608
Gross profit	20,474	34,730	60,158	84,371	22,518	54,934	36,820	58,143
Expenses:								
Selling, general and administrative (excluding non-cash stock-based compensation)	12,804	20,677	30,728	44,599	12,280	30,820	22,567	32,638
Non-cash stock-based compensation(1)	--	--	22,379	54,150	10,601	8,731	54,150	--
Amortization	1,163	1,721	2,387	5,735	867	2,696	2,875	2,864
Depreciation	171	325	916	1,207	324	879	608	904
Transaction costs(2)	--	12,404	1,500	1,500	--	--	--	--
Total expenses	14,138	35,127	57,910	107,191	24,072	43,126	80,200	36,406
Income (loss) from operations	6,336	(397)	2,248	(22,820)	(1,554)	11,808	(43,380)	21,737
Interest income (expense), net	(2,476)	(4,030)	(10,006)	31	(4,575)	(7,997)	(14)	(36)
Income (loss) before minority interest, income taxes and extraordinary item	3,860	(4,427)	(7,758)	(22,789)	(6,129)	3,811	(43,394)	21,701
Minority interest in earnings of subsidiary(3)	(657)	(1,325)	--	--	--	--	--	--
Income tax (expense) benefit	(1,571)	872	2,560	7,520	2,023	(1,982)	14,320	(11,284)
Income (loss) before extraordinary item	1,632	(4,880)	(5,198)	(15,269)	(4,106)	1,829	(29,074)	10,417
Extraordinary loss on early extinguishment of debt, net of income tax benefit	--	(730)	--	N/A	--	--	N/A	N/A
Net income (loss)	$ 1,632	$ (5,610)	$ (5,198)	$(15,269)	$(4,106)	$ 1,829	$(29,074)	$ 10,417
Net income (loss) per common share:								
Basic	$ 3.96	$ (11.13)	$ (9.96)	$ (16.17)	$ (8.64)	$ 2.73	$ (30.80)	$ 11.03
Diluted	$ 3.96	$ (11.13)	$ (9.96)	$ (16.17)	$ (8.64)	$ 2.51	$ (30.80)	$ 10.13
Weighted average common shares outstanding:								
Basic	412	504	522	944	475	669	944	944
Diluted	412	504	522	944	475	729	944	1,028
Pro forma split adjusted net income (loss) per common share:(4)								
Basic	$ 0.09	$ (0.26)	$ (0.23)	$ (0.38)	$ (0.20)	$ 0.06	$ (0.71)	$ 0.26
Diluted	$ 0.09	$ (0.26)	$ (0.23)	$ (0.38)	$ (0.20)	$ 0.06	$ (0.71)	$ 0.24
Pro forma split adjusted weighted average common shares outstanding:(4)								
Basic	17,751	21,715	22,497	40,715	20,461	28,835	40,715	40,715
Diluted	17,751	21,715	22,497	40,715	20,461	31,421	40,715	44,325
OTHER FINANCIAL AND OPERATING DATA:								
Revenue growth	N/A	67%	58%	N/A	N/A	141%	N/A	61%
Average travelers on assignment	1,444	2,289	3,166	4,402	2,659	5,368	4,074	5,606
Growth in average travelers on assignment	N/A	59%	38%	N/A	N/A	102%	N/A	38%
Capital expenditures	$ 690	$ 1,656	$ 2,358	$ 3,067	$ 756	$ 1,794	$ 1,144	$ 1,865

Adjusted EBITDA(5).....	$ 7,670	$ 14,053	$ 29,430	$ 39,772	$10,238	$ 24,114	$ 14,253	$ 25,505
Adjusted EBITDA growth.....	N/A	83%	109%	N/A	N/A	136%	N/A	79%

	AS OF JUNE 30, 2001	
	ACTUAL	AS ADJUSTED(6)
	(UNAUDITED) (IN THOUSANDS)	
CONSOLIDATED BALANCE SHEET DATA:		
Cash and cash equivalents	$ 2,594	$ 2,594
Working capital	50,252	61,502
Total assets	239,838	239,838
Total long-term debt, including current portion	137,791	4,610
Total stockholders' equity	77,115	210,296

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(1) Non-cash stock-based compensation represents compensation expense related to our performance-based stock option plans to reflect the difference between the fair market value and the exercise price of stock options previously issued to our officers. See Note 8 of Notes to Consolidated Financial Statements for AMN Healthcare Services, Inc. Upon consummation of this offering, options to purchase 5,181,642 shares of our common stock will be vested and will have an average exercise price $10.45 below the assumed initial offering price of $15.00 per share. As a result, based upon an assumed initial offering price of $15.00 per share, we expect to record an additional non-cash stock-based compensation charge of $18.7 million in the quarter in which this offering occurs. Following the quarter in which this offering occurs, we do not expect to incur additional non-cash stock-based compensation charges in excess of $200,000 per quarter.

(2) Transaction costs represent non-capitalized costs incurred in connection with our 1999 recapitalization and our acquisition of Preferred Healthcare Staffing.

(3) On October 18, 1999, the minority stockholder of one of our subsidiaries exchanged his shares of the subsidiary for our shares. As a result, no minority interest is reflected after that date.

(4)Reflects the 43.10849-for-1 stock split of our common stock which will become effective upon the effective date of this offering.

(5) Adjusted EBITDA represents income (loss) from operations plus depreciation, amortization, transaction costs and non-cash stock-based compensation expense. Adjusted EBITDA is presented because we believe that it is a widely accepted financial indicator used by certain investors and securities analysts to analyze and compare companies on the basis of operating performance. Adjusted EBITDA is not intended to represent cash flows for the period, nor has it been presented as an alternative to operating income as an indicator of operating performance and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. Adjusted EBITDA, as we define it, is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the method of calculation. See our historical and unaudited pro forma financial statements and the related notes appearing elsewhere in this prospectus.

(6) As adjusted to reflect our receipt of the net proceeds from this offering at an assumed initial public offering price of $15.00 per share, after deducting estimated underwriting discounts and commissions and estimated offering expenses, and application of such proceeds as set forth under "Use of Proceeds."

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should consider carefully the following information about these risks, together with the other information contained in this prospectus, before buying shares of our common stock. Any of the risk factors we describe below could severely harm our business, financial condition and results of operations. The market price of our common stock could decline if one or more of these risks and uncertainties develop into actual events. You may lose all or part of the money you paid to buy our common stock. Some of the statements in "Risk Factors" are forward-looking statements. See "Forward-Looking Statements."

IF WE ARE UNABLE TO ATTRACT QUALIFIED NURSES AND OTHER ALLIED HEALTHCARE PROFESSIONALS FOR OUR HEALTHCARE STAFFING BUSINESS AT REASONABLE COSTS, IT COULD INCREASE OUR OPERATING COSTS AND NEGATIVELY IMPACT OUR BUSINESS.

We rely significantly on our ability to attract and retain nurses and other allied healthcare professionals who possess the skills, experience and licenses necessary to meet the requirements of our hospital and healthcare facility clients. We compete for healthcare staffing personnel with other temporary healthcare staffing companies and with hospitals and healthcare facilities. We must continually evaluate and upgrade our traveler network to keep pace with our hospital and healthcare facility clients' needs. Currently, there is a shortage of qualified nurses in most areas of the United States, competition for nursing personnel is increasing, and salaries and benefits have risen. We may be unable to continue to increase the number of travelers that we recruit, decreasing the potential for growth of our business. Our ability to attract and retain travelers depends on several factors, including our ability to provide travelers with assignments that they view as attractive and to provide them with competitive benefits and wages. We cannot assure you that we will be successful in any of these areas. The cost of attracting travelers and providing them with attractive benefit packages may be higher than we anticipate and, as a result, if we are unable to pass these costs on to our hospital and healthcare facility clients, our profitability could decline. Moreover, if we are unable to attract and retain travelers, the quality of our services to our hospital and healthcare facility clients may decline and, as a result, we could lose clients.

WE OPERATE IN A HIGHLY COMPETITIVE MARKET AND OUR SUCCESS DEPENDS ON OUR ABILITY TO REMAIN COMPETITIVE IN OBTAINING AND RETAINING HOSPITAL AND HEALTHCARE FACILITY CLIENTS AND TRAVELERS.

The temporary healthcare staffing business is highly competitive. We compete in national, regional and local markets with full-service staffing companies and with specialized temporary staffing agencies. Some of our competitors in the temporary nurse staffing sector include Cross Country, InteliStaf, Medical Staffing Network and RehabCare Group. Some of these companies may have greater marketing and financial resources than us. We believe that the primary competitive factors in obtaining and retaining hospital and healthcare facility clients are identifying qualified healthcare professionals for specific job requirements, providing qualified employees in a timely manner, pricing services competitively and effectively monitoring employees' job performance. We compete for travelers based on the quantity, diversity and quality of assignments offered, compensation packages and the benefits that we provide. Competition for hospital and healthcare facility clients and travelers may increase in the future and, as a result, we may not be able to remain competitive. To the extent competitors seek to gain or retain market share by reducing prices or increasing marketing expenditures, we could lose revenues or hospital and healthcare facility clients and our margins could decline, which could seriously harm our operating results and cause the price of our stock to decline. In addition, the development of alternative recruitment channels could lead our hospital and healthcare facility clients to bypass our services, which would also cause our revenues and margins to decline.

OUR BUSINESS DEPENDS UPON OUR ABILITY TO SECURE AND FILL NEW ORDERS FROM OUR HOSPITAL AND HEALTHCARE FACILITY CLIENTS BECAUSE WE DO NOT HAVE LONG-TERM AGREEMENTS OR EXCLUSIVE CONTRACTS WITH THEM.

We do not have long-term agreements or exclusive guaranteed order contracts with our hospital and healthcare facility clients. The success of our business is dependent upon our ability to continually secure new orders from hospitals and other healthcare facilities and to fill those orders with our travelers. Our

hospital and healthcare facility clients are free to place orders with our competitors and choose to use travelers that our competitors offer them. Therefore, we must maintain positive relationships with our hospital and healthcare facility clients. If we fail to maintain positive relationships with our hospital and healthcare facility clients, we may be unable to generate new traveler orders and our business may be adversely affected.

FLUCTUATIONS IN PATIENT OCCUPANCY AT THE HOSPITAL AND HEALTHCARE FACILITIES OF OUR CLIENTS MAY ADVERSELY AFFECT THE DEMAND FOR OUR SERVICES AND THEREFORE THE PROFITABILITY OF OUR BUSINESS.

Demand for our temporary healthcare staffing services is significantly affected by the general level of patient occupancy at our hospital and healthcare clients' facilities. When occupancy increases, temporary employees are often added before full-time employees are hired. As occupancy decreases, hospital and healthcare facility clients typically will reduce their use of temporary employees before undertaking layoffs of their regular employees. In addition, we may experience more competitive pricing pressure during periods of occupancy downturn. Occupancy at our healthcare clients' facilities also fluctuates due to the seasonality of some elective procedures. We are unable to predict the level of patient occupancy at any particular time and its effect on our revenues and earnings.

HEALTHCARE REFORM COULD NEGATIVELY IMPACT OUR BUSINESS OPPORTUNITIES, REVENUES AND MARGINS.

The U.S. government has undertaken efforts to control growing healthcare costs through legislation, regulation and voluntary agreements with medical care providers and drug companies. In the recent past, the U.S. Congress has considered several comprehensive healthcare reform proposals. The proposals were generally intended to expand healthcare coverage for the uninsured and reduce the growth of total healthcare expenditures. While the U.S. Congress did not adopt any comprehensive reform proposals, members of Congress may raise similar proposals in the future. If any of these proposals are approved, hospitals and other healthcare facilities may react by spending less on healthcare staffing, including nurses. If this were to occur, we would have fewer business opportunities, which could have a material adverse effect on our business.

State governments have also attempted to control the growth of healthcare costs. For example, the state of Massachusetts has recently implemented a regulation that limits the hourly rate paid to temporary nursing agencies for registered nurses, licensed practical nurses and certified nurses aides. While the current regulation does not apply to us, if similar regulations were to be applied to longer term contracts in states in which we operate, our revenues and margins could decrease.

Furthermore, third party payors, such as health maintenance organizations, increasingly challenge the prices charged for medical care. Failure by hospitals and other healthcare facilities to obtain full reimbursement from those third party payors could reduce the demand or the price paid for our services.

WE OPERATE IN A REGULATED INDUSTRY AND CHANGES IN REGULATIONS OR VIOLATIONS OF REGULATIONS MAY RESULT IN INCREASED COSTS OR SANCTIONS THAT COULD REDUCE OUR REVENUES AND PROFITABILITY.

The healthcare industry is subject to extensive and complex federal and state laws and regulations related to professional licensure, conduct of operations, payment for services and payment for referrals. If we fail to comply with the laws and regulations that are directly applicable to our business, we could suffer civil and/or criminal penalties or be subject to injunctions or cease and desist orders.

Our business is generally not subject to the extensive and complex laws that apply to our hospital and healthcare facility clients, including laws related to Medicare, Medicaid and other federal and state healthcare programs. However, these laws and regulations could indirectly affect the demand or the prices paid for our services. For example, our hospital and healthcare facility clients could suffer civil and/or criminal penalties and/or be excluded from participating in Medicare, Medicaid and other healthcare programs if they fail to comply with the laws and regulations applicable to their businesses. In addition, our hospital and healthcare facility clients could receive reduced reimbursements, or be excluded from coverage, because of a change in the rates or conditions set by federal or state governments. In turn, violations of or changes to these laws and regulations that adversely affect our hospital and healthcare facility clients could also adversely affect the prices that these clients are willing or able to pay for our services.

SIGNIFICANT LEGAL ACTIONS COULD SUBJECT US TO SUBSTANTIAL LIABILITIES.

In recent years, our hospital and healthcare facility clients have become subject to an increasing number of legal actions alleging malpractice or related legal theories. Because our travelers provide medical care, claims may be brought against our travelers and us relating to the quality of medical care provided by our travelers while on assignment at our hospital and healthcare facility clients. We and our travelers are at times named in these lawsuits regardless of our contractual obligations or the standard of care provided by our travelers. In some instances, we are required to indemnify hospital and healthcare facility clients contractually against some or all of these potential legal actions. Also, because most of our travelers are our employees, we may be subject to various employment claims and contractual disputes regarding the terms of a traveler's employment. We maintain $10 million of employment practices coverage and three layers of professional and general liability coverage. The professional and general liability coverage consists of primary coverage with limits of $1 million per occurrence and $3 million in the aggregate, an umbrella policy with a $10 million limit and an excess policy with an additional $10 million policy limit. However, our insurance coverage may not cover all claims against us or continue to be available to us at a reasonable cost. Also, we may not be able to pass on all or any portion of increased insurance costs to our hospital and healthcare facility clients. If we are unable to maintain adequate insurance coverage or if any claims are not covered by insurance, we may be exposed to substantial liabilities.

WE MAY BE LEGALLY LIABLE FOR DAMAGES RESULTING FROM OUR HOSPITAL AND HEALTHCARE FACILITY CLIENTS' MISTREATMENT OF OUR TRAVELING HEALTHCARE PERSONNEL.

Because we are in the business of placing our travelers in the workplaces of other companies, we are subject to possible claims by our travelers alleging discrimination, sexual harassment, negligence and other similar activities by our hospital and healthcare facility clients. The cost of defending such claims, even if groundless, could be substantial and the associated negative publicity could adversely affect our ability to attract and retain qualified individuals in the future.

WE CANNOT ASSURE YOU THAT WE WILL BE ABLE TO SUCCESSFULLY COMPLETE THE INTEGRATION OF OUR RECENT ACQUISITIONS.

During the last nine months, we acquired two companies in the temporary healthcare staffing industry: Preferred Healthcare Staffing and O'Grady-Peyton International. These acquisitions involve significant risks and uncertainties, including difficulties integrating acquired personnel and other corporate cultures into our business, the potential loss of key employees or customers of acquired companies, the assumption of liabilities and exposure to unforeseen liabilities of acquired companies and the diversion of management attention from existing operations. We may not be able to fully integrate the operations of the acquired businesses with our own in an efficient and cost-effective manner. In addition, through our most recent acquisition, O'Grady-Peyton International, we are now involved in new international traveler recruitment markets where we have limited or no experience. Our failure to effectively integrate any of these businesses could have an adverse effect on our financial condition and results of operations.

DIFFICULTIES IN MAINTAINING OUR MANAGEMENT INFORMATION AND COMMUNICATIONS SYSTEMS MAY RESULT IN INCREASED COSTS THAT REDUCE OUR PROFITABILITY.

Our ability to deliver our staffing services to our hospital and healthcare facility clients and manage our internal systems depends to a large extent upon the performance of our management information and communications systems. If these systems do not adequately support our operations, or if we are required to incur significant additional costs to maintain or expand these systems, our business and financial results could be materially adversely affected.

OUR OPERATIONS MAY DETERIORATE IF WE ARE UNABLE TO CONTINUE TO ATTRACT, DEVELOP AND RETAIN OUR SALES PERSONNEL.

Our success is dependent upon the performance of our sales personnel, especially regional client service directors, hospital account managers and traveler recruiters. The number of individuals who meet our qualifications for these positions is limited and we may experience difficulty in attracting qualified candidates. In addition, we commit substantial resources to the training, development and support of these individuals. Competition for qualified sales personnel in the line of business in which we operate is strong and there is a risk that we may not be able to retain our sales personnel after we have expended the time and expense to recruit and train them.

THE LOSS OF KEY SENIOR MANAGEMENT PERSONNEL COULD ADVERSELY AFFECT OUR ABILITY TO REMAIN COMPETITIVE.

We believe that the success of our business strategy and our ability to operate profitably depends on the continued employment of our senior management team, led by Steven Francis, Susan Nowakowski and Donald Myll. Other than Steven Francis, none of our senior management team has an employment contract with us. If Steven Francis or other members of our senior management team become unable or unwilling to continue in their present positions, our business and financial results could be materially adversely affected.

THE CALIFORNIA ENERGY CRISIS MAY ADVERSELY AFFECT OUR BUSINESS.

Our corporate headquarters is located in San Diego, California. Southern California has been and is expected to continue to be subject to periodic power outages. Interruption of power may cause our computer systems, phone lines and other communications systems to become inoperable for unknown periods of time. Our inability to successfully conduct our traveler recruiting efforts and other back-office functions from our headquarters location due to power outages in California could have an adverse effect on our operations.

OUR EXISTING STOCKHOLDERS WILL CONTINUE TO CONTROL US AFTER THIS OFFERING, AND THEY MAY MAKE DECISIONS WITH WHICH YOU DISAGREE.

Upon consummation of this offering, HWH Capital Partners, L.P. and some of its affiliates, whom we refer to collectively as the "HWP stockholders," will own approximately 65.3% of the outstanding shares of our common stock, or 63.0% if the underwriters' over-allotment option is exercised in full. As a result, the HWP stockholders will be able to control us and direct our affairs, including the election of directors and approval of significant corporate transactions. This concentration of ownership also may delay, defer or even prevent a change in control of our company, and make some transactions more difficult or impossible without the support of these stockholders. These transactions might include proxy contests, tender offers, mergers or other purchases of common stock that could give you the opportunity to realize a premium over the then-prevailing market price for shares of our common stock.

WE HAVE A SUBSTANTIAL AMOUNT OF GOODWILL ON OUR BALANCE SHEET. OUR LEVEL OF GOODWILL MAY HAVE THE EFFECT OF DECREASING OUR EARNINGS OR INCREASING OUR LOSSES.

As of June 30, 2001, we had $127.2 million of unamortized goodwill on our balance sheet, which represents the excess of the total purchase price of our acquisitions over the fair value of the net assets acquired. At June 30, 2001, goodwill represented 53% of our total assets.

Currently, we amortize goodwill on a straight-line basis over the estimated period of future benefit of 25 years. In July 2001, the Financial Accounting Standards Board issued SFAS No. 141, Business Combinations, and SFAS No. 142, Goodwill and Other Intangible Assets. SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001, as well as all purchase method business combinations completed after June 30, 2001. SFAS No. 142 requires that, subsequent to January 1, 2002, goodwill not be amortized but rather that it be reviewed annually for impairment. In the event impairment is identified, a charge to earnings would be recorded. We are required to adopt the provisions of SFAS No. 141 immediately and SFAS No. 142 effective January 1, 2002. Although it does not affect our cash flow, amortization of goodwill or an impairment charge to earnings has the effect of

decreasing our earnings or increasing our losses, as the case may be. If we are required to amortize a substantial amount of goodwill or take a charge to earnings, our stock price could be adversely affected.

WE WILL INCUR CHARGES AGAINST OUR FUTURE EARNINGS IN THE QUARTER IN WHICH THIS OFFERING IS CONSUMMATED.

Upon consummation of this offering, options to purchase 5,181,642 shares of our common stock that we granted to members of our management will be vested. Because these options have an average exercise price of $10.45 below an assumed initial offering price of $15.00 per share, we will record a non-cash charge against earnings of approximately $18.7 million in the quarter in which this offering occurs. In addition, upon consummation of this offering, we will take a charge against earnings of approximately $4.1 million, net of income tax benefits, related to the write-off of unamortized discount on the senior subordinated notes and unamortized deferred financing costs resulting from the early extinguishment of our existing indebtedness, and the termination of our existing interest rate swap agreements.

YOU WILL INCUR IMMEDIATE AND SUBSTANTIAL DILUTION OF THE BOOK VALUE OF YOUR INVESTMENT IN OUR COMMON STOCK.

The initial public offering price of our common stock is substantially greater than the book value per share of our common stock. As a result, if you purchase our common stock in this offering, you will incur immediate dilution. This means that you will pay a price per share that substantially exceeds the per share book value of our assets immediately following this offering after subtracting our liabilities. In addition, all of the purchasers in this offering will have contributed 54.4% of the total consideration received for our common stock (assuming an initial public offering price of $15.00 per share) but collectively will own only 24.6% of our outstanding shares. The exercise of outstanding options with an exercise price less than the initial public offering price of this offering and the issuance of common stock with a purchase price less than the initial public offering price of this offering will each result in further dilution to you. See "Dilution."

OUR STOCK PRICE MAY BE VOLATILE AND YOU MAY BE UNABLE TO RESELL YOUR SHARES AT OR ABOVE THE OFFERING PRICE.

Prior to this offering, there has not been a public market for our common stock. We cannot predict whether a liquid trading market will develop. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of prices that will prevail in the trading market. The market price of our common stock could be subject to wide fluctuations as a result of many factors, including those listed in this "Risk Factors" section of the prospectus.

In recent years, the stock market has experienced significant price and volume fluctuations that are often unrelated to the operating performance of specific companies. Our market price may fluctuate based on a number of factors, including:

- our operating performance and the performance of other similar companies;
- news announcements relating to us, our industry or our competitors;
- changes in earnings estimates or recommendations by research analysts;
- changes in general economic conditions;
- the number of shares to be publicly traded after this offering;
- actions of our current stockholders; and
- other developments affecting us, our industry or our competitors.

A LARGE NUMBER OF OUR SHARES ARE OR WILL BE ELIGIBLE FOR FUTURE SALE WHICH COULD

DEPRESS OUR STOCK PRICE.

Sales of substantial amounts of common stock, or the perception that a large number of shares will be sold, could depress the market price of our common stock. After this offering, our current stockholders will

own beneficially approximately 75.4% of the outstanding shares of our common stock, or approximately 72.8% if the underwriters' over-allotment option is exercised in full. After expiration of a 180-day "lock-up" period to which all of our current stockholders, directors, executive officers and option holders are subject, these holders will be entitled to dispose of their shares, although the shares of common stock held by our affiliates will continue to be subject to the volume and other restrictions of Rule 144 under the Securities Act. In addition, Banc of America Securities LLC may, in its sole discretion and at any time without notice, release all or any portion of the shares subject to the lock-up.

After this offering, the holders of approximately 33,375,933 shares of our common stock (including shares issuable upon the exercise of outstanding options) will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. By exercising their registration rights and selling a large number of shares, these holders could cause the price of our common stock to decline.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. We based these forward-looking statements on our current expectations and projections about future events. Our actual results could differ materially from those discussed in, or implied by, these forward-looking statements. Forward-looking statements are identified by words such as "believe," "anticipate," "expect," "intend," "plan," "will," "may" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. The following factors could cause our actual results to differ from those implied by the forward-looking statements in this prospectus:

- our ability to continue to recruit and retain qualified travelers and ability to attract and retain operational personnel;
- our ability to enter into contracts with hospitals and other healthcare facility clients on terms attractive to us;
- the general level of patient occupancy at our hospital and healthcare facility clients' facilities;
- our ability to successfully implement our acquisition and integration strategies;
- the effect of existing or future government regulation of the healthcare industry, and our ability to comply with these regulations;
- the impact of medical malpractice and other claims asserted against us; and
- our ability to carry out our business strategy.

Other factors that could cause actual results to differ from those implied by the forward-looking statements in this prospectus are more fully described in the "Risk Factors" section and elsewhere in this prospectus.

USE OF PROCEEDS

Based on an assumed initial offering price of $15.00 per share, our net proceeds from this offering are estimated to be $135.4 million, or approximately $156.3 million if the underwriters' over-allotment option is exercised in full, after deducting estimated underwriting discounts and commissions and other offering expenses payable by us. We intend to use the net proceeds from this offering to repay indebtedness outstanding under our credit facility and our senior subordinated notes. We will use the remaining proceeds, if any, for working capital and general corporate purposes.

As of June 30, 2001, we had an aggregate of $115.8 million outstanding under our existing credit facility. Our existing credit facility consists of a revolving loan and term loans. Because our working capital fluctuates, the borrowings under our revolving loan may vary. If the proceeds of this offering are not sufficient to repay all of our indebtedness, then we will repay all of the term loans under our credit facility and our senior subordinated notes and we will use the remaining net proceeds to repay a substantial portion of the revolving loan under our existing credit facility. We currently estimate that the amount outstanding under our credit facility immediately prior to the closing of this offering will be approximately $110.0 million.

Each of the facilities under our existing credit facility bears interest at a variable rate based upon LIBOR, federal funds or prime lending rates, at our option. At June 30, 2001, the weighted average interest rate on our borrowings under the credit facility was 7.6%. Our existing credit facility has a final maturity date of March 31, 2005. We used a portion of the proceeds from our borrowings under the credit facility to acquire Preferred Healthcare Staffing in November 2000 and O'Grady-Peyton International in May 2001.

We issued our senior subordinated notes on November 19, 1999 in connection with our recapitalization. The senior subordinated notes had an aggregate outstanding principal amount of $24.2 million at June 30, 2001. The senior subordinated notes have a maturity date of November 19, 2005 and bear interest at an annual rate of 12%. Interest is payable quarterly in cash or through the issuance of additional notes, at our option.

DIVIDEND POLICY

We have not paid any dividends in the past and currently do not expect to pay cash dividends or make any other distributions in the future. We expect to retain our future earnings, if any, for use in the operation and expansion of our business. Any future determination to pay dividends will be at the discretion of our board of directors and will depend upon our financial condition, results of operations, capital requirements and such other factors as our board deems relevant. In addition, our ability to declare and pay dividends on our common stock is expected to be restricted by covenants in our new revolving credit facility.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2001, on an actual basis and as adjusted to reflect this offering at an assumed initial public offering price of $15.00 per share, the mid-point of the range shown on the cover page of this prospectus, and the application of the net proceeds of this offering, as described under "Use of Proceeds."

You should read this information in conjunction with "Selected Consolidated Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," our consolidated financial statements and the related notes and our pro forma financial statements appearing elsewhere in this prospectus.

	AS OF JUNE 30, 2001	
	ACTUAL	AS ADJUSTED
	(UNAUDITED) (IN THOUSANDS, EXCEPT SHARE DATA)	
Long-term debt, including current portion	$123,722(1)	$ --
Revolving credit facility(2)	14,069	4,610
Stockholders' equity:		
Common stock, $.01 par value; 200,000,000 shares authorized; 28,835,015 shares issued and outstanding on an actual basis; 40,714,643 shares issued and outstanding on an as adjusted basis(3)	7	407
Additional paid-in capital	145,747	303,803
Accumulated deficit	(68,124)	(93,914)
Accumulated other comprehensive loss	(515)	--
Total capitalization	$214,906	$214,906

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(1)Long-term debt includes senior subordinated notes of $22.0 million, which is net of an unamortized discount of $2.2 million.

(2) We expect to amend and restate our existing credit facility in order to eliminate all of our term loans and to provide for a $50.0 million revolving credit facility upon the consummation of this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources."

(3) Share amounts assume a 43.10849-for-1 stock split to be effected upon the consummation of this offering. As adjusted share amounts assume a cashless exercise of the warrant but do not include the following shares:

- 7,710,936 shares of common stock reserved for issuance under our stock option plans, of which 5,727,955 shares are subject to options outstanding at a weighted average exercise price of $4.98 per share.

- 1,500,000 shares of our common stock issuable by us if the underwriters' over-allotment option is exercised in full.

DILUTION

The net tangible book value per share of our common stock is the difference between our tangible assets and our liabilities, divided by the number of shares of common stock outstanding. For investors in the common stock, dilution is the per share difference between an assumed $15.00 per share initial offering price of the common stock in this offering and the net tangible book value of common stock immediately after completing this offering. Dilution results from the fact that the per share offering price of the common stock is substantially in excess of the book value per share attributable to the existing stockholders for the presently outstanding stock.

On June 30, 2001, our net tangible book value prior to this offering was a deficit of approximately $56.6 million, or a deficit of approximately $1.84 per share, based on 30,714,643 shares of common stock outstanding (assuming a cashless exercise of the warrant with a fair market valuation based upon an initial offering price of $15.00 per share).

As of June 30, 2001, without taking into account any changes in our net tangible book value subsequent to that date other than the sale of the common stock in this offering at the assumed offering price of $15.00 per share, less the estimated offering expenses, the net tangible book value of each of the outstanding shares of common stock would have been $1.88 after this offering. Therefore, investors in the common stock would have paid $15.00 for a share of common stock having a pro forma net tangible book value of approximately $1.88 per share after this offering. That is, their investment would have been diluted by approximately $13.12 per share. At the same time, existing stockholders would have realized an increase in pro forma net tangible book value of $3.72 per share after this offering without further cost or risk to themselves. The following table illustrates this per share dilution:

Assumed initial public offering price per share of common stock		$15.00
Net tangible book value per share of common stock before the offering	(1.84)	
Increase in pro forma net tangible book value per share of common stock attributable to investors in the offering	3.72	
Net tangible book value per share of common stock after the offering(1)(2)		1.88
Dilution per share to new investors		$13.12

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(1) After deduction of the estimated offering expenses payable by us (including the underwriting discounts and commissions).

(2) Does not give effect to the 1,500,000 shares subject to the underwriters' over-allotment option.

The following table summarizes, as of June 30, 2001, the differences between existing stockholders and the new investors with respect to the number of shares of common stock purchased from us, the total consideration paid and the average price per share paid before deducting the underwriting discounts and commissions and our estimated offering expenses.

	SHARES PURCHASED		TOTAL CONSIDERATION		
	NUMBER	PERCENT	AMOUNT	PERCENT	AVERAGE PRICE PER SHARE
Existing Stockholders	30,714,643	75.4%	$125,553,103	45.6%	$ 4.09
New Investors	10,000,000	24.6%	150,000,000	54.4%	15.00
Total	40,714,643	100.0%	275,553,103	100.0%	6.77

The discussion and tables above assume no exercise of stock options outstanding as of June 30, 2001. As of the consummation of this offering, we expect to have options outstanding to purchase a total of 5,727,955 shares of common stock, with a weighted average exercise price of $4.98 per share. To the extent that any of these options are exercised, there will be further dilution to new investors. See "Description of Capital Stock" and Note 8 of Notes to Consolidated Financial Statements for AMN Healthcare Services, Inc.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

The selected consolidated financial data set forth below as of December 31, 1999 and 2000 and for the three years ended December 31, 2000 have been derived from our audited consolidated financial statements that appear elsewhere in this prospectus. The selected consolidated financial data as of December 31, 1996, 1997 and 1998 and for the two years ended December 31, 1997 have been derived from our audited consolidated financial statements not included in this prospectus. The selected consolidated financial data as of and for the six months ended June 30, 2000 and June 30, 2001 have been derived from our unaudited consolidated financial statements for these periods, which, in the opinion of our management, reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of this data. The results for any interim period are not necessarily indicative of the results that may be expected for the full year.

You should read the selected financial and operating data presented below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and their related notes appearing elsewhere in this prospectus.

	PREDECESSOR(1)							
	YEAR ENDED DECEMBER 31, 1996	PERIOD FROM JANUARY 1, THROUGH DECEMBER 3, 1997	PERIOD FROM DECEMBER 4, THROUGH DECEMBER 31, 1997(2)	YEARS ENDED DECEMBER 31, 1998	1999	2000	SIX MONTHS ENDED JUNE 30, 2000	2001
							(UNAUDITED)	
	(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE DATA)							
CONSOLIDATED STATEMENTS OF OPERATIONS:								
Revenue	$47,987	$63,570	$5,209	$87,718	$146,514	$230,766	$90,996	$219,169
Cost of revenue	36,316	49,510	4,118	67,244	111,784	170,608	68,478	164,235
Gross profit	11,671	14,060	1,091	20,474	34,730	60,158	22,518	54,934
Expenses:								
Selling, general and administrative (excluding non-cash stock-based compensation)	6,972	9,560	845	12,804	20,677	30,728	12,280	30,820
Non-cash stock-based compensation(3)	--	--	--	--	--	22,379	10,601	8,731
Amortization	--	--	90	1,163	1,721	2,387	867	2,696
Depreciation	55	68	7	171	325	916	324	879
Transaction costs(4)	--	--	--	--	12,404	1,500	--	--
Total expenses	7,027	9,628	942	14,138	35,127	57,910	24,072	43,126
Income (loss) from operations	4,644	4,432	149	6,336	(397)	2,248	(1,554)	11,808
Interest income (expense), net	23	(174)	(183)	(2,476)	(4,030)	(10,006)	(4,575)	(7,997)
Income (loss) before minority interest, income taxes and extraordinary item	4,667	4,258	(34)	3,860	(4,427)	(7,758)	(6,129)	3,811
Minority interest in earnings of subsidiary(5)	--	--	(9)	(657)	(1,325)	--	--	--
Income tax (expense) benefit	(167)	(195)	(9)	(1,571)	872	2,560	2,023	(1,982)
Income (loss) before extraordinary item	4,500	4,063	(52)	1,632	(4,880)	(5,198)	(4,106)	1,829
Extraordinary loss on early extinguishment of debt, net of income tax benefit	--	--	--	--	(730)	--	--	--
Net income (loss)	$ 4,500	$ 4,063	$ (52)	$ 1,632	$ (5,610)	$ (5,198)	$(4,106)	$ 1,829
Net income (loss) per common share:								
Basic	N/A	N/A	N/A	$ 3.96	$ (11.13)	$ (9.96)	$ (8.64)	$ 2.73
Diluted	N/A	N/A	N/A	$ 3.96	$ (11.13)	$ (9.96)	$ (8.64)	$ 2.51
Weighted average common shares outstanding:								
Basic	N/A	N/A	N/A	412	504	522	475	669
Diluted	N/A	N/A	N/A	412	504	522	475	729

	PREDECESSOR(1)							
	YEAR ENDED DECEMBER 31, 1996	PERIOD FROM JANUARY 1, THROUGH DECEMBER 3, 1997	PERIOD FROM DECEMBER 4, THROUGH DECEMBER 31, 1997(2)	YEARS ENDED DECEMBER 31, 1998	1999	2000	SIX MONTHS ENDED JUNE 30, 2000	2001
							(UNAUDITED)	
	(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE DATA)							
Pro forma split adjusted net income (loss) per common share:(6)								
Basic	N/A	N/A	N/A	$ 0.09	$ (0.26)	$ (0.23)	$ (0.20)	$ 0.06
Diluted	N/A	N/A	N/A	$ 0.09	$ (0.26)	$ (0.23)	$ (0.20)	$ 0.06
Pro forma split adjusted weighted average common shares outstanding:(6)								
Basic	N/A	N/A	N/A	17,751	21,715	22,497	20,461	28,835
Diluted	N/A	N/A	N/A	17,751	21,715	22,497	20,461	31,421
OTHER FINANCIAL AND OPERATING DATA:								
Revenue growth	N/A	N/A	N/A	N/A	67%	58%	N/A	141%
Average travelers on assignment	884	1,155	1,194	1,444	2,289	3,166	2,659	5,368
Growth in average travelers on assignment	N/A	N/A	N/A	N/A	59%	38%	N/A	102%
Capital expenditures	$ 115	$ 172	$ 112	$ 690	$ 1,656	$ 2,358	$ 756	$ 1,794
Adjusted EBITDA(7)	$ 4,699	$ 4,500	$ 246	$ 7,670	$ 14,053	$ 29,430	$10,238	$ 24,114
Adjusted EBITDA growth	N/A	N/A	N/A	N/A	83%	109%	N/A	136%

	AS OF DECEMBER 31,					AS OF JUNE 30,	
	1996(1)	1997	1998	1999	2000	2000	2001
						(UNAUDITED)	
	(DOLLARS IN THOUSANDS)						
CONSOLIDATED BALANCE SHEET DATA:							
Cash and cash equivalents	$ 918	$ 1,124	$ 888	$ 503	$ 546	$ 244	$ 2,594
Working capital	8,044	9,054	13,159	21,655	44,149	21,592	50,252
Total assets	9,919	42,229	65,337	79,878	209,410	105,258	239,838
Total long-term debt, including current portion	--	25,151	37,596	74,006	122,889	75,982	137,791
Total stockholders' equity (deficit)	8,281	12,348	19,477	(2,111)	67,070	16,384	77,115

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(1) We were incorporated on November 10, 1997. We had no operations until we acquired AMN Healthcare, Inc. on December 4, 1997. Therefore, the statement of operations and balance sheet data for the year ended December 31, 1996 and the statement of operations data for the period January 1, 1997 through December 3, 1997 reflect the activity of AMN Healthcare, Inc. only. See Note 3 of the Consolidated Financial Statements of AMN Healthcare Services, Inc.

(2)Reflects our statement of operations data from December 4, 1997 to December 31, 1997. We were incorporated on November 10, 1997, but had no operations until we acquired AMN Healthcare, Inc. on December 4, 1997. See Note 3 of the Consolidated Financial Statements of AMN Healthcare Services, Inc.

(3) Non-cash stock-based compensation represents compensation expense related to our performance-based stock option plans to reflect the difference between the fair market value and the exercise price of stock options previously issued to our officers. See Note 8 of Notes to Consolidated Financial Statements for AMN Healthcare Services, Inc. Following the quarter in which this offering occurs, we do not expect to incur additional non-cash stock-based compensation charges in excess of $200,000 per quarter.

(4) Transaction costs represent non-capitalized costs incurred in connection with our 1999 recapitalization and our acquisition of Preferred Healthcare Staffing.

(5) On October 18, 1999, the minority stockholder of one of our subsidiaries exchanged his shares of the subsidiary for our shares. As a result, no minority interest is reflected after that date.

(6)Reflects the 43.10849-for-1 stock split of our common stock which will become effective upon the effective date of this offering.

(7) Adjusted EBITDA represents income (loss) from operations plus depreciation, amortization, transaction costs and non-cash stock-based compensation expense. Adjusted EBITDA is presented because we believe that it is a widely accepted financial indicator used by certain investors and securities analysts to analyze and compare companies on the basis of operating performance. Adjusted EBITDA is not intended to represent cash flows for the period, nor has it been presented as an alternative to operating income as an indicator of operating performance and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. Adjusted EBITDA, as we define it, is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the method of calculation. See our historical and unaudited pro forma financial statements and the related notes appearing elsewhere in this prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Some of the statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are forward-looking statements. See "Forward-Looking Statements."

OVERVIEW

We are a leading temporary healthcare staffing company and the largest nationwide provider of travel nurse staffing services, one of the fastest growing segments of the temporary healthcare staffing industry. We recruit nurses and allied health professionals, our "travelers," and place them on temporary assignments, typically for 13 weeks away from their permanent homes, at hospitals and healthcare facilities throughout the United States.

We derive substantially all of our revenue from fees paid directly by hospitals and healthcare facilities rather than from payments by government or other third parties. We enter into two types of contracts with our hospital and healthcare facility clients: flat rate contracts and payroll contracts. Under a flat rate contract, the traveler becomes an employee of the hospital or healthcare facility and is placed on their payroll. We bill the hospital or healthcare facility a "flat" weekly rate to compensate us for providing recruitment, housing and travel services. Alternatively, under a payroll contract, the traveler is our employee. We then bill our hospital or healthcare facility client at an hourly rate to compensate us for the traveler's wages and benefits, as well as for recruitment, housing and travel services. Our clients generally prefer payroll contracts because this arrangement eliminates significant employee and payroll administrative burdens for them. Although the traveler wage and benefits billed under a payroll contract primarily represent a pass-through cost component for us, we are able to generate greater profits by providing these value-added services. While payroll contracts generate more gross profit than flat rate contracts, the gross margin generated is lower due to the pass-through of the traveler's compensation costs. Over the past five years, we, and the industry as a whole, have migrated towards a greater utilization of payroll contracts. Currently over 90% of our contracts with our hospital and healthcare facility clients are payroll contracts.

Over the course of the last three years, we have completed four strategic acquisitions. We acquired Medical Express, Inc. in November 1998, which strengthened our presence in the Pacific Northwest and Mountain states. During 2000, we completed the acquisitions of Nurses RX, Inc. in June, and Preferred Healthcare Staffing, Inc. in November, which strengthened our presence in the Eastern and Southern regions of the United States. We completed our fourth acquisition in May 2001, acquiring O'Grady-Peyton International (USA), Inc., the leading recruiter of registered nurses from English-speaking foreign countries for placement in the United States. Each of these acquisitions has been accounted for by the purchase method of accounting. Therefore, the operating results of the acquired entities are included in our results of operations commencing on the date of acquisition of each entity. As a result, our results of operations following each acquisition may not be comparable with our prior results.

Upon consummation of this offering, options to purchase 5,181,642 shares of our common stock that we granted to members of our management will be vested. These options have an average exercise price $10.45 below an assumed initial public offering price of $15.00 per share. As a result, we expect to take a non-cash charge against earnings of $18.7 million in the quarter in which this offering is consummated. In addition, upon consummation of this offering, we will take a charge against earnings of approximately $4.1 million, net of income tax benefits, related to the write-off of unamortized discount on the senior subordinated notes and unamortized deferred financing costs resulting from the early extinguishment of our existing indebtedness and the termination of our existing interest rate swap agreements.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain statement of operations data as a percentage of our revenue. Our results of operations are reported as a single business segment.

	YEARS ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1998	1999	2000	2000	2001
				(UNAUDITED)	
CONSOLIDATED STATEMENT OF OPERATIONS:					
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenue	76.7	76.3	73.9	75.3	74.9
Gross profit	23.3	23.7	26.1	24.7	25.1
Selling, general and administrative (excluding non-cash stock-based compensation)	14.6	14.1	13.3	13.5	14.1
Non-cash stock-based compensation	--	--	9.7	11.6	4.0
Amortization and depreciation expense	1.5	1.4	1.4	1.3	1.6
Transaction costs	--	8.5	0.7	--	--
Income (loss) from operations	7.2	(0.3)	1.0	(1.7)	5.4
Interest expense, net	2.8	2.7	4.4	5.0	3.7
Income (loss) before minority interest, income taxes and extraordinary item	4.4	(3.0)	(3.4)	(6.7)	1.7
Minority interest in earnings of subsidiary	(0.7)	(0.9)	--	--	--
Income tax (expense) benefit	(1.8)	0.6	1.1	2.2	(0.9)
Extraordinary loss on early extinguishment of debt, net of income tax benefit	--	(0.5)	--	--	--
Net income (loss)	1.9%	(3.8)%	(2.3)%	(4.5)%	0.8%

Comparison of Results for the Six Months Ended June 30, 2000 to the Six Months Ended June 30, 2001

REVENUE. Revenue increased 141%, from $91.0 million for the first six months of 2000 to $219.2 million for the first six months of 2001. Of the $128.2 million increase, approximately $60.5 million was attributable to expansion of our existing brands through the growth in the number of travelers and enhancements in contract terms with our hospital and healthcare facility clients, representing an organic growth rate for our recurring operations of 67%. The total number of travelers on assignment in our existing brands grew 38% and contributed approximately $34.7 million of the increase. Enhancements in contract terms included increases in traveler hourly rates charged to hospital and healthcare facility clients that accounted for approximately $12.9 million of this increase, and a shift in the mix of payroll versus flat rate traveler contracts that accounted for approximately $12.9 million of this increase. The remainder of the increase, $67.7 million, was attributable to the acquisitions of NursesRx in June 2000, Preferred Healthcare Staffing in November 2000 and O'Grady-Peyton International in May 2001.

COST OF REVENUE. Cost of revenue increased 140%, from $68.5 million for the first six months of 2000 to $164.2 million for the first six months of 2001. Of the $95.7 million increase, approximately $44.5 million was attributable to the organic growth of our existing brands and approximately $51.2 million was attributable to the acquisitions of NursesRx, Preferred Healthcare Staffing and O'Grady-Peyton International.

GROSS PROFIT. Gross profit increased 144%, from $22.5 million for the first six months of 2000 to $54.9 million for the first six months of 2001, representing gross margins of 24.7% and 25.1%, respectively. The increase in the gross margin was primarily attributable to increases in traveler hourly rates charged to our hospital and healthcare facility clients.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses increased 151%, from $12.3 million for the first six months of 2000 to $30.8 million for the first six months of 2001.

Of the $18.5 million increase, approximately $9.7 million was attributable to the acquisitions of NursesRx, Preferred Healthcare Staffing and O'Grady-Peyton International. The remaining increase of $8.8 million was primarily attributable to increases in nurse professional development, information systems development, marketing, recruiting, and administrative and office expenses in support of the recent and anticipated growth in travelers under contract.

NON-CASH STOCK-BASED COMPENSATION. We recorded non-cash compensation charges of $10.6 million for the first six months of 2000 and $8.7 million for the first six months of 2001 in connection with our stock option plans to reflect the difference between the fair market value and the exercise price of previously issued stock options. Following the consummation of this offering, we do not expect to incur additional non-cash stock-based compensation charges in excess of $0.8 million per year.

AMORTIZATION AND DEPRECIATION EXPENSE. Amortization expense increased from $0.9 million for the first six months of 2000 to $2.7 million for the first six months of 2001. This increase was attributable to the additional goodwill associated with the acquisitions of NursesRx, Preferred Healthcare Staffing and O'Grady-Peyton International. Depreciation expense increased from $0.3 million for the first six months of 2000 to $0.9 million for the first six months of 2001. This increase was primarily attributable to the acquisitions of NursesRx, Preferred Healthcare Staffing and O'Grady-Peyton International and the purchase of furniture and equipment to support our recent and anticipated growth.

INTEREST EXPENSE, NET. Interest expense, net increased from $4.6 million for the first six months of 2000 to $8.0 million for the first six months of 2001. Of the $3.4 million increase, approximately $2.0 million was attributable to additional borrowings incurred in conjunction with the acquisitions of NursesRx, Preferred Healthcare Staffing and O'Grady-Peyton International. The remaining increase was primarily due to the new accounting treatment for derivative instruments under SFAS No. 133. Beginning January 1, 2001, SFAS No. 133, as amended, requires us to recognize the unrealized gains and losses on our hedging instruments attributable to changes in interest rates.

INCOME TAX (EXPENSE) BENEFIT. The provision for income tax for the first six months of 2000 was a benefit of $2.0 million as compared to income tax expense of $2.0 million for the first six months of 2001, reflecting effective income tax rates of a 33.0% benefit and 52.0% expense for these periods, respectively. The differences between these effective tax rates and our expected effective tax rate of 41% are primarily attributable to the effect of various permanent tax difference items, the impact of which is magnified by the reduction in pre-tax income created by the non-cash stock-based compensation charge.

Comparison of Results for the Year Ended December 31, 1999 to the Year Ended December 31, 2000

REVENUE. Revenue increased 58%, from $146.5 million in 1999 to $230.8 million for 2000. Of the $84.3 million increase, approximately $63.0 million was attributable to expansion of our existing brands through growth in the number of travelers and enhancements in contract terms with our hospital and healthcare facility clients, representing an organic growth rate for our recurring operation of 43%. The total number of travelers on assignment in our existing brands grew 27% and contributed approximately $39.1 million of the increase. Enhancements in contract terms included increases in traveler hourly rates charged to our hospital and healthcare facility clients that accounted for approximately $17.2 million of this increase, and a shift in the mix of payroll versus flat rate traveler contracts that accounted for approximately $6.7 million of this increase. The remainder of the increase in revenue, $21.3 million, was attributable to the acquisitions of NursesRx in June 2000 and Preferred Healthcare Staffing in November 2000.

COST OF REVENUE. Cost of revenue increased 53%, from $111.8 million for 1999 to $170.6 million for 2000. Of the $58.8 million increase, approximately $43.2 million was primarily attributable to the organic growth of our existing brands and approximately $15.6 million was attributable to the acquisitions of NursesRx and Preferred Healthcare Staffing.

GROSS PROFIT. Gross profit increased 73%, from $34.7 million for 1999 to $60.2 million for 2000, representing gross margins of 23.7% and 26.1%, respectively. The increase in gross margin was primarily

attributable to increases in traveler hourly rates charged to our hospital and healthcare facility clients and to the acquisition of NursesRx, which historically had higher gross margins than us.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses increased 49%, from $20.7 million for 1999 to $30.7 million for 2000. Of the $10.0 million increase in selling, general and administrative expenses, approximately $3.6 million was attributable to the acquisitions of NursesRx and Preferred Healthcare Staffing. The remaining increase, $6.4 million, was primarily attributable to increases in marketing, recruiting, office and administrative expenses and development and implementation of information systems to support the growth in travelers under contract.

NON-CASH STOCK-BASED COMPENSATION. We recorded non-cash compensation charges of $22.4 million in 2000 in connection with our stock option plans to reflect the difference between the fair market value and the exercise price of previously issued stock options. No charge was recorded in 1999.

AMORTIZATION AND DEPRECIATION EXPENSE. Amortization expense increased from $1.7 million for 1999 to $2.4 million for 2000. This increase was attributable to the additional goodwill associated with the acquisitions of NursesRx and Preferred Healthcare Staffing. Depreciation expense increased from $0.3 million for 1999 to $0.9 million for 2000. This increase was attributable to the acquisitions of NursesRx and Preferred Healthcare Staffing, the purchase of furniture and equipment and the depreciation of internally developed computer software.

TRANSACTION COSTS. Transaction costs of $1.5 million for 2000 relate to the non-capitalized costs incurred in connection with the acquisition of Preferred Healthcare Staffing. Transaction costs of $12.4 million for 1999 relate to costs incurred in connection with our recapitalization in November 1999.

INTEREST EXPENSE, NET. Interest expense, net increased from $4.0 million for 1999 to $10.0 million for 2000. The $6.0 million increase was primarily attributable to additional borrowings incurred in connection with our recapitalization in November 1999 and with the acquisitions of NursesRx and Preferred Healthcare Staffing in 2000.

MINORITY INTEREST IN EARNINGS OF SUBSIDIARY. An officer of ours owned a minority interest in AMN Healthcare, Inc., our primary operating subsidiary, until October 1999. Just prior to our November 1999 recapitalization, this stockholder exchanged his shares of our subsidiary for shares of our common stock, eliminating this minority ownership interest. The $1.3 million in minority interest in earnings of our subsidiary for 1999 represents this minority interest in the earnings of AMN Healthcare, Inc. for the period January 1, 1999 through October 18, 1999.

INCOME TAX (EXPENSE) BENEFIT. The income tax benefit for 1999 was $1.3 million, including the tax benefit of the extraordinary loss on early extinguishment of debt, as compared to a benefit of $2.6 million for 2000, reflecting effective income tax benefit rates of 18.8% and 33.0% for these periods, respectively. The differences between these effective tax rates and our expected effective rate of 41.0% is primarily attributable to the effect of the minority interest in 1999 and the effect of various permanent tax difference items, the impact of which is magnified by the reduction in pre-tax income resulting from the non-cash stock-based compensation charge in 2000.

EXTRAORDINARY LOSS ON EARLY EXTINGUISHMENT OF DEBT, NET OF INCOME TAX BENEFIT. The $0.7 million extraordinary loss on early extinguishment of debt for 1999 was attributable to the write-off of deferred financing costs associated with our November 1999 recapitalization.

Comparison of Results for the Year Ended December 31, 1998 to the Year Ended December 31, 1999

REVENUE. Revenue increased 67%, from $87.7 million for 1998 to $146.5 million for 1999. Of the $58.8 million increase, approximately $21.0 million was attributable to expansion of our existing brands through growth in number of travelers and enhancements in contract terms with our hospital and healthcare facility clients, representing an organic growth rate for recurring operations of 25%. The total number of travelers on assignment in our existing brands grew by 16% and contributed approximately $13.3 million of the increase. Enhancements in contract terms included increases in traveler hourly rates charged to our

hospital and healthcare facility clients that accounted for approximately $5.6 million of this increase, and a shift in the mix of payroll versus flat rate traveler contracts that accounted for approximately $2.1 million of this increase. The remainder of the increase in revenue, $37.8 million, was attributable to the acquisition of Medical Express in November 1998.

COST OF REVENUE. Cost of revenue increased 66%, from $67.2 million for 1998 to $111.8 million for 1999. Of the $44.6 million increase, approximately $15.4 million was attributable to the organic growth of our existing brands and approximately $29.2 million was attributable to the acquisition of Medical Express.

GROSS PROFIT. Gross profit increased 70%, from $20.5 million for 1998 to $34.7 million for 1999, representing gross margins of 23.3% and 23.7%, respectively. The increase in gross margin was primarily attributable to increases in traveler hourly rates charged to our hospital and healthcare facility clients.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses increased 61%, from $12.8 million for 1998 to $20.7 million for 1999. Of the $7.9 million increase in selling, general and administrative expenses, approximately $6.9 million was attributable to the acquisition of Medical Express. The remaining increase was primarily attributable to increases in administrative and recruiting expenses in support of the growth in travelers under contract.

AMORTIZATION AND DEPRECIATION EXPENSE. Amortization expense increased from $1.2 million for 1998 to $1.7 million for 1999. This increase was primarily attributable to the additional goodwill associated with the acquisition of Medical Express. Depreciation expense increased from $0.2 million for 1998 to $0.3 million for 1999. This increase was primarily attributable to the acquisition of Medical Express.

TRANSACTION COSTS. Transaction costs of $12.4 million in 1999 relate to non-capitalized costs incurred in connection with our November 1999 recapitalization.

INTEREST EXPENSE, NET. Interest expense, net increased from $2.5 million for 1998 to $4.0 million for 1999. The increase was primarily attributable to additional borrowings incurred in connection with the acquisition of Medical Express.

MINORITY INTEREST IN EARNINGS OF SUBSIDIARY. Minority interest in income of subsidiary increased from $0.7 million for 1998 to $1.3 million for 1999. The increase was attributable to the increase in net income before minority interest for the year.

INCOME TAX (EXPENSE) BENEFIT. The provision for income tax expense for 1998 was $1.6 million, as compared to a $1.3 million benefit, including the tax benefit of the extraordinary loss on early extinguishment of debt, for 1999, reflecting effective income tax rates of a 49.0% expense and an 18.8% benefit for these periods, respectively. The differences between these effective tax rates and our expected effective rate of 41.0% is primarily attributable to the effect of the minority interest which was eliminated with the recapitalization in November 1999.

EXTRAORDINARY LOSS ON EARLY EXTINGUISHMENT OF DEBT, NET OF INCOME TAX BENEFIT. The $0.7 million extraordinary loss on early extinguishment of debt for 1999 was attributable to the write-off of deferred financing costs associated with our recapitalization in November 1999.

LIQUIDITY AND CAPITAL RESOURCES

Historically, our primary liquidity requirements have been for debt service under our existing credit facility, acquisitions and working capital requirements. We have funded these requirements through internally generated cash flow and funds borrowed under our existing credit facility. At June 30, 2001, total debt under our existing credit facility was approximately $115.8 million, consisting of $45.0 million in senior term loans, $31.3 million in tranche A acquisition loans, $7.5 million in tranche B acquisition loans, $18.0 million in tranche C acquisition loans and $14.0 million outstanding under our revolving credit facility. In addition, we had senior subordinated notes outstanding at June 30, 2001 with an aggregate outstanding principal balance of $24.2 million.

We intend to use the net proceeds from this offering to repay outstanding indebtedness under our existing credit facility and the senior subordinated notes. We will use the remaining net proceeds, if any, for working capital and general corporate purposes. Upon the consummation of this offering, we intend to amend and restate our existing credit agreement in order to eliminate all of our term loans and to provide for a secured revolving credit facility of up to $50.0 million in borrowing capacity. The revolving credit facility will have a maturity date that is three years after the consummation of this offering and will contain a letter of credit sub-facility and a swing-line loan sub-facility. The revolver will not have an excess "cash sweep" provision. Borrowings under this revolving credit facility will bear interest at floating rates based upon either a LIBOR or prime interest rate option selected by us, plus a spread, to be determined based on the outstanding amount of the revolving credit facility. Our amended and restated credit agreement will contain a minimum fixed charge coverage ratio, a maximum leverage ratio and other customary covenants. Amounts available under our revolving credit facility may be used for working capital and general corporate purposes, subject to various limitations.

We have relatively low capital investment requirements. Capital expenditures were $0.7 million, $1.7 million and $2.4 million in 1998, 1999 and 2000, respectively. In 2000, our primary capital expenditures were $1.5 million for purchased and internally developed software and $0.9 million for computers, furniture and equipment and other expenditures. We estimate that for fiscal 2001, approximately $4.5 million of capital expenditures will be required, primarily for office furniture and computer equipment and software stemming from the growth in our operations. For the six months ended June 30, 2001, our capital expenditures were $1.8 million.

Our business acquisition expenditures were $16.0 million in 1998, $91.8 million in 2000 and $13.0 million through June 30, 2001. We had no business acquisition expenditures during 1999. In 1998, we acquired Medical Express. During 2000, we completed the acquisitions of NursesRx and Preferred Healthcare Staffing and in May 2001 we acquired O'Grady-Peyton International. These acquisitions were financed through a combination of bank debt and equity investments. In connection with our acquisition of NursesRx, we are obligated to make a $3.0 million payment to the former shareholders, $1.0 million of which was paid on June 30, 2001 and the remainder of which is to be paid in two equal installments of $1.0 million on June 28, 2002 and June 30, 2003. In connection with our acquisition of O'Grady-Peyton International, we are obligated to pay to the former shareholders of O'Grady-Peyton International an aggregate amount of up to approximately $5.3 million if O'Grady-Peyton International meets certain revenue and earnings targets for the twelve months ended December 31, 2001. There is also additional contingent consideration of up to $2.4 million subject to collection of an outstanding receivable from a customer. We expect to be able to finance any future acquisition either with cash provided from operations, borrowings under our revolving credit facility, bank loans, debt or equity offerings, or some combination of the foregoing.

Our principal working capital need is for accounts receivable, which has increased with the growth in our business. Our principal sources of cash to fund our working capital needs are cash generated from operating activities and borrowings under our revolving credit facility. Net cash used in operations for 2000 was $1.6 million, resulting primarily from the growth in working capital offset by cash earnings generated by us.

We believe that cash generated from operations, the remaining net proceeds of this offering and borrowings under the new revolving credit facility will be sufficient to fund our operations for at least the next 12 months.

POTENTIAL FLUCTUATIONS IN QUARTERLY RESULTS AND SEASONALITY

Due to the regional and seasonal fluctuations in the hospital patient census of our hospital and healthcare facility clients and due to the seasonal preferences for destinations by our travelers, the number of travelers on assignment, revenue and earnings are subject to moderate seasonal fluctuations. Many of our hospital and healthcare facility clients are located in areas that experience seasonal fluctuations in population, such as Florida and Arizona, during the winter and summer months. These facilities adjust their staffing levels to

accommodate the change in this seasonal demand and many of these facilities utilize temporary healthcare professionals to satisfy these seasonal staffing needs.

Historically the number of travelers on assignment has increased during January through March followed by declines or minimal growth in travelers during April through August. During September through November, our traveler count has historically increased, followed by a decline in December. Seasonality of travelers, revenue and earnings is expected to continue. As a result of all of these factors, results of any one quarter are not necessarily indicative of the results to be expected for any other quarter or for any year.

INFLATION

Although inflation has abated during the last several years, the rate of inflation in healthcare related services continues to exceed the rate experienced by the economy as a whole. Our contracts typically provide for an annual increase in the fees paid to us by our clients based on increases in various inflation indices allowing us to pass on inflation costs to our clients. Historically, these increases have generally offset the increases in costs incurred by us.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is interest rate risk associated with our debt instruments. In instances where we have variable (floating) rate debt, we attempt to minimize our interest rate risk by entering into interest rate swap or cap instruments. Our corporate policy is to only enter into derivative instruments only if the purpose of such instruments is to hedge a known underlying risk.

A 1% change in interest rates on variable rate debt would have resulted in interest expense fluctuating approximately $22,000 for 1998, $46,000 for 1999, $73,000 for 2000 and $56,000 for the six months ended June 30, 2001, respectively.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. This statement, as amended, establishes accounting and reporting standards requiring that all derivative instruments (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or a liability measured at its fair value. This statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The accounting provisions for qualifying hedges allow a derivative's gains and losses to offset related results of the hedged item in the income statement and require that the company must formally document, designate and assess the effectiveness of transactions that qualify for hedge accounting. We implemented this pronouncement in January 2001.

In July 2001, the FASB issued SFAS No. 141, Business Combinations, and SFAS No. 142, Goodwill and Other Intangible Assets. SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001 as well as all purchase method business combinations completed after June 30, 2001. SFAS No. 141 also specifies the criteria that intangible assets acquired in a purchase method business combination must meet to be recognized and reported apart from goodwill, noting that any purchase price allocable to an assembled workforce may not be accounted for separately. SFAS No. 142 will require that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of SFAS No. 142. SFAS No. 142 will also require that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.

We are required to adopt the provisions of SFAS No. 141 immediately and SFAS No. 142 effective January 1, 2002. Furthermore, any goodwill and any intangible asset determined to have an indefinite useful life that are acquired in a purchase business combination completed after June 30, 2001 will not be amortized, but will continue to be evaluated for impairment in accordance with the appropriate pre-SFAS No. 142 accounting literature. Goodwill and intangible assets acquired in business combinations completed before July 1, 2001 will continue to be amortized prior to the adoption of SFAS No. 142.

SFAS No. 141 will require, upon adoption of SFAS No. 142, that we evaluate existing intangible assets and goodwill that were acquired in prior purchase business combinations, and make any necessary reclassifications in order to conform with the new criteria in SFAS No. 141 for recognition apart from goodwill. Upon adoption of SFAS No. 142, we will be required to reassess the useful lives and residual values of all intangible assets acquired in purchase business combinations, and make any necessary amortization period adjustments by the end of the first interim period after adoption. In addition, to the extent an intangible asset is identified as having an indefinite useful life, we will be required to test the intangible asset for impairment in accordance with the provisions of SFAS No. 142 within the first interim period. Any impairment loss will be measured as of the date of adoption and recognized as the cumulative effect of a change in accounting principle in the first interim period.

As of the date of adoption, January 1, 2002, we expect to have unamortized goodwill in the amount of $124.5 million and unamortized identifiable intangible assets in the amount of $871,000, all of which will be subject to the transition provisions of SFAS Nos. 141 and 142. Amortization expense related to goodwill was $2.3 million and $2.5 million for the year ended December 31, 2000 and the six months ended June 30, 2001, respectively. Because of the extensive effort needed to comply with adopting SFAS Nos. 141 and 142, it is not yet practicable to reasonably estimate the impact of adopting these accounting pronouncements on our financial statements, including whether any transitional impairment losses will be required to be recognized as the cumulative effect of a change in accounting principle.

BUSINESS

OUR COMPANY

We are a leading temporary healthcare staffing company and the largest nationwide provider of travel nurse staffing services, one of the fastest growing segments of the temporary healthcare staffing industry. We recruit nurses and allied health professionals, our "travelers," and place them on temporary assignments, typically for 13 weeks away from their permanent homes, at hospitals and healthcare facilities throughout the United States. Approximately 90% of our travelers are nurses, while the remainder are technicians, therapists and technologists. We are actively working with a pre-screened pool of over 25,000 prospective travelers, of whom over 6,000 were on assignment during July 2001. Additionally, in August 2001, we had over 15,500 open orders from our network of over 2,500 hospital and healthcare facility clients.

In recent years our business has grown significantly, outpacing the growth of the temporary healthcare staffing market. From 1996 to 2000, our revenue and Adjusted EBITDA increased at compound annual growth rates of 48% and 58%, respectively. Approximately one-third of this growth was generated through strategic acquisitions, while the remaining two-thirds was generated through the organic growth of our operations. On a combined basis, assuming all of our acquisitions had occurred on January 1, 1996, the compound annual growth rate of our revenues from 1996 to 2000 would have been 30%, as compared to the 13% compound annual growth rate experienced by the temporary healthcare staffing market during the same period. Additionally, since 1999, the pace of our organic growth has accelerated. On the same combined basis as discussed above, for the twelve months ended June 30, 2001, we would have generated revenues of $413.0 million and Adjusted EBITDA of $51.0 million, representing organic compound annual growth rates of 48% and 86%, respectively, since 1999.

We market our services to two distinct customer bases: (1) travelers and (2) hospital and healthcare facility clients. We use a multi-brand recruiting strategy to recruit travelers in the United States and internationally to enhance our ability to successfully attract travelers. Our five separate brand names: American Mobile Healthcare, Medical Express, NursesRx, Preferred Healthcare Staffing and O'Grady-Peyton International, have distinct geographic market strengths and brand images. Our large number of hospital and healthcare facility clients allows us to offer traveling positions in all 50 states, and in a variety of work environments. In addition, we provide our travelers with valuable benefits, including free or subsidized housing, travel reimbursement, professional development opportunities, a 401(k) plan and health insurance. We believe that we attract travelers due to our long-standing reputation for providing a high level of service, our numerous job opportunities, our benefit packages, our innovative marketing programs and our most effective recruiting tool, word-of-mouth referrals from our thousands of current and former travelers.

We have established a growing and diverse hospital and healthcare facility client base, ranging from national healthcare providers to premier teaching and regional hospitals. Approximately 95% of our healthcare facility contracts are with acute-care hospitals. We currently hold contracts with approximately 42% of all acute-care hospitals in the United States, where we place the vast majority of our travelers. Our clients include hospitals and healthcare systems such as Georgetown University Hospital, HCA, Kaiser Permanente, NYU Medical Center, Stanford Health Care, UCLA Medical Center and The University of Chicago Hospitals. We also provide services to sub-acute healthcare facilities, dialysis centers, clinics and schools. Hospital and healthcare facilities utilize our services to help cost-effectively manage staff shortages, new unit openings, seasonal variations, budgeted vacant positions, long-term leaves of absence and other flexible staffing needs.

INDUSTRY OVERVIEW

In 2000, total healthcare expenditures in the United States were estimated at $1.3 trillion, representing approximately 13% of the U.S. gross domestic product, and had grown approximately 8% over 1999 according to the Centers for Medicare & Medicaid Services. Over the next decade, an aging U.S. population and advances in medical technology are expected to drive increases in hospital patient populations and the consumption of healthcare services. As a result, total healthcare expenditures are projected to increase by approximately $1.3 trillion during the next decade.

Within the healthcare staffing sector, temporary staffing has emerged as an increasingly utilized method to efficiently deliver healthcare services. In the mid-1990s, several factors prompted the increased usage of temporary staffing at hospitals. A principal factor was cost containment. Managed care, Medicare, Medicaid and competitive pressures created renewed emphasis on cost containment. Among other responses, this led acute-care hospitals to redesign their staffing models to reduce their levels of fixed staffing and to include a variable staffing component.

The temporary healthcare staffing industry accounted for $7.2 billion in revenues in 2000 and this amount is projected to increase by 21%, to $8.7 billion, in 2001 according to estimates by The Staffing Industry Report. Approximately 70% of the temporary healthcare staffing industry is comprised of nurse staffing and approximately 30% is comprised of allied health, physicians and other healthcare professionals. Temporary healthcare staffing has experienced strong historical growth since 1996, growing at a compound annual growth rate of 13%, but this growth has accelerated to approximately 15% over the past two years. Within the temporary healthcare staffing industry, we believe that travel nurse staffing is one of the fastest growing segments.

Demand and Supply Drivers

Since the mid-1990s, changes in the healthcare industry prompted a permanent shift in staffing models that led to an increased usage of temporary staffing at hospitals and other healthcare facilities. The supply of professionals choosing travel healthcare as a short-term or long-term career option has also grown alongside increased demand for travelers. We believe that this expanded demand and supply pattern will continue, particularly in the travel nurse staffing sector, because of the following drivers:

Demand Drivers

- DEMOGRAPHICS AND ADVANCES IN MEDICINE AND TECHNOLOGY. As the U.S. population ages and as advances in medicine result in longer life expectancy, it is likely that chronic illnesses and hospital populations will continue to increase. We believe that these factors will increase the demand for both temporary and permanent nurses, as well as for allied health professionals. In addition, advances in healthcare technology have increased the demand for specialty nurses who are qualified to operate advanced medical equipment or perform complex medical procedures.

- SHIFT TO FLEXIBLE STAFFING MODELS. Nurse wages comprise the largest percentage of hospitals' labor expenses. Cost containment initiatives and a renewed focus on cost-effective healthcare service delivery continue to lead many hospitals and other healthcare facilities to adopt flexible staffing models that include reduced permanent staffing levels and increased utilization of flexible staffing sources, such as traveling nurses.

- NURSING SHORTAGE. Most regions of the United States are experiencing a shortage of nurses. The American Hospital Association estimates that up to 126,000 position vacancies currently exist for registered nurses, representing approximately 10% of the hospital-based nursing workforce. The Journal of the American Medical Association has reported that the registered nurse workforce is expected to be 20% below projected requirements by 2020. Faced with increasing demand for and a shrinking supply of nurses, hospitals are utilizing more temporary nurses to meet staffing requirements. Factors contributing to the current and projected declining supply of nurses include:

    -- DECREASING NUMBER OF ENTRANTS TO NURSING SCHOOL AND NEW NURSING GRADUATES. According to the American Association of Colleges of Nursing, enrollment in all basic nursing education programs (baccalaureate, associate or diploma) has fallen each year since 1995 by approximately 5%.

    -- NURSES LEAVING PATIENT CARE ENVIRONMENTS FOR LESS STRESSFUL AND DEMANDING CAREERS. Career opportunities for nurses have expanded beyond the traditional bedside role. Pharmaceutical companies, insurance companies, HMOs and hospital service and supply

companies increasingly offer nurses attractive positions which involve less demanding work schedules and physical requirements.

-- AGING NURSE POPULATION. The average age of a registered nurse is estimated to be 45.2 years old, up 8.4% since 1988. By 2010, 40% of the nurse population is expected to be older than 50, as compared to 29% of nurses that were older than 50 as of March 2000. As a growing number of nurses retire, the nursing shortage is likely to worsen.

- SEASONALITY. Hospitals in areas that experience significant seasonal fluctuations in population, such as Florida or Arizona during the winter months, must be able to efficiently adjust their staffing levels to accommodate the change in demand. Many of these hospitals utilize temporary healthcare professionals to satisfy these seasonal staffing needs.

- FAMILY AND MEDICAL LEAVE ACT. The adoption of the Family and Medical Leave Act in 1993, which mandates 12-week job-protected maternity and dependent care leave, continues to create temporary nursing vacancies at healthcare facilities. Approximately 94% of the registered nurses working at healthcare facilities in the United States are women.

- STATE LEGISLATION REQUIRING HEALTHCARE FACILITIES TO UTILIZE MORE NURSES. In response to concerns by consumer groups over the quality of care provided in healthcare facilities and concerns by nursing organizations about the increased workloads and pressures placed upon nurses, several states have passed or introduced legislation that is expected to increase the demand for nurses.

-- MINIMUM NURSE-TO-PATIENT RATIOS. California passed legislation in 1999 (effective January 2002) that requires the establishment of minimum nurse-to-patient ratios throughout all hospitals. Other states have already adopted, and several are now considering, similar legislation.

-- ELIMINATION OF MANDATORY OVERTIME. Many healthcare facilities require their permanent staff to work overtime to cover staffing shortages. Maine recently passed legislation that limits mandatory overtime for nurses, and similar legislation has already been introduced in several other states.

Supply Drivers

- TRADITIONAL REASONS FOR A HEALTHCARE PROFESSIONAL TO BECOME A TRAVELER. Traveling allows healthcare professionals to explore new areas of the United States, work at prestigious hospitals, learn new skills, build their resumes and avoid unwanted workplace politics that may accompany a permanent position. Other benefits to travelers include free or subsidized housing, professional development opportunities, competitive wages, health insurance and completion bonuses for some assignments. All of these opportunities have been constant supply drivers, bringing a growing number of new healthcare professionals into traveling.

- WORD-OF-MOUTH REFERRALS. New applicants are most often referred to travel staffing companies by current or former travelers. Growth in the number of healthcare professionals that have traveled, as well as the increased number of hospital and healthcare facilities that utilize travelers, creates more opportunities for referrals.

- MORE NURSES CHOOSING TRAVELING DUE TO THE NURSING SHORTAGE. In times of nursing shortages, nurses with permanent jobs feel more secure about their employment prospects. They have a higher degree of confidence that they can leave their permanent position to join the traveler workforce and have the ability to return to a permanent position in the future. Additionally, during a nursing shortage, permanent staff nurses are often required to assume greater responsibility and patient loads, work mandatory overtime and deal with increased pressures within the hospital. Many experienced nurses consequently choose to leave their permanent employer, and look for a more flexible and rewarding position.

- NEW LEGISLATION ALLOWING NURSES TO BECOME MORE MOBILE. The Mutual Recognition Compact Legislation, promoted by the National Council of State Boards of Nursing, allows nurses to work more freely within states participating in the Compact Legislation without obtaining new state licenses. The recognition legislation began in 1999 and had been passed in 14 states as of June 2001.

GROWTH STRATEGY

Our goal is to expand our leadership position within the temporary healthcare staffing sector in the United States. The key components of our business strategy include:

- EXPANDING OUR NETWORK OF QUALIFIED TRAVELERS. Through our recruiting efforts both in the United States and internationally, we continue to expand our network of qualified travelers. Currently, our recruiters are actively working with over 25,000 prospective travelers, of whom over 6,000 were on assignment with our clients during July 2001. We have exhibited substantial growth in our traveler base over the past five years primarily through referrals from our current and former travelers, as well as through advertising and direct mailings. While we expect these methods to continue to gain momentum, we are implementing creative ways to attract additional qualified travelers. Two recent examples include our acquisition of O'Grady-Peyton International, the leading recruiter of registered nurses from English-speaking foreign countries for placement in the United States, and Internet recruitment tools such as our NurseZone.com website, which is a leading nurse community site on the Internet.

- STRENGTHENING AND EXPANDING OUR RELATIONSHIPS WITH HOSPITALS AND HEALTHCARE FACILITIES. We seek to continue to strengthen and expand our relationships with our hospital and healthcare facility clients, and to develop new relationships. Because we possess one of the largest national networks of temporary nurse and allied health professionals, we are well positioned to offer our hospital and healthcare facility clients effective solutions to meet their staffing needs. We currently hold contracts with approximately 42% of all acute-care hospitals in the United States and we believe there is an opportunity to further grow our existing relationships and develop new relationships with hospitals and healthcare facilities.

- LEVERAGING OUR BUSINESS MODEL AND LARGE HOSPITAL AND HEALTHCARE FACILITY CLIENT BASE TO INCREASE PRODUCTIVITY. We seek to increase our productivity through our proven multi-brand recruiting strategy, large network of travelers, established hospital and healthcare facility client relationships, proprietary information systems, innovative marketing and recruitment programs, training programs and centralized administrative support systems. Our multi-brand recruiting strategy allows a recruiter in any of our brands to take advantage of all of our nationwide placement opportunities. In addition, our information systems and support personnel permit our recruiters to spend more time focused on travelers' needs and placing them on appropriate assignments in hospitals or healthcare facilities. Implementation of our business model at our acquired brands has resulted in significant increases in our productivity. For example, at Medical Express, which we acquired in November 1998, we achieved increases of 25% in the number of placements per trained recruiter from the first quarter of 1999 to the first quarter of 2001.

- EXPANDING SERVICE OFFERINGS THROUGH NEW STAFFING SOLUTIONS. In order to further enhance the growth in our business and improve our competitive position in the healthcare staffing sector, we continue to explore new service offerings. We have most recently introduced temporary and permanent programs for U.S. and Canadian newly-graduated nurses, specialty training opportunities, on-site vendor management for hospitals and healthcare facilities, permanent placement of nurses and placement of travelers in Canadian hospital and healthcare facilities.

- CAPITALIZING ON STRATEGIC ACQUISITION OPPORTUNITIES. In order to enhance our competitive position, we will continue to selectively explore strategic acquisitions. In the past after we have made acquisitions, we have sought to leverage our hospital relationships and orders across our brands, integrate back-office functions and maintain brand differentiation for traveler recruitment purposes. We

also implement our proven business model in order to achieve greater productivity, operating efficiencies and financial results.

BUSINESS OVERVIEW

Services Provided

Hospitals and healthcare facilities generally obtain supplemental staffing from local temporary (per diem) agencies and national travel healthcare staffing companies. Per diem staffing, which has historically comprised the majority of the temporary healthcare staffing industry, involves the placement of locally-based healthcare professionals on very short-term assignments, such as daily shift work, on an as needed (per diem) basis. Hospitals and healthcare facilities often give minimal advance notice of their per diem assignments, and require a quick turnaround from their staffing agencies, generally less than 24 hours. Travel staffing, on the other hand, provides healthcare facilities with staffing solutions to address anticipated staffing requirements, typically for 13 weeks. In contrast to per diem agencies, travel staffing companies select from a national (and in some cases international) skilled labor pool and provide pre-screened candidates to their hospital and healthcare facility clients, usually at a lower cost. We focus on the travel segment of the temporary healthcare staffing industry, and provide both nurse and allied health travelers to our hospital and healthcare facility clients.

NURSES. We provide medical nurses, surgical nurses, specialty nurses, licensed practical or vocational nurses, and advanced practice nurses in a wide range of specialties for travel assignments throughout the United States. We place our qualified nurse professionals with premier, nationally recognized hospitals and hospital networks. The majority of our assignments are in acute-care hospitals, including teaching institutions, trauma centers and community hospitals. Nurses comprise approximately 90% of the total travelers currently working for us.

ALLIED HEALTH PROFESSIONALS. We also provide allied health professionals to hospitals and other healthcare facilities such as skilled nursing facilities, rehabilitation clinics and schools. Allied health professionals include such disciplines as surgical technologists, respiratory therapists, medical and radiology technologists, dialysis technicians, speech pathologists and rehabilitation assistants. Allied health professionals comprise approximately 10% of the total travelers currently working for us.

Multi-Brand Recruiting Strategy

In order to enhance our opportunities to expand our network of traveling professionals, we choose to recruit travelers in the United States and internationally separately under each of our five established and recognized brand names: American Mobile Healthcare, Medical Express, NursesRx, Preferred Healthcare Staffing and O'Grady-Peyton International. While all of our brands have the capability to place travelers on assignments that we have throughout the United States using the same placement opportunities, or "orders," our brands have distinct geographic market strengths and brand images.

It is common for travelers to register with more than one brand in order to utilize more than one recruiter. Our multi-brand recruiting strategy provides us with a competitive advantage, as potential travelers are able to work with more than one of our brand recruiters. Accordingly, we believe that our probability of successfully placing the traveler on assignment is significantly enhanced.

To our hospital and healthcare facility clients, however, we market and administer our services under the single corporate brand of AMN Healthcare. Hospitals and healthcare facility clients in turn have the advantage of managing one contract with us, but receiving the benefit of five nationally known brands that recruit travelers for their open positions.

The following chart depicts our single staffing provider and multi-brand recruiting model:

SINGLE STAFFING PROVIDER MULTI-BRAND RECRUITING

National Presence and Diversified Hospital and Healthcare Facility Client Base

We offer our travelers nationwide placement opportunities and provide temporary staffing solutions to our hospital and healthcare facility clients that are located throughout the United States. We typically have open traveler requests, or orders, in all 50 states. The largest percentage of these open orders are typically concentrated in the most heavily populated states, including 16% in California, 9% in Texas, 9% in Florida and 7% in Arizona. In August 2001, we had over 15,500 open orders nationwide.

The number of our hospital and healthcare facility clients that we serve has grown from approximately 600 in 1993 to over 2,500 active hospital and healthcare facility clients today. Approximately 95% of our healthcare facility contracts are with acute-care hospitals. In addition to acute-care hospitals, we also provide services to sub-acute healthcare facilities, dialysis centers, clinics and schools. We currently hold contracts with approximately 42% of all acute-care hospitals in the United States. Our clients include hospitals and healthcare systems such as Georgetown University Hospital, HCA, Kaiser Permanente, NYU Medical Center, Scripps Health Systems, Stanford Health Care, Swedish Health Services, Texas Children's Hospital, UCLA Medical Center and The University of Chicago Hospitals. As of June 30, 2001, no single client, including affiliated groups, comprised more than 10% of our travelers on assignment and no single client facility comprised more than 2% of our travelers on assignment.

OUR BUSINESS MODEL

We have developed and continually refined our business model to achieve greater levels of productivity and efficiency. Our model is designed to optimize the communication with, and service to, both our travelers and our hospital and healthcare facility clients.

The following graph illustrates the elements of our business model:

[ELEMENTS OF OUR BUSINESS MODEL FLOW CHART]

Marketing and Recruitment of New Travelers

We believe that nursing and allied health professionals are attracted to us because of our large and diverse offering of work assignments, the opportunity to travel to numerous attractive locations throughout the United States and our service and relationship-oriented approach.

We believe that our multi-brand recruiting strategy makes us more effective at reaching a larger number of professional travelers. Because it is common for travelers to register with more than one brand in the industry, we believe that by offering five distinct brands we increase our ability to recruit travelers. Each brand has its own distinct marketing identity to prospective travelers, and we utilize different strategies in presenting each of the brands as unique. We tailor the marketing of each of our brands through a combination of websites, journal advertising, conferences and conventions, direct mail, printed marketing material and, most importantly, through personal word-of-mouth referrals from current and former travelers. Referrals from our current and former travelers represent approximately 49% of the travelers recommended to us. We also operate NurseZone.com, a leading nurse community website. This website caters to the professional and personal lives of nurses, and offers nursing news and updates, links to other Internet sites, discounted products and services, continuing education courses and career opportunities sponsored by our five recruitment brands, including an online traveler application process.

We have established an extensive network of traveling professionals to meet the growth in our hospital and healthcare facility clients' demand for travelers. Currently, our recruiters are actively working with a pre-screened pool of over 25,000 traveler candidates in an effort to place them with one of our hospital or healthcare facility clients. Year-to-date through July 2001, the new traveler applications received by each of our brands increased by an average of over 50% as compared to the similar period in 2000.

Screening/Quality Management

Through our quality management department, we screen each candidate prior to their placement and we continue to evaluate each traveler after they are placed to ensure adequate performance as well as to determine feasibility for future placements. Our internal processes are designed to ensure that each traveler has the appropriate experience, credentials and skills for the assignments that they accept. Our experience has shown us that well-matched placements result in both satisfied travelers and healthcare facility clients. Our screening and quality management process includes three principal stages:

INITIAL SCREENING. Each new traveler candidate who submits an application with us must meet certain criteria, including appropriate prior work experience and proper educational and licensing credentials. We independently verify each applicant's work history and references to reasonably ensure that our hospital and healthcare facility clients may depend on our travelers for clinical competency and personal reliability. Our proprietary clinical skills checklists, developed for each healthcare specialty area, are used by our hospital and healthcare facility clients' hiring managers as a basis for evaluating candidates and conducting interviews, and for facilitating the selection of a traveler who can meet the hospital or healthcare facility client's specific needs.

ASSIGNMENT SPECIFIC SCREENING. Once an assignment is accepted by a traveler, our quality management department tracks the necessary documentation and license verification required for the traveler to meet the requirements set forth by us, the hospital or healthcare facility, and, when required, the applicable state board of health or nursing. These requirements may include obtaining copies of specific health records, drug screening, criminal background checks and certain certifications or continuing education courses.

ONGOING EVALUATION. We continually evaluate our travelers' performance through a verbal and written evaluation process. We receive these evaluations directly from our hospital and healthcare facility clients, and use the feedback to determine appropriate future assignments for each traveler.

Sales and Marketing to Hospitals and Healthcare Facilities

Our team of regional client service directors markets our services to prospective hospital and healthcare facility clients, and supervises ongoing contract management of existing clients in their territory. We market ourselves to hospitals and healthcare facilities under one corporate brand name, AMN Healthcare, a single staffing provider with five recruitment sources of travelers: American Mobile Healthcare, Medical Express, NursesRx, Preferred Healthcare Staffing and O'Grady-Peyton International.

The number of our hospital and healthcare facility clients that we serve has grown from approximately 600 in 1993 to over 2,500 active clients today. Approximately 95% of our healthcare facility contracts are with acute-care hospitals. In addition to acute-care hospitals, we also provide services to sub-acute healthcare facilities, dialysis centers, clinics and schools. Our hospital and healthcare facility clients include 15 of the top 16 hospitals in the United States as ranked by US News and World Report in its July 2001 Best Hospitals Honor Roll.

Account Management

Once hospital and healthcare facility contracts are obtained by our regional client service directors, our hospital account managers are responsible for soliciting and receiving orders from these clients and working with our recruiters to fill those orders with qualified travelers. An "order" is a request from a client hospital or healthcare facility for a traveler to fill an assignment. Hospital account managers regularly call and solicit orders from our clients, who also submit orders via the Internet and by fax. Depending upon their size and specific needs, one hospital or healthcare facility client may have up to 50 open orders at one time.

Our average number of orders for upcoming assignments has increased significantly during the past three years. The combination of an increasing number of open orders and a greater number of nurses choosing to travel benefits us by providing us with numerous assignments to offer and an increasing supply of new

traveler applicants to place. In August 2001, we had over 15,500 open customer orders nationwide. Our growth in open orders can be attributed to factors including:

- continuing increased demand for traveling nurses;
- our extensive network of travelers;
- our brand recognition and reputation as a quality provider of temporary healthcare staffing services; and
- our increased number of hospital and healthcare facility client relationships.

Because hospitals often list their orders with multiple service providers, open orders may also be listed with our competitors. An order will generally be filled by the company that provides a suitable candidate first, highlighting the need for a large network of travelers and integrated operating and information systems to quickly and effectively match hospital and healthcare facility client needs with appropriate traveler candidates.

Placement

Orders are entered into our information network and are made available to the recruiters at all of our recruitment brands. Our recruiters provide our hospital account managers with the personnel profiles of the travelers who have expressed an interest in a particular assignment. The hospital account manager approves the profiles to be sent to the hospital or healthcare facility client, follows up to arrange a telephone interview between the traveler and the hospital, and confirms offers and placements with the hospital or healthcare facility.

Our recruiters seek to develop and maintain strong and long-lasting relationships with our travelers. Each recruiter manages a group of approved traveler candidates and works to understand the unique needs and desires of each traveler. The recruiter will present open order assignments to a traveler, request that the personnel profile be submitted for placement consideration, arrange a telephone interview with assistance from the hospital account managers, make any special requests for housing and generally facilitate placement of the traveler.

In the case of our international travelers, the recruiters at our O'Grady-Peyton International brand, including those located in the United Kingdom, Australia, New Zealand and South Africa, assist candidates in preparing for the national nursing examination and subsequently obtaining a U.S. nursing license. These recruiters also assist our international travelers to obtain petitions to become lawful permanent residents or to obtain work visas prior to their arrival in the United States.

Throughout the typical 13-week assignment, the recruiter will work with the traveler to review their progress and to determine whether the person would like to extend the length of the current assignment, or move to a new hospital or healthcare facility at the end of the assignment term. Our international travelers are typically placed on longer-term, 18-month assignments as a result of our substantial investment in bringing them to work in the United States. Near completion of the 18-month assignment, our recruiters will work with these travelers to explore their options for new assignments, including our more traditional 13-week arrangements.

We share orders among our various brands to increase placement opportunities for our travelers. Our growth in placement volume has been driven by enabling our recruiters at all of our brands to offer more open assignment orders to their travelers. For example, we have been successful with this order sharing strategy at Medical Express over the past two years, where 52% of Medical Express placements of travelers during the fourth quarter 2000 were with clients who had not been hospital or healthcare facility clients of Medical Express prior to its acquisition.

Housing

We offer substantially all of our travelers free or subsidized housing while on assignment. Our housing department is primarily consolidated and managed at our San Diego corporate headquarters. Our housing

department facilitates the leasing of all apartments and furniture, manages utilities, and arranges all housing and roommate assignments for the thousands of travelers that we place each year. We generally offer our travelers a free two-bedroom apartment to share with another traveler. If a traveler desires to have a private, one-bedroom apartment, they typically pay a housing fee to us to cover the incremental costs. If a traveler chooses not to accept housing provided by us, they receive a monthly housing stipend in lieu of an apartment. Generally, our international travelers are provided with increased travel reimbursements and assistance with immigration costs in lieu of free or subsidized housing. We currently lease approximately 3,500 apartments nationwide with a monthly housing expense of nearly $4 million.

Housing expenses are typically included in the hourly or weekly fees that we charge to our hospital and healthcare facility clients. Based on the contracted billing rate and gross profit for each hospital or healthcare facility client, we estimate a budget for our housing coordinators to utilize when locating apartments for each assignment. We carefully monitor performance of actual housing costs incurred to the housing costs budgeted for each placement. If housing costs rise in a particular city or region, our housing department tracks these trends and communicates with our regional client service directors to obtain increased billing rates to cover these costs. In the past, we generally have been successful in obtaining rate increases from our hospital and healthcare facility clients to cover the increased housing costs.

Traveler Payroll

Approximately 90% of our working travelers are on our payroll, while the remaining 10% are paid directly by the hospital or healthcare facility client. Providing payroll services is a value-added and convenient service that hospitals and healthcare facilities increasingly expect from their supplemental staffing sources. To provide convenience and flexibility to our hospital and healthcare facility clients, we accommodate several different payroll cycles, and allow the client to choose the cycle that most closely matches that of their permanent staff. This enables our hospital and healthcare facility clients to integrate management of traveler scheduling and overtime with their permanent staff.

Consistent accuracy and timeliness of producing our traveler payroll is essential to the retention of our travelers. Our internal payroll service group receives and processes timesheets for over 5,000 travelers. Payroll is typically processed within 72 hours after the completion of each pay period, heightening the importance of having adequately trained and skilled payroll personnel and appropriate operating and information systems. We process our payroll utilizing a leading national payroll processing service that can accommodate our large quantity of transactions and the many federal, state and local withholding and employer taxing requirements across the United States.

Our payroll service group offers our travelers several service benefits, including multi-account direct deposit, automatic 401(k) deductions, dependent care and flexible spending account deductions and housing co-pays when the traveler chooses to upgrade to a private one-bedroom apartment, rather than a free shared two-bedroom apartment.

Traveler Benefits

In our effort to attract and retain highly qualified traveling professionals, we offer a variety of benefits to our travelers. These benefits include:

- COMPLETION BONUSES. Many of our assignments offer special completion bonuses, which we pay in a lump sum once the traveler has completed his or her 13-week assignment. When offered, completion bonuses usually range from $500 to $3,000 for a 13-week assignment and are typically billed as a separate cost to the hospital client, with a small markup to cover employer taxes and overhead.

- TRAVEL REIMBURSEMENT. Travelers receive travel reimbursement for each assignment. Reimbursements are calculated on a "per mile" basis with a cap on the total, and are often billed as a separate cost to the hospital or healthcare facility client.

- REFERRAL BONUSES. Through our referral bonus program, a traveler receives a bonus if he or she successfully refers a new traveler.

- 401(k) PLAN AND DEPENDENT CARE REIMBURSEMENT. We offer our travelers immediate enrollment in our 401(k) plan, including matching employer contributions after 1,000 hours of continued service. In addition, we provide pre-tax deductions for employee dependent care expenses.

- GROUP MEDICAL, DENTAL AND LIFE INSURANCE. We pay 100% of premium expenses for medical, dental and life insurance.

- PROFESSIONAL DEVELOPMENT CENTER. We are a fully accredited provider of continuing education by the American Nurses Credentialing Center. Through our professional development center, our travelers receive free continuing education courses. In addition, they can obtain the information needed to apply for licensure in the state where they will travel.

- 24-HOUR MANAGEMENT AND CLINICAL SUPPORT. It is our goal to always be available to our travelers. Travelers with emergencies can be connected 24 hours per day with a clinical liaison, recruitment manager or housing manager to help resolve their problem.

Hospital Billing

To accommodate the needs of our hospital clients, we offer two types of billing: payroll contracts and flat rate contracts. We currently bill approximately 90% of working travelers based on payroll contracts and approximately 10% based on flat rate contracts.

PAYROLL CONTRACTS. Under a payroll contract, the traveler is our employee for payroll and benefits purposes. Under this arrangement, we bill our hospital and healthcare facility clients at an hourly rate which effectively includes reimbursement for recruitment fees, wages and benefits for the traveler, employer taxes, and housing expenses. Overtime and holiday hours worked are typically billed at a premium rate. We in turn pay the traveler's wages, housing costs and benefits. Providing payroll services is a value-added and convenient service that hospitals and healthcare facilities increasingly expect from their supplemental staffing sources. Providing these payroll services, which is cash flow intensive, also gives us a competitive edge over smaller staffing firms.

FLAT RATE CONTRACTS. With flat rate billing, the traveler is placed on the hospital or healthcare facility client's payroll. We bill the hospital a "flat" weekly rate that includes reimbursement for recruitment fees, traveler benefits and typically housing expenses. Generally, if the traveler works overtime, there is not an opportunity for us to receive increased fees under a flat rate contract.

INFORMATION SYSTEMS

Our primary management information and communications systems are centralized and controlled in our corporate headquarters and are utilized in each of our staffing offices. Our financial systems are primarily centralized at our corporate headquarters and our operational reporting is standardized at all of our offices. To facilitate payroll for our corporate employees and our travelers, we utilize a system provided by a national payroll processing service.

During the past few years, we have developed a proprietary information system called American Mobile Information Exchange, or "AMIE." AMIE is a Windows-based, interactive system that is an important tool in maximizing our productivity and accommodating our multi-brand recruiting strategy. The system was custom-designed for our business model, including integrated processes for traveler and healthcare facility contract management, matching of travelers to available assignments, traveler file submissions for placements, quality management tracking, controlling traveler compensation packages and managing healthcare facility contract and billing terms. AMIE provides our staff with fast, detailed information regarding individual travelers and hospital and healthcare facility clients. AMIE also provides a platform for interacting and transacting with travelers and hospital and healthcare facility clients via the Internet.

RISK MANAGEMENT

We have developed an integrated risk management program that focuses on loss analysis, education and assessment in an effort to reduce our operational costs and risk exposure. We continually analyze our losses on professional liability claims and workers compensation claims to identify trends. This allows us to focus our resources on those areas that may have the greatest impact on us. We have also developed educational

materials for distribution to our travelers that are targeted to address specific work-injury risks. In addition, we have compiled a universal safety manual that every traveler receives each year.

In addition to our proactive measures, we engage in a peer review process of any incidents involving our travelers. Upon notification of a traveler's involvement in an incident that may result in liability for us, a team of registered nurses located at our San Diego headquarters reviews the traveler's actions. Our peer review committee makes a prompt determination regarding whether the traveler will continue the assignment and whether we will place the traveler on future assignments.

COMPETITION

The healthcare staffing industry is highly competitive. We compete with both national firms and local and regional firms. We compete with these firms to attract nurses and other healthcare professionals as travelers and to attract hospital and healthcare facility clients. We compete for travelers on the basis of the quantity, diversity and quality of assignments available, compensation packages, and the benefits that we provide to a traveler while they are on an assignment. We compete for hospital and healthcare facility clients on the basis of the quality of our travelers, the timely availability of our professionals with requisite skills, the quality, scope and price of our services, and the geographic reach of our services.

We believe that larger, nationally established firms enjoy distinct competitive advantages over smaller, local and regional competitors in the travel healthcare staffing industry. Continuing nursing shortages and factors driving the demand for nurses over the past several years have made it increasingly difficult for hospitals to meet their staffing needs. More established firms have a critical mass of available nursing candidates, substantial word-of-mouth referral networks and established brand names, enabling them to attract a consistent flow of new applicants. Larger firms can also more easily provide payroll services billing, which is cash flow intensive, to healthcare providers. As a result, sizable and established firms such as ours have had a significant advantage over smaller participants.

Some of our competitors in the temporary nurse staffing sector include Cross Country, InteliStaf, Medical Staffing Network and RehabCare Group.

GOVERNMENT REGULATION

The healthcare industry is subject to extensive and complex federal and state laws and regulations related to professional licensure, conduct of operations, payment for services and payment for referrals. Our business, however, is not directly impacted by or subject to the extensive and complex laws and regulations that generally govern the healthcare industry. The laws and regulations which are applicable to our hospital and healthcare facility clients could indirectly impact our business to a certain extent, but because we provide services on a contract basis and are paid directly by our hospital and healthcare facility clients, we do not have any direct Medicare or managed care reimbursement risk.

Some states require state licensure for businesses that employ and/or assign healthcare personnel to provide healthcare services on-site at hospitals and other healthcare facilities. We are currently licensed in all ten states that require such licenses.

Most of the travelers that we employ are required to be individually licensed or certified under applicable state laws. We take reasonable steps to ensure that our employees possess all necessary licenses and certifications in all material respects.

We recruit some travelers from Canada for placement in the United States. Canadian healthcare professionals can come to the United States on TN Visas under the North American Free Trade Agreement. TN Visas are renewable, one-year temporary work visas, which generally allow immediate entrance into the United States provided the healthcare professional presents at the border proof of waiting employment in the United States and evidence of the necessary healthcare practice licenses.

With respect to our recruitment of international travelers through our O'Grady-Peyton International brand, we must comply with certain United States immigration law requirements, including the Illegal Immigration Reform and Immigrant Responsibility Act of 1996. We primarily bring travelers to the United States as immigrants, or lawful permanent residents (commonly referred to as "green card" holders). We screen foreign traveler candidates and assist them in preparing for the national nursing examination and

subsequently obtaining a U.S. nursing license. We file petitions with the Immigration and Naturalization Service for a traveler to become a permanent resident of the United States or obtain necessary work visas. Generally, such petitions are accompanied by proof that the traveler has either passed the Commission on Graduates of Foreign Nursing Schools Examination or holds a full and unrestricted state license to practice professional nursing as well as a contract between us and the traveler demonstrating that there is a bona fide job offer.

LEGAL PROCEEDINGS

We are subject to various claims and legal actions in the ordinary course of our business. Some of these matters include professional liability, employee-related matters and inquiries and investigations by governmental agencies regarding our employment practices. We are not aware of any pending or threatened litigation that we believe is reasonably likely to have a material adverse effect on us.

Our hospital and healthcare facility clients may also become subject to claims, governmental inquiries and investigations and legal actions to which we may become a party relating to services provided by our professionals. From time to time, and depending upon the particular facts and circumstances, we may be subject to indemnification obligations under our contracts with our hospital and healthcare facility clients relating to these matters. At this time, we are not aware of any such pending or threatened litigation that we believe is reasonably likely to have a material adverse effect on us.

EMPLOYEES

As of July 31, 2001, we had 728 full-time corporate employees. We believe that our employee relations are good. The following chart shows our number of full-time corporate employees by department:

Recruitment	178
Regional Directors and Hospital Account Managers	48
Housing and Quality Management	185
Customer Accounting and Payroll	187
MIS, Support Services, HR, Marketing and Facilities Staff	113
Corporate and Subsidiary Management	17
Total Corporate Employees:	728

During July 2001, we had over 6,000 travelers working on assignment.

PROPERTIES

We believe that our properties are adequate for our current needs. In addition, we believe that adequate space can be obtained to meet our foreseeable business needs. We currently lease office space in eleven locations, as identified in the chart below:

LOCATION	SQUARE FEET
San Diego, California (corporate headquarters)	69,884
Ft. Lauderdale, Florida	34,631
Louisville, Colorado	19,427
Huntersville, North Carolina	15,600
Savannah, Georgia	5,656
Birmingham (United Kingdom)	988
Cape Town (South Africa)	1,399
Canning Vale (Australia)	958
Phoenix, Arizona	767
Sacramento, California	674
Charleston, South Carolina	300
Total:	150,284

MANAGEMENT

The following tables show certain information concerning our current directors, director nominees, executive officers and other senior officers.

NAME	AGE	POSITION(S)
DIRECTORS, DIRECTOR NOMINEES AND EXECUTIVE OFFICERS		
Robert Haas	54	Chairman of the Board and Director
Steven Francis	46	Director, President and Chief Executive Officer
William Miller III	52	Director
Douglas Wheat	50	Director
Michael Gallagher	55	Director Nominee
Andrew Stern	52	Director Nominee
Susan Nowakowski	36	Chief Operating Officer
Donald Myll	43	Chief Financial Officer and Treasurer
OTHER SENIOR OFFICERS		
Marcia Faller	42	Senior Vice President
Denise Jackson	36	General Counsel and Vice President
Beth Machado	39	Senior Vice President, Recruitment
Diane Stumph	51	Senior Vice President, Finance
Stephen Wehn	40	Senior Vice President, Client Services

Information with respect to the business experience and affiliations of our directors, director nominees, executive officers and other senior officers is set forth below.

Robert Haas has been our Chairman and a director since November 1999. Mr. Haas has been actively involved in private business investments since 1978, specializing in leveraged buyouts. He has served as Chairman of the Board and Chief Executive Officer of Haas Wheat & Partners, L.P., a private investment firm specializing in leveraged acquisitions, since 1992. Mr. Haas serves as Chairman and a director of Playtex Products, Inc., Nebraska Book Company, Inc. and NBC Acquisition Corp. He also serves as a director of Walls Holding Company, Inc.

Steven Francis co-founded our predecessor company, AMN Healthcare, Inc., in 1985. He has been an executive officer and director since 1985 and our President and Chief Executive Officer since June 1990. Prior to 1985, Mr. Francis served in several management positions in the hospitality industry. In addition, he served in the Nevada State Assembly from 1983 to 1987 and was elected as the Majority Leader from 1985 to 1987. Mr. Francis served on the Board of Directors of the San Diego Chapter of the American Red Cross from 1995 to 2000, serving as Chairman in 1997. Currently, he serves as a board member of Father Joe's Villages, one of the largest private homeless shelter organizations in the United States.

William Miller III has been a director since November 1999. Mr. Miller is currently Chairman, Chief Executive Officer and a director of Health Management Systems, Inc., a healthcare information technology company. From 1983 to 1999, Mr. Miller served as President and Chief Operating Officer of Emcare Holdings, an emergency medical services company. Prior to joining Emcare, Mr. Miller held financial and management positions in the healthcare industry, including positions as chief executive officer and chief financial officer of various hospitals, and administrator/director of operations of a multi-specialty physician group practice. Mr. Miller also serves as a director of Lincare Holdings, Inc.

Douglas Wheat has been a director since November 1999. Mr. Wheat has served as President of Haas Wheat & Partners, L.P., a private investment firm specializing in leveraged acquisitions, since 1992. He serves as a director of Playtex Products, Inc., Smarte Carte Corporation, Walls Holding Company, Inc., Nebraska Book Company, Inc. and NBC Acquisition Corp.

Michael Gallagher will become a director upon the consummation of this offering. Mr. Gallagher has served as Chief Executive Officer of Playtex Products, Inc. since 1995. He also serves as a director of Playtex Products, Inc., Allergan, Inc. and the Grocery Manufacturers Association.

Andrew Stern will become a director upon consummation of this offering. Mr. Stern has served as Chairman of the Board and Chief Executive Officer of Sunwest Communications, Inc., a public relations firm, since 1983. Mr. Stern also serves as a director of Dallas National Bank and as an advisory director of NeoSpire, Inc.

Susan Nowakowski joined us in 1990 and has been our Chief Operating Officer since December 2000. Ms. Nowakowski served as our Senior Vice President of Business Development from September 1998 to December 2000. Following our acquisition of Medical Express, she was additionally appointed President of Medical Express in April 1999. She also served as our Chief Financial Officer and Vice President of Business Development from 1990 to 1993 and 1993 to 1998, respectively. Prior to joining us, Ms. Nowakowski worked as a financial analyst at a subsidiary of Eli Lilly & Co. and as the finance manager of BioVest Partners, a venture capital firm. Ms. Nowakowski also serves as a director of Playtex Products, Inc.

Donald Myll has been our Chief Financial Officer and Treasurer since May 2001. From September 1999 through October 2000, he served as Executive Vice President and Chief Financial Officer of Daou Systems, Inc., a publicly-traded technology services company in the healthcare industry. From September 1998 to September 1999, Mr. Myll served as President, Chief Executive Officer and a director of Hearing Science, Inc., a multi-state provider of hearing care services. From March 1997 to September 1998, Mr. Myll was a consultant to TheraTx, Inc., a publicly-traded national healthcare provider of rehabilitation, post acute and long-term care services, as well as other venture capital and entrepreneurial organizations in the healthcare industry. From June 1990 to March 1997, Mr. Myll served as Executive Vice President and Chief Financial Officer of TheraTx, Inc.

Marcia Faller, RN, joined us in 1989 and has been our Senior Vice President since July 1997, with responsibility for quality management and professional education, traveler housing, information technologies, facilities and other office support. Ms. Faller served as one of our Vice Presidents from July 1989 until July 1997, with various responsibilities in recruiting and operations. Prior to joining us, Ms. Faller worked for Sharp Memorial Hospital, where she was responsible for nurse recruitment operations. Previously, she was a staff nurse and manager in intensive and coronary care.

Denise Jackson has been our General Counsel and Vice President of Administration since October 2000, with responsibility for legal, risk management and human resource functions. From 1995 to September 2000, Ms. Jackson served as Vice President and Senior Counsel of The Mills Corporation, a publicly traded real estate investment trust.

Beth Machado joined us in 1988 and has been our Senior Vice President of Recruitment since May 1999, with responsibility for traveler recruitment, placement and retention, as well as order growth and management with our hospital and healthcare facility clients. Ms. Machado served as our Vice President of Recruitment from March 1996 until May 1999. Prior to joining us, Ms. Machado was a national commodities broker at Multivest, Inc.

Diane Stumph, CPA, joined us in 1991 and has been our Senior Vice President of Finance since July 1997, with responsibility for accounting, payroll and finance operations and cash and tax management. Ms. Stumph served as Vice President of Finance from January 1995 until July 1997 and as our Chief Financial Officer from January 1995 until May 2001. In addition, Ms. Stumph served as our Controller from August 1991 until January 1995. Prior to joining us, Ms. Stumph worked for Exxon Company, USA for 11 years in a variety of audit, finance and accounting management roles.

Stephen Wehn joined us in 1993 and has been our Senior Vice President of Client Services since December 2000, with responsibility for hospital and healthcare facility client marketing, contracting and service. Mr. Wehn served as our Vice President of Client Services from July 1997 until December 2000 and as our National Director of Client Services from October 1993 until July 1997. Prior to joining us, Mr. Wehn

worked for Manpower, Inc., serving first as a manager for a healthcare staffing division and then as a district manager for two of Manpower's largest multi-office franchises.

TERM OF EXECUTIVE OFFICERS AND DIRECTORS

Upon consummation of this offering, we expect that two independent persons will be elected directors by our board of directors. Each director serves for a term of one year. Directors hold office until the annual meeting of stockholders and until their successors have been duly elected and qualified. Executive officers are appointed by the board and serve at the discretion of the board.

COMMITTEES OF OUR BOARD OF DIRECTORS

Our board has established, effective upon consummation of this offering, an audit committee, the members of which will be Messrs. Miller, Gallagher and Stern, a compensation committee, the members of which will be Messrs. Miller and Gallagher, an executive committee, the members of which will be Messrs. Haas, Wheat and Francis, and a stock plan committee, the members of which will be Messrs. Miller and Gallagher. Each of the decisions of our compensation and stock plan committees will also be subject to approval by our board. The audit committee will oversee actions taken by our independent auditors and review our internal controls and procedures. The compensation committee will review and approve the compensation of our officers and management personnel and administer our employee benefit plans. The executive committee will exercise the authority of our board in the interval between meetings of the board. The stock plan committee will administer our stock-based and certain other incentive compensation plans.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

One of our director nominees, Michael Gallagher, serves as the Chief Executive Officer of Playtex Products, Inc. and will serve as a member of our compensation committee. Our chief operating officer, Susan Nowakowski, also serves as a director of Playtex Products, Inc.

DIRECTORS' COMPENSATION

Directors who are not executive officers will receive an annual fee of $10,000, $2,500 for each board meeting they attend and $1,000 for each committee meeting they attend which is not held on the same day as a board meeting. Directors will be reimbursed for out-of-pocket expenses incurred in connection with attending meetings of the board and its committees.

COMPENSATION OF EXECUTIVE OFFICERS

The following table sets forth the salary and certain other compensation paid by us for our Chief Executive Officer and our other executive officer whose total salary and bonus exceeded $100,000 for services rendered to us during 2000:

	ANNUAL COMPENSATION				LONG-TERM COMPENSATION AWARDS	
NAME AND PRINCIPAL POSITION	YEAR	SALARY	BONUS	ALL OTHER COMPENSATION(1)	RESTRICTED STOCK AWARDS	NUMBER OF SECURITIES UNDERLYING OPTIONS
Steven Francis, President and Chief Executive Officer.....	2000	$304,875	$200,000	$1,950	--	746,493
Susan Nowakowski, Chief Operating Officer.....	2000	181,496	67,412	1,950	--	321,451

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(1) Amounts consist of employer matching contributions to our 401(k) plan.

OPTIONS GRANTS DURING 2000

The following table sets forth information concerning stock options that we granted to our named executive officers in 2000. We have never issued stock appreciation rights.

	INDIVIDUAL GRANTS				POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM(2)	
NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED	PERCENTAGE OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN 2000	EXERCISE PRICE (PER SHARE) (1)	EXPIRATION DATE	5%	10%
Steven Francis.....	746,493	48.3%	$6.68	December 31, 2009	$2,766,675	$6,823,944
Susan Nowakowski.....	202,006	13.1%	$3.80	December 31, 2009	430,182	1,062,924
	119,445	7.7%	$6.68	December 31, 2009	442,691	1,091,877

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(1) The exercise price for each option was equal to the fair market value of our common stock as determined by our board on the date of grant. In determining the fair market value of our common stock on the date of grant, our board considered many factors including:

- the fact that option grants involved illiquid securities in a non-reporting company;
- the fact that the securities underlying the option grants represented a minority interest in our common stock;
- our performance and operating results at the time of grant; and
- our stage of development and business strategy.

(2) These amounts present hypothetical gains that could be achieved for the respective options if exercised at the end of the option term. These gains are based on assumed rates of stock price appreciation of 5.0% and 10.0% compounded annually from the date the respective options were granted to their expiration dates. These assumptions are not intended to forecast future appreciation of our stock price. The potential realizable value computation does not take into account federal or state income tax consequences of option exercises or sales of appreciated stock. If we used an assumed initial public offering price of $15.00 per share as the base to compute the potential option values assuming annual rates of stock price appreciation of 5.0% and 10.0%, the hypothetical gain that could be achieved would be $12,428,267 and $21,542,849, respectively, to Steven Francis, and $5,946,740 and $9,900,348, respectively, to Susan Nowakowski.

AGGREGATED OPTION EXERCISES IN 2000 AND YEAR-END OPTION VALUES

The following table sets forth information concerning options that our named executive officers exercised during 2000 and the number of shares subject to both exercisable and unexercisable stock options as of December 31, 2000. The table also reports values for "in-the-money" options that represent the positive spread between the exercise prices of outstanding options and an assumed initial offering price of $15.00 per share.

			NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT DECEMBER 31, 2000		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT DECEMBER 31, 2000	
NAME	NUMBER OF SHARES ACQUIRED ON EXERCISE	VALUE REALIZED	EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
Steven Francis.....	--	--	--	2,766,449	$--	$28,829,093
Susan Nowakowski.....	--	--	--	660,801	$--	7,055,339

MANAGEMENT COMPENSATION INCENTIVE PLANS

Our Senior Management Bonus Plan will provide incentives and rewards to some of our senior members of management for achievement of annual financial goals. The bonus plan will be administered by our compensation committee. The board may resolve to administer the plan, thereby assuming all the functions of

the compensation committee under the plan. Under the bonus plan, the compensation committee shall designate for each "performance period" (which is the period during which performance is measured to determine the level of attainment of an award) which participants will be eligible for an award, the performance criteria for the performance period and the maximum award. This information will be communicated to each participant prior to or during the performance period. The performance criteria for 2001 has been established in a Senior Management Bonus Plan for 2001 and the bonuses under our bonus plan are earned based upon a pre-established level of EBITDA (as defined in the bonus plan for 2001) achieved during the year, and are calculated for each participating member of senior management based upon a specific percentage of the individual's salary at targeted levels of EBITDA achievement. The board has the power to amend the plan at any time and may amend any outstanding award granted under the plan, subject to grantee consent in appropriate instances. Adopting and maintaining this bonus plan does not stop the board from making compensation or award arrangements outside of the plan.

STOCK OPTION PLANS

1999 Stock Option Plans

In November, 1999, we adopted our 1999 Performance Stock Option Plan and our 1999 Super-Performance Stock Option Plan. Both of our 1999 stock option plans allow us to:

- attract, motivate and retain executive personnel of outstanding ability;
- focus the attention of executive management on achievement of sustained long-term results;
- foster management's attention on overall corporate performance and thereby promote cooperation and teamwork among management of the operating units; and
- provide executives with a direct economic interest in the attainment of demanding long-term business objectives.

ADMINISTRATION. Upon consummation of this offering, our stock plan committee will administer our 1999 stock option plans. The stock plan committee will have the authority to construe, interpret and implement our 1999 stock option plans and any agreements evidencing any options granted under our 1999 stock option plans, and to prescribe, amend and rescind rules and regulations relating to our 1999 stock option plans. The board may resolve to administer the plan, thereby assuming all of the functions of the stock plan committee under the plan.

STOCK OPTIONS. The stock plan committee is authorized to grant options to purchase shares of common stock that are either "qualified," which include those options that satisfy the requirements of Section 422 of the Internal Revenue Code for incentive stock options, or "nonqualified," which include those options that are not intended to satisfy the requirements of Section 422 of the Internal Revenue Code. These options will be subject to the terms and conditions established by the stock plan committee (after consultation with our Chief Executive Officer). Under the terms of our 1999 stock option plans, the exercise price of the initial grant of options was the "initial founder's price" (as defined in the 1999 stock option plans). The exercise price of all subsequent grants of options is not less than the fair market value of our common stock at the time of grant.

ELIGIBILITY. Any members of our senior management (including directors, officers or employees) selected by the stock plan committee are eligible for grants of options under our 1999 stock option plans.

SHARES SUBJECT TO OUR 1999 STOCK OPTION PLANS. The number of shares of our common stock authorized for issuance under our 1999 Performance Stock Option Plan is 3,688,617, and under our 1999 Super-Performance Stock Option Plan is 1,844,306. If the shares subject to an option under our 1999 stock option plans expire, terminate, or are canceled for any reason without cash consideration paid, the shares will again be available for future award. If there is any recapitalization, or any acquisition, divestiture or any other corporate transaction of any kind involving us that the committee in its discretion deems of a kind appropriate to require an amendment or adjustment to our 1999 stock option plans or to the options issued under these plans, the stock plan committee will make appropriate adjustments to the type and number of

shares covered by options then outstanding, the exercise price of outstanding options and the shares that remain available for award under our 1999 stock option plans.

TERM AND VESTING. The options already granted generally will terminate on December 31, 2009, unless terminated earlier because of a participant's termination of employment, and will vest and become exercisable at such times and subject to such conditions as the stock plan committee determines.

All options outstanding under the 1999 stock option plans at the completion of this offering will become fully vested. The options, once vested, will be exercisable at a rate of 25% per year, with the first 25% to become exercisable on various dates following the expiration of the underwriters' lock-up period.

Under the terms of our 1999 stock option plans and unless a particular stock option agreement provides otherwise, if a participant's employment is terminated prior to the expiration of the options granted under our 1999 stock option plans for any reason other than death or disability, then any vested and non-exercisable portion of an option shall become exercisable at a rate of 25% per year for the four years following the period that ends no earlier than three years following this offering, provided, however, that if a participant terminates employment due to death or disability, vested and exercisable options shall remain exercisable for one year following termination of employment, or the original expiration date of the option, if earlier.

The stock plan committee may permit a participant to deliver shares of common stock to exercise an option, provided that the common stock has been owned by the participant for at least six months. Otherwise, an option may be exercised by delivery of a certified or official bank check or, with the stock plan committee's consent, by personal check.

NONTRANSFERABILITY OF OPTIONS. Options awarded under our 1999 stock option plans will generally not be assignable or transferable other than by will or by the laws of descent and distribution. The stock plan committee may provide in a particular stock option agreement that an option may be transferred for estate planning purposes to a family trust or family partnership for the benefit of immediate members of the participant's family.

STATUS OF PARTICIPANTS. A participant will have no rights as a stockholder with respect to any shares covered by any option until the exercise of that option.

TAX WITHHOLDING. Whenever shares of common stock are to be delivered pursuant to an option, the stock plan committee may require as a condition of delivery that the participant pay in cash or in stock an amount sufficient to satisfy all related federal, state and other withholding tax requirements.

TERM AND AMENDMENT. Our 1999 stock option plans have ten year terms. Our board may at any time amend, suspend or discontinue our 1999 stock option plans. The expiration of the term of our 1999 stock option plans, or any amendment, suspension or discontinuation will not adversely impair the rights under any outstanding option held by a participant without the consent of that participant, nor will any amendment for which shareholder approval would be required be effective without receiving the necessary shareholder approval.

CHANGE OF CONTROL. Under the terms of our 1999 stock option plans, if there is a change of control (as defined in our 1999 stock option plans), or in the event that our board shall propose that we enter into a transaction that would result in a change of control, the stock plan committee may in its discretion, by written notice to a participant provide that the participant's options will be terminated unless exercised within a specified period. The stock plan committee also may in its discretion, by written notice to a participant, provide that the participant's options shall be fully exercisable as to all or some of the shares of common stock covered by that participant's options or that some or all of the restrictions on any of that participant's options may lapse in the event of a change of control.

2001 Stock Option Plan

In connection with this offering, we have adopted our 2001 stock option plan for grants to be made to participants in anticipation of, and following, this offering. The purpose of our 2001 stock option plan is to provide a means through which we may attract able persons to enter and remain in the employ of our

company and to provide a means whereby employees, directors and consultants can acquire and maintain common stock ownership, thereby strengthening their commitment to the welfare of our company and promoting an identity of interest between stockholders and these employees.

ADMINISTRATION. The stock plan committee will administer our 2001 stock option plan. The board may resolve to administer the plan, thereby assuming all of the functions of the stock plan committee under the plan. Subject to board approval, the stock plan committee will have the authority to interpret, administer, reconcile any inconsistency and correct any default in our 2001 stock option plan and any agreements evidencing any options granted under our 2001 stock option plan, and to establish, amend, suspend or waive rules and regulations relating to our 2001 stock option plan.

STOCK OPTIONS. The stock plan committee will be authorized to grant options to purchase shares of common stock that are "nonqualified," which are options that are not intended to satisfy the requirements of Section 422 of the Internal Revenue Code. These options will be subject to such terms and conditions as the stock plan committee shall determine. Under the terms of our 2001 stock option plan, the exercise price of the options will not be less than the fair market value of our common stock at the time of grant.

ELIGIBILITY. Any of our employees, directors or consultants designated by the stock plan committee will be eligible for grants of options under our 2001 stock option plan.

SHARES SUBJECT TO OUR 2001 STOCK OPTION PLAN. The number of shares of our common stock authorized for issuance under our 2001 stock option plan is 2,178,013 shares. No participant may be granted options to purchase more than 544,503 shares of common stock in any one year. If the shares subject to an option under our 2001 stock option plan expire, terminate, are surrendered or forfeited for any reason, the shares will again be available for new grants under our 2001 stock option plan. If there is any change in the outstanding stock or in the capital structure of our company by reason of stock or extraordinary cash dividends, stock splits, reverse stock splits, recapitalizations, reorganizations, mergers, consolidations, combinations, exchanges, or other relevant changes in capitalization, or if there is any change in applicable laws or any change in circumstances that results in or would result in any substantial dilution or enlargement of the rights granted to, or available for, participants, the stock plan committee in its sole discretion will make appropriate adjustments to the number of shares covered by options then outstanding under our 2001 stock option plan, the exercise price of outstanding options and the maximum number of shares and the per-person maximum number of shares available for grant under our 2001 stock option plan.

TERM AND VESTING. The options granted will generally terminate on the tenth anniversary of their grant, unless terminated earlier because of a participant's termination of employment, and will vest and become exercisable in increments of 25% on each of the first four anniversaries of the date of grant.

An option generally will be exercised by delivery of cash in an amount equal to the exercise price of that option. The stock plan committee may permit a participant to deliver shares of common stock to exercise an option, provided the common stock delivered has been owned by the participant for at least six months or was previously acquired by the participant on the open market. The stock plan committee may also allow the option price to be paid in other property or by brokered exercise.

Under the terms of our 2001 stock option plan and unless a particular stock option agreement provides otherwise, if a participant's employment is terminated prior to the expiration of the option granted under our 2001 stock option plan, unvested portions of the option expire immediately and vested portions of the option generally remain exercisable for three months.

The stock plan committee may permit the voluntary surrender of all or any portion of any nonqualified stock option granted under our 2001 stock option plan to be conditioned upon the granting to the participant of a new option for the same or different number of shares as the option surrendered, or require voluntary surrender before a grant of a new option to the participant. The new option will be exercisable at a price and during a period in accordance with any other terms or conditions specified by the stock plan committee at the time the new option is granted, all determined in accordance with the provisions of the 2001 stock option plan without regard to the terms and conditions of the nonqualified stock option surrendered.

NONTRANSFERABILITY OF OPTIONS. Options awarded under our 2001 stock option plan are generally not assignable or transferable other than by will or by the laws of descent and distribution. The stock plan committee may provide in a particular stock option agreement that an option may be transferred for estate planning purposes to a family trust or family partnership for the benefit of immediate members of the participant's family.

TAX WITHHOLDING. A participant may be required to pay to us and we shall have the right and are authorized to withhold from any shares of stock or other property deliverable under any option or from any compensation or other amounts owing to a participant the amount (in cash, stock or other property) of any required tax withholding and payroll taxes in respect of an option, its exercise, or any payment or transfer under an option or under our 2001 stock option plan, and to take such other action as may be necessary in our opinion to satisfy all obligations for the payment of these taxes.

If so provided in a stock option agreement, a participant may satisfy, in whole or in part, withholding liability (but no more than the minimum required withholding liability) by delivery of shares of stock owned by the participant (which are not subject to any pledge or other security interest and which have been owned by the participant for at least six months or purchased on the open market) with a fair market value equal to the withholding liability or by having us withhold from the number of shares of stock otherwise issuable pursuant to the exercise of the option a number of shares with a fair market value equal to the withholding liability.

TERM AND AMENDMENT. Our 2001 stock option plan has a term of ten years. Our board may at any time amend, alter, suspend, discontinue or terminate our 2001 stock option plan. No amendment, suspension, discontinuation or termination will impair the rights of any participant or any holder or beneficiary of any option without the consent of the participant, holder, or beneficiary, nor will any amendment for which shareholder approval would be required be effective without receiving the necessary shareholder approval.

CHANGE OF CONTROL. Under the terms of our 2001 stock option plan, and unless a particular stock option agreement provides otherwise, if there is a change of control (as defined in our 2001 stock option plan), a participant's options will become fully exercisable as to all the shares of common stock covered by that participant's options. Alternatively, in the event of a change of control, the stock plan committee may in its discretion, by written notice to the participant, provide that the participant's options will be terminated unless exercised within 10 days, in exchange for a payment in cash or stock of the value of that participant's options based upon the per-share value to be received by other shareholders pursuant to the transaction.

Recent Stock Options Awarded

In July 2001, we granted options to some members of our management for 546,314 shares of common stock at an exercise price equal to $9.09 per share, including options to purchase 458,804 shares granted to Donald Myll, effective as of the date of this offering. The first 25% of these options are expected to vest on the first anniversary of the date of their grant.

EMPLOYMENT AND SEVERANCE AGREEMENTS

We are parties to an employment agreement with Steven Francis which provides that Mr. Francis will serve as our President and Chief Executive Officer and as a member of our board until December 31, 2003 (and thereafter automatically for additional one-year periods unless either party gives prior written notice of its intent to terminate the agreement) or until we terminate his employment or he resigns, if earlier. The agreement provides that Mr. Francis will receive a base salary of $300,000 per year (increased annually at the discretion of our board), an annual bonus opportunity subject to meeting certain performance based criteria, participation in our stock option plans, eligibility in our employee benefit plans and other benefits provided in the same manner and to the same extent as to our other senior management.

Mr. Francis's employment agreement provides that he will receive severance benefits if we voluntarily terminate his employment for any reason other than "cause" (as defined in the agreement), in the event of his disability or death or if he terminates his employment for "good reason" (as defined in the agreement).

In the event of such termination, Mr. Francis or his estate, as applicable, will be entitled to any earned but unpaid base salary, an immediate lump sum severance payment of two years of base salary, plus his bonus for the year of termination. In addition, Mr. Francis has the right to resign for any reason or no reason within 90 days following a "change of control" (as defined in the agreement) and have such resignation be treated as "good reason."

Under some circumstances, amounts payable under Mr. Francis's employment agreement are subject to a full "gross-up" payment to make Mr. Francis whole in the event that he is deemed to have received "excess parachute payments" under Section 280G and 4999 of the Internal Revenue Code.

Mr. Francis's employment agreement also contains a confidentiality agreement and a covenant not to compete or solicit during its term and for a period of two years thereafter.

We also entered into executive severance agreements with two of our executive officers, Susan Nowakowski and Donald Myll, in November 1999 and May 2001, respectively. These executives' severance agreements provide that they will receive severance benefits if their at-will employment is terminated by us without cause (as defined in the agreements). Such benefits include cash payments over a 12-month period equal to their annual salary plus reimbursement for the COBRA costs for their health insurance for that 12-month period (or until the executive becomes eligible for comparable coverage under another employer's health plans, if earlier). Each executive severance agreement contains a requirement that the executive execute our standard covenant not to compete or solicit and general release of all claims form as a condition to receiving the severance payments.

RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH THE HWP STOCKHOLDERS

AMN Acquisition Corp. was formerly our controlling stockholder and was owned by the HWP stockholders. Robert Haas and Douglas Wheat, two of our directors, are affiliates of the HWP stockholders and have indirect equity interests in the HWP stockholders.

In June 2000, we issued shares to AMN Acquisition Corp. as consideration for an aggregate capital contribution of $10.1 million in connection with our acquisition of NursesRx. In addition, in November 2000, we issued shares to AMN Acquisition Corp. as consideration for an aggregate capital contribution of $35.6 million in connection with our acquisition of Preferred Healthcare Staffing.

In connection with our acquisition of Preferred Healthcare Staffing, we paid $1.5 million to AMN Acquisition Corp. in exchange for advisory services. In addition, in November 1999, we paid $3.7 million to AMN Acquisition Corp. to reimburse it for expenses incurred in our 1999 recapitalization.

During 2000 and 2001, we paid an affiliate of the HWP stockholders a fee for management advisory services provided to us in the amounts of $150,000 and $112,500, respectively. At the completion of this offering, we will pay a fee to an affiliate of the HWP stockholders of up to $1.725 million and the agreement governing these fees will terminate. We will make this payment concurrently with the closing of this offering.

TRANSACTIONS WITH BANCAMERICA CAPITAL INVESTORS

BancAmerica Capital Investors SBIC I, L.P., currently beneficially owns 9.1% of our common stock and will beneficially own approximately 6.9% of our common stock following this offering. BancAmerica Capital Investors also holds our senior subordinated notes, and affiliates of BancAmerica Capital Investors are acting as an underwriter of this offering and as a lender under our existing credit facility. For more information, see "Underwriting."

In June 2000, we issued shares to BancAmerica Capital Investors as consideration for an aggregate capital contribution of $1.3 million in connection with our acquisition of NursesRx. In addition, in November 2000, we issued shares to BancAmerica Capital Investors as consideration for an aggregate capital contribution of $4.4 million in connection with our acquisition of Preferred Healthcare Staffing.

TRANSACTIONS WITH OLYMPUS PARTNERS

In connection with our 1999 recapitalization, we paid $1.5 million in advisory fees to our then majority stockholder, Olympus Partners.

TRANSACTIONS WITH DIRECTORS

In connection with our 1999 recapitalization, we paid $100,000 in advisory fees to one of our minority stockholders and directors, William Miller. Prior to the consummation of this offering, we paid Mr. Miller an annual fee of $25,000 to serve as a director (in addition to the fees described under "Management -- Directors' Compensation").

Steven Francis, our President and Chief Executive Officer, a director and stockholder, owned a minority interest in AMN Healthcare, Inc., our primary operating subsidiary, until October 1999. Prior to our November 1999 recapitalization, Steven Francis exchanged his shares of our subsidiary for shares of our common stock, eliminating this minority ownership interest.

In June 2000, we issued shares to an affiliate of Steven Francis as consideration for an aggregate capital contribution of $0.6 million in connection with our acquisition of NursesRx.

We have secured services in the past from certain advertising agencies in which Steven Francis currently holds a 30% interest. We incurred expenses of $701,676, $30,723, $39,713 and $20,737 in 1998, 1999, 2000

and the six month period ended June 30, 2001, respectively, related to the services provided by these advertising agencies.

REGISTRATION RIGHTS

In consideration for approving amendments to our certificate of incorporation and by-laws necessary to proceed with this offering and amending their existing registration rights so that we may have a uniform set of registration rights, we have agreed to enter into a registration rights agreement with the HWP stockholders, BancAmerica Capital Investors, Steven Francis and the Francis Family Trust upon consummation of this offering. Subject to several exceptions, including our right to defer a demand registration under certain circumstances, the HWP stockholders may require that we register for public resale under the Securities Act all shares of common stock they request be registered at any time after 180 days following this offering, and BancAmerica Capital Investors may require that we register for public resale under the Securities Act all shares of common stock they request be registered at any time after one year following this offering. The HWP stockholders may demand five registrations and BancAmerica Capital Investors may demand one registration, in each case so long as the securities being registered in each registration statement are reasonably expected to produce aggregate proceeds of $5 million or more. If we become eligible to register the sale of our securities on Form S-3 under the Securities Act, the HWP stockholders have the right to require us to register the sale of the common stock held by them on Form S-3, subject to offering size and other restrictions. BancAmerica Capital Investors, Steven Francis and the Francis Family Trust are entitled to piggyback registration rights with respect to any registration request made by the HWP stockholders, and the HWP Stockholders, Steven Francis and the Francis Family Trust are entitled to piggyback registration rights with respect to the registration request made by BancAmerica Capital Investors. If the registration requested by the HWP stockholders or BancAmerica Capital Investors is in the form of a firm underwritten offering, and if the managing underwriter of the offering determines that the number of securities to be offered would jeopardize the success of the offering, the number of shares included in the offering shall be determined as follows: (i) first, shares offered by the HWP stockholders, BancAmerica Capital Investors, Steven Francis and the Francis Family Trust (pro rata, based on their respective ownership of our common equity), (ii) second, shares offered by stockholders other than the HWP stockholders, BancAmerica Capital Investors, Steven Francis and the Francis Family Trust (pro rata, based on their respective ownership of our common equity) and (iii) third, shares offered by the Company.

In addition, the HWP stockholders, BancAmerica Capital Investors, Steven Francis and the Francis Family Trust will be granted piggyback rights on any registration for our account or the account of another stockholder. If the managing underwriter in an underwritten offering determines that the number of securities offered in a piggyback registration would jeopardize the success of the offering, the number of shares included in the offering shall be determined as follows: (i) first, shares offered by the Company for its own account and (ii) second, shares offered by the stockholders (pro rata, based on their respective ownership of our common equity).

In connection with these registrations, we are generally required to enter into standard indemnification or underwriting agreements and to bear all fees, costs and expenses (except for selling stockholder legal fees and underwriting discounts and selling commissions).

PRINCIPAL STOCKHOLDERS

The following table summarizes certain information regarding the beneficial ownership of our outstanding common stock for:

- each person or group who beneficially owns more than 5% of the common stock;
- our chief executive officer;
- each of our other executive officers;
- each of our directors and director nominees; and
- all of our directors, director nominees and executive officers as a group.

Beneficial ownership of shares is determined under the rules of the Securities and Exchange Commission and generally includes any shares over which a person exercises sole or shared voting or investment power. Except as indicated by footnote, each person identified in the table possesses sole voting and investment power with respect to all shares of common stock held by them. Shares of common stock subject to options currently exercisable or exercisable within 60 days are deemed outstanding for computing the percentage of the person holding these options, but are not deemed outstanding for computing the percentage of any other person. Applicable percentage ownership in the following table is based on 30,714,643 shares of common stock outstanding before this offering and 40,714,643 shares of common stock outstanding after the completion of this offering. Unless otherwise indicated, the address of each of the named individuals is c/o AMN Healthcare Services, Inc., 12235 El Camino Real, Suite 200, San Diego, CA 92130.

NAME	OUTSTANDING SHARES OF COMMON STOCK	SHARES THAT CAN BE ACQUIRED WITHIN 60 DAYS	PERCENTAGE OF OUTSTANDING SHARES BEFORE THE OFFERING	PERCENTAGE OF OUTSTANDING SHARES AFTER THE OFFERING
Robert Haas (1)	26,584,786	--	86.6%	65.3%
HWH Capital Partners, L.P.	12,444,434	--	40.5%	30.6%
HWH Nightingale Partners, L.P.	9,418,313	--	30.7%	23.1%
HWP Nightingale Partners II, L.P.	3,395,621	--	11.1%	8.3%
HWP Capital Partners II, L.P.	1,326,418	--	4.3%	3.3%
BancAmerica Capital Investors SBIC I, L.P. (2)	2,810,276	--	9.1%	6.9%
Steven Francis (3)	1,214,422	--	4.0%	3.0%
William Miller III (4)	105,159	157,739	*	*
Douglas Wheat	--	--	--	--
Michael Gallagher (5)	--	--	--	--
Andrew Stern (6)	--	--	--	--
Susan Nowakowski	--	--	--	--
Donald Myll	--	--	--	--
All directors, director nominees and executive officers as a group (7)	27,904,367	157,739	90.9%	68.7%

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* Less than 1%

(1) Represents shares held by the following entities:

- 12,444,434 shares held by HWH Capital Partners, L.P.
- 9,418,313 shares held by HWH Nightingale Partners, L.P.
- 3,395,621 shares held by HWP Nightingale Partners II, L.P.
- 1,326,418 shares held by HWP Capital Partners II, L.P.

The ultimate general partner of each of these limited partnerships is either a limited liability company or a corporation, in each case controlled by Mr. Haas. By virtue of his control over each such limited

liability company and corporation, Mr. Haas has sole voting and dispositive power over these 26,584,786 shares. The address of each of the limited partnerships listed above is c/o Haas Wheat & Partners, L.P., 300 Crescent Court, Suite 1700, Dallas, Texas 75201.

(2) The address of BancAmerica Capital Investors is NC1-007-25-01, 100 North Tyron Street, 25th Floor, Charlotte, North Carolina 28255.

(3) Includes 1,214,422 shares owned by the Francis Family Trust dated May 24, 1996. Mr. Francis and his wife Gayle Francis are each Trustees of such trust. As a result, he has investment power over these shares and is therefore deemed to have beneficial ownership of these shares.

(4) Mr. Miller's address is c/o Health Management Systems, Inc., 401 Park Avenue South, New York, New York 10016. The percentage of outstanding shares owned includes 157,739 shares that can be acquired from another stockholder.

(5)Mr. Gallagher's address is c/o Playtex Products, Inc., 300 Nyala Farms Road, Westport, Connecticut 06880.

(6)Mr. Stern's address is c/o Sunwest Communications, Inc., 5956 Sherry Lane, Dallas, Texas 75225.

(7) The percentage of outstanding shares owned includes 26,584,786 shares owned by the HWP stockholders, 1,214,422 shares owned by the Francis Family Trust dated May 24, 1996, and 262,898 shares beneficially owned by William Miller.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock currently consists of 200,000,000 shares of common stock and 10,000,000 shares of preferred stock. After consummation of this offering, we expect to have 40,714,643 shares of common stock and no shares of preferred stock outstanding.

COMMON STOCK

The holders of our common stock are entitled to one vote per share on all matters submitted to a vote of stockholders, including the election of directors. The common stock does not have cumulative voting rights, which means that the holders of a majority of the outstanding common stock voting for the election of directors can elect all directors then being elected. The holders of our common stock are entitled to receive dividends when, as, and if declared by our board out of legally available funds. Upon our liquidation or dissolution, the holders of common stock will be entitled to share ratably in our assets legally available for the distribution to stockholders after payment of liabilities and subject to the prior rights of any holders of preferred stock then outstanding. All of the outstanding shares of common stock are, and the shares of common stock to be sold in this offering when issued and paid for will be, fully paid and nonassessable. The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of shares of any series of preferred stock which may be issued in the future.

PREFERRED STOCK

Our preferred stock may be issued from time to time in one or more series. Our board is authorized to fix the dividend rights, dividend rates, any conversion rights or right of exchange, any voting rights, rights and terms of redemption, the redemption price or prices, the payments in the event of liquidation, and any other rights, preferences, privileges, and restrictions of any series of preferred stock and the number of shares constituting such series and their designation. We have no present plans to issue any shares of preferred stock.

Depending upon the rights of such preferred stock, the issuance of preferred stock could have an adverse effect on holders of our common stock by delaying or preventing a change in control, adversely affecting the voting power of the holders of common stock, including the loss of voting control to others, making removal of the present management more difficult, or resulting in restrictions upon the payment of dividends and other distributions to the holders of common stock. These provisions could limit the price that investors might be willing to pay in the future for shares of our common stock.

CERTAIN CERTIFICATE OF INCORPORATION, BY-LAW AND STATUTORY PROVISIONS

The provisions of our certificate of incorporation and by-laws and of the Delaware General Corporation Law summarized below may have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that you might consider in your best interest, including an attempt that might result in your receipt of a premium over the market price for your shares.

Directors' Liability; Indemnification of Directors and Officers

Our certificate of incorporation provides that a director will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except:

- for any breach of the duty of loyalty;
- for acts or omissions not in good faith or which involve intentional misconduct or knowing violations of law;
- for liability under Section 174 of the Delaware General Corporation Law (relating to unlawful dividends, stock repurchases, or stock redemptions); or
- for any transaction from which the director derived any improper personal benefit.

This provision does not limit or eliminate our rights or those of any shareholder to seek non-monetary relief such as an injunction or rescission in the event of a breach of a director's duty of care. The provisions will not alter the liability of directors under federal securities laws. In addition, our certificate of incorporation and by-laws provide that we indemnify each director and the officers, employees, and agents determined by our board to the fullest extent provided by the laws of the State of Delaware.

Special Meetings of Stockholders

Our certificate of incorporation provides that special meetings of stockholders may be called only by the chairman or by a majority of the members of our board. Stockholders are not permitted to call a special meeting of stockholders, to require that the chairman call such a special meeting, or to require that our board request the calling of a special meeting of stockholders.

Advance Notice Requirements For Stockholder Proposals and Director Nominations

Our by-laws establish advance notice procedures for:

- stockholders to nominate candidates for election as a director; and

- stockholders to propose topics at stockholders' meetings.

Stockholders must notify our corporate secretary in writing prior to the meeting at which the matters are to be acted upon or the directors are to be elected. The notice must contain the information specified in our by-laws. To be timely, the notice must be received at our corporate headquarters not less than 60 days nor more than 130 days prior to the first anniversary of the date on which we mailed our proxy materials for the preceding year's annual meeting of stockholders. If the annual meeting is advanced by more than 30 days, or delayed by more than 30 days, from the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be received not earlier than the 130th day prior to the annual meeting and not later than the later of the 90th day prior to the annual meeting or the 10th day following the day on which we notify stockholders of the date of the annual meeting, either by mail or other public disclosure. In the case of a special meeting of stockholders called to elect directors, the stockholder notice must be received not earlier than 130 days prior to the special meeting and not later than the later of the 90th day prior to the special meeting or 10th day following the day on which we notify stockholders of the date of the special meeting, either by mail or other public disclosure. These provisions may preclude some stockholders from bringing matters before the stockholders at an annual or special meeting or from nominating candidates for director at an annual or special meeting.

Anti-Takeover Provisions of Delaware Law

In general, Section 203 of the Delaware General Corporation Law prevents an interested stockholder (defined generally as a person owning 15% or more of the corporation's outstanding voting stock) of a Delaware corporation from engaging in a business combination (as defined) for three years following the date that person became an interested stockholder unless various conditions are satisfied. Under our certificate of incorporation, we will opt out of the provisions of Section 203.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common stock is American Stock Transfer & Trust Company. Its telephone number is (212) 936-5100.

CERTAIN U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following discussion sets forth the opinion of Paul, Weiss, Rifkind, Wharton & Garrison with respect to the expected material United States federal income and estate tax consequences of the acquisition, ownership, and disposition of our common stock purchased pursuant to this offering by a holder that, for U.S. federal income tax purposes, is not a U.S. person as we define that term below. A beneficial owner of our common stock who is not a U.S. person is referred to below as a "non-U.S. holder." We assume in this discussion that you will hold our common stock issued in this offering as a capital asset within the meaning of the Internal Revenue Code of 1986, as currently amended. This discussion does not address all aspects of taxation that may be relevant to particular non-U.S. holders in light of their personal investment or tax circumstances or to persons that are subject to special tax rules. In particular, this description of U.S. tax consequences does not address the tax treatment of special classes of non-U.S. holders, such as banks, insurance companies, tax-exempt entities, financial institutions, broker-dealers, persons holding our common stock as part of a hedging or conversion transaction or as part of a "straddle," or U.S. expatriates. Our discussion is based on current provisions of the Internal Revenue Code, U.S. Treasury regulations, judicial opinions, published positions of the U.S. Internal Revenue Service and other applicable authorities, all as in effect on the date of this prospectus and all of which are subject to differing interpretations or change, possibly with retroactive effect. We have not sought, and will not seek, any ruling from the IRS with respect to the tax consequences discussed in this prospectus, and there can be no assurance that the IRS will not take a position contrary to the tax consequences discussed below or that any position taken by the IRS would not be sustained. Furthermore, this discussion does not give a detailed discussion of any state, local or foreign tax considerations. We urge you to consult your tax advisor about the U.S. federal tax consequences of acquiring, holding, and disposing of our common stock, as well as any tax consequences that may arise under the laws of any foreign, state, local, or other taxing jurisdiction or under any applicable tax treaty.

For purposes of this discussion, a U.S. person means any one of the following:

- a citizen or resident of the U.S.;

- a corporation (including any entity treated as a corporation for U.S. tax purposes) or partnership (including any entity treated as a partnership for U.S. tax purposes) created or organized in the U.S. or under the laws of the U.S. or of any political subdivision of the U.S.;

- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

- a trust, the administration of which is subject to the primary supervision of a U.S. court and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

DIVIDENDS

We do not anticipate paying cash dividends on our common stock in the foreseeable future. See "Dividend Policy." If dividends are paid on shares of our common stock, however, such dividends will generally be subject to withholding of U.S. federal income tax at the rate of 30% or such lower rate as may be specified by an applicable income tax treaty and we have received proper certification of the application of such income tax treaty. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under an applicable income tax treaty and the manner of claiming the benefits of such treaty. A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS.

Dividends that are effectively connected with a non-U.S. holder's conduct of a trade or business in the U.S. or, if provided in an applicable income tax treaty, dividends that are attributable to a permanent establishment in the United States, are not subject to the U.S. withholding tax, but are instead

taxed in the manner applicable to U.S. persons. In that case, we will not have to withhold U.S. federal withholding tax if

the non-U.S. holder complies with applicable certification and disclosure requirements. In addition, dividends received by a foreign corporation that are effectively connected with the conduct of a trade or business in the U.S. may be subject to a branch profits tax at a 30% rate, or a lower rate specified in an applicable income tax treaty.

GAIN ON DISPOSITION

A non-U.S. holder will generally not be subject to U.S. federal income tax, including by way of withholding, on gain recognized on a sale or other disposition of our common stock unless any one of the following is true:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the U.S. and, if an applicable tax treaty requires, attributable to a U.S. permanent establishment maintained by such non-U.S. holder;

- the non-U.S. holder is an individual who is present in the U.S. for 183 or more days in the taxable year of the sale, exchange or other disposition and certain other requirements are met; or

- our common stock constitutes a United States real property interest by reason of our status as a "United States real property holding corporation" (a "USRPHC") for U.S. federal income tax purposes at any time during the shorter of (i) the period during which you hold our common stock or (ii) the 5-year period ending on the date you dispose of our common stock and, assuming that our common stock is regularly traded on an established securities market for tax purposes, the non-U.S. holder held, directly or indirectly, at any time within the five-year period preceding such disposition more than 5% of such regularly traded common stock.

We believe that we are not currently and do not anticipate becoming a USRPHC.

Individual non-U.S. holders who are subject to U.S. tax because the holder was present in the U.S. for 183 days or more during the year of disposition are taxed on their gains (including gains from sale of our common stock and net of applicable U.S. losses from sale or exchanges of other capital assets incurred during the year) at a flat rate of 30%. Other non-U.S. holders who may be subject to U.S. federal income tax on the disposition of our common stock will be taxed on such disposition in the same manner in which citizens or residents of the U.S. would be taxed. In addition, if any such gain is taxable because we are or were a USRPHC, the buyer of our common stock will be required to withhold a tax equal to 10% of the amount realized on the sale.

U.S. FEDERAL ESTATE TAXES

Our common stock owned or treated as owned by an individual who at the time of death is a non-U.S. holder will be included in his or her estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

INFORMATION REPORTING AND BACKUP WITHHOLDING

A non-U.S. holder may have to comply with specific certification procedures to establish that the holder is not a U.S. person as described above in order to avoid backup withholding tax requirements with respect to our payments of dividends on our common stock. Under U.S. Treasury regulations, we must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to that non-U.S. holder and the tax withheld with respect to those dividends. These information reporting requirements apply even if withholding was not required because the dividends were effectively connected dividends or withholding was reduced or eliminated by an applicable tax treaty. Pursuant to an applicable tax treaty, that information may also be made available to the tax authorities in the country in which the non-U.S. holder resides.

The payment of the proceeds of the disposition of common stock by a non-U.S. holder to or through the U.S. office of a broker generally will be reported to the IRS and reduced by backup withholding unless the non-U.S. holder either certifies its status as a non-U.S. holder under penalties of perjury or otherwise establishes an exemption and the broker has no actual knowledge to the contrary. The payment of the proceeds on the disposition of common stock by a non-U.S. holder to or through a non-U.S. office of a broker generally will not be reduced by backup withholding or reported to the IRS. If, however, the broker is a U.S. person or has certain enumerated connections with the U.S., the proceeds from such disposition generally will be reported to the IRS (but not reduced by backup withholding) unless certain conditions are met.

Backup withholding is not an additional tax. Any amounts that we withhold under the backup withholding rules will be refunded or credited against the non-U.S. holder's U.S. federal income tax liability if certain required information is furnished to the IRS. Non-U.S. holders should consult their own tax advisors regarding application of backup withholding in their particular circumstance and the availability of and procedure for obtaining an exemption from backup withholding under current U.S. Treasury regulations.

The foregoing discussion is included for general information only. Each prospective purchaser is urged to consult his tax advisor with respect to the United States federal income tax and federal estate tax consequences of the ownership and disposition of common stock, including the application and effect of the laws of any state, local, foreign or other taxing jurisdiction.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and we cannot predict the effect, if any, that market sales of shares or the availability of any shares for sale will have on the market price of the common stock prevailing from time to time. Sales of substantial amounts of common stock, or the perception that such sales could occur, could adversely affect the market price of our common stock and our ability to raise capital through a sale of our securities.

Upon completion of this offering, we will have 40,714,643 shares of common stock outstanding (or 42,214,643 shares if the underwriters' over-allotment option is exercised in full) of which 30,714,643 will be "restricted shares." These shares will be eligible for sale in the public market after 180 days from the date of this prospectus (subject, in some cases, to volume limitations).

The 10,000,000 shares (or up to 11,500,000 shares if the underwriters' over-allotment option is exercised in full) of common stock sold in this offering will be freely tradable without further restriction or further registration under the Securities Act, except for shares purchased by an affiliate (as this term is defined in the Securities Act) of ours, which will be subject to the limitations of Rule 144 under the Securities Act. Subject to certain contractual limitations, holders of restricted shares generally will be entitled to sell these shares in the public securities market without registration either pursuant to Rule 144 or any other applicable exemption under the Securities Act.

In general, under Rule 144 under the Securities Act, a person (or persons whose shares are aggregated) who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year, and including the holding period of any prior owner except an affiliate, would be entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of our common stock or the average weekly trading volume of our common stock on the New York Stock Exchange during the four calendar weeks preceding such sale. Sales under Rule 144 are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about our company. Any person (or persons whose shares are aggregated) who is not deemed to have been our affiliate at any time during the three months preceding a sale, and who has beneficially owned shares for at least two years (including any period of ownership of preceding non-affiliated holders), would be entitled to sell such shares under Rule 144(k) without regard to the volume limitations, manner of sale provisions, public information requirements or notice requirements. An "affiliate" is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or under common control with, an issuer.

After the date of this prospectus, we intend to file one or more registration statements on Form S-8 under the Securities Act to register shares of common stock subject to outstanding stock options or reserved for issuance under our equity compensation plans. Upon completion of this offering, options to purchase approximately 5,727,955 shares will be outstanding under our equity compensation plans.

Our directors, executive officers, all of our existing stockholders and all option holders have entered into lock-up agreements pursuant to which they have agreed that they will not sell directly or indirectly, any shares of common stock without the prior written consent of Banc of America Securities LLC for a period of 180 days from the date of this prospectus.

We have granted registration rights to certain of our stockholders who hold approximately 33,375,933 shares in the aggregate (including shares issuable upon the exercise of outstanding options). Beginning 180 days after the date of this offering, some of these stockholders can require us to file registration statements that permit them to re-sell their shares. For more information, see "Related Party Transactions -- Registration Rights Agreements."

UNDERWRITING

We are offering the shares of common stock described in this prospectus through a number of underwriters. Banc of America Securities LLC, UBS Warburg LLC and J.P. Morgan Securities Inc. are the representatives of the underwriters. We have entered into a firm commitment underwriting agreement with the representatives. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has agreed to purchase the number of shares of common stock listed next to its name in the following table:

UNDERWRITER	NUMBER OF SHARES
Banc of America Securities LLC.....	
UBS Warburg LLC.....	
J.P. Morgan Securities Inc.	
Total.....	10,000,000

The underwriters initially will offer shares to the public at the price specified on the cover page of this prospectus. The underwriters may allow to some dealers a concession of not more than $ per share. The underwriters also may allow, and any dealers may reallow, a concession of not more than $ per share to some other dealers. If all the shares are not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms. The common stock is offered subject to a number of conditions, including:

- receipt and acceptance of our common stock by the underwriters; and
- the right to reject orders in whole or in part.

The underwriters have an option to buy up to 1,500,000 additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days to exercise this option. If the underwriters exercise this option, they will each purchase additional shares approximately in proportion to the amounts specified in the table above. We will pay the expenses associated with the exercise of the over-allotment option.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	PAID BY AMN HEALTHCARE SERVICES, INC.	
	NO EXERCISE	FULL EXERCISE
Per share.....	$	$
Total.....	$	$

We and our directors, executive officers, all of our existing stockholders and all option holders have entered into lock-up agreements with the underwriters. Under those agreements, we and those persons may not dispose of or hedge any of our common stock or securities convertible into or exchangeable for shares of our common stock unless permitted to do so by Banc of America Securities LLC. These restrictions will be in effect for a period of 180 days after the date of this prospectus. At any time and without notice, Banc of America Securities LLC may, in its sole discretion, release all or some of the securities from these lock-up agreements.

We will indemnify the underwriters against liabilities, including liabilities under the Securities Act. If we are unable to provide this indemnification, we will contribute to payments the underwriters may be required to make in respect of those liabilities.

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress.

These stabilizing transactions may including making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' over-allotment option referred to above, or may be "naked" shorts, which are short positions in excess of that amount.

The underwriters may close out any covered short position either by exercising their over-allotment option, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the over-allotment option.

A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchased in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

As a result of these activities, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the New York Stock Exchange, in the over-the-counter-market or otherwise.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares of common stock offered by this prospectus.

Prior to this offering, there has been no public market for our common stock. The initial public offering price has been negotiated between us and the representatives. Among the factors considered in these negotiations were:

- the history of, and prospects for, our company and the industry in which we compete;
- the past and present financial performance of our company;
- an assessment of our management;
- the present state of our development;
- the prospects for our future earnings;
- the prevailing market conditions of the applicable United States securities market at the time of this offering;
- market valuations of publicly traded companies that we and the representatives believe to be comparable to our company; and
- other factors deemed relevant.

The underwriters, at our request, have reserved for sale to certain of our employees and affiliates at the initial public offering price up to five percent of the shares being offered by this prospectus. The sale of shares to our employees and affiliates will be made by UBS Warburg LLC. We do not know if our employees or affiliates will choose to purchase all or any portion of these reserved shares, but any purchases they do

make will reduce the number of shares available to the general public. If all of these reserved shares are not purchased, the underwriters will offer the remainder to the general public on the same terms as the other shares offered by this prospectus.

Banc of America Securities LLC is an affiliate of Bank of America, N.A., which is the agent and a lender under our existing credit facility, and BancAmerica Capital Investors SBIC I, L.P., one of our stockholders and the holder of our senior subordinated notes. A portion of the net proceeds from this offering will be used to repay our existing credit facility and our senior subordinated notes. Following this offering, BancAmerica Capital Investors will own approximately 6.9% of our common stock. BancAmerica Capital Investors is also party to a registration rights agreement with us. See "Related Party Transactions."

UBS AG, Stamford Branch, an affiliate of UBS Warburg LLC, is a lender under our existing credit facility. A portion of the net proceeds from this offering will be used to repay our existing credit facility. In addition, an affiliate of Banc of America Securities LLC and an affiliate of J.P. Morgan Securities Inc. hold limited partnership interests in certain HWP stockholders.

Banc of America Securities LLC and UBS Warburg LLC are both members of the National Association of Securities Dealers, Inc. (NASD). Because we expect that more than 10% of the net proceeds of this offering will be paid to affiliates of Banc of America Securities LLC and UBS Warburg LLC under the existing credit facility and the subordinated note, and because an affiliate of Banc of America Securities LLC beneficially owns more than 10% of our senior subordinated notes, this offering is being conducted in accordance with Conduct Rule 2720(c)(3) of the NASD. This rule requires that the public offering price of an equity security must be no higher than the price recommended by a qualified independent underwriter which has participated in the preparation of the registration statement and performed its usual standard of due diligence in connection with that preparation. J.P. Morgan Securities Inc. has agreed to act as qualified independent underwriter with respect to this offering. The public offering price of our common stock will be no higher than that recommended by J.P. Morgan Securities Inc. J.P. Morgan Securities Inc. will not receive any compensation for acting in this capacity in connection with this offering; however, we have agreed to indemnify J.P. Morgan Securities Inc. in its capacity as qualified independent underwriter against certain liabilities under the Securities Act of 1933.

LEGAL MATTERS

Paul, Weiss, Rifkind, Wharton & Garrison, New York, New York will pass on the validity of the common stock offered by this prospectus for us. Latham & Watkins, New York, New York, will pass upon certain legal matters in connection with this offering for the underwriters. Paul, Weiss, Rifkind, Wharton & Garrison has represented the HWP stockholders from time to time and Latham & Watkins has represented us and our senior management from time to time.

EXPERTS

The consolidated financial statements and schedule of AMN Healthcare Services, Inc. and subsidiaries as of December 31, 1999 and 2000 and for each of the years in the two-year period ended December 31, 2000, have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated statements of operations, stockholders equity and cash flows included in the prospectus and the related financial statement schedule included elsewhere in the registration statement of AMN Healthcare Services, Inc. and subsidiary (formerly AMN Holdings, Inc.) for the year ended December 31, 1998 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports appearing herein and elsewhere in the registration statement, and are included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The financial statements of Nurses RX, Inc. as of December 31, 1998 and 1999 and for each of the years in the two-year period ended December 31, 1999, have been included herein and in the registration statement in reliance upon the report of DDK & Company LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The financial statements of Preferred Healthcare Staffing, Inc. as of December 31, 1999 and November 30, 2000 and for the years ended December 31, 1998 and 1999 and the eleven months ended November 30, 2000, have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The financial statements of O'Grady-Peyton International (USA), Inc. as of December 31, 1999 and 2000 and for each of the years in the two-year period ended December 31, 2000, have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

CHANGE OF ACCOUNTANTS

In February 2000, in connection with our recapitalization, our board of directors elected to change our independent auditors from Deloitte & Touche LLP to KMPG LLP. In connection with Deloitte & Touche LLP's audit of the financial statements for the year ended December 31, 1998, there were no disagreements with Deloitte & Touche LLP on any matters of accounting principles or practices, financial statement disclosures or auditing scope or procedures, nor any reportable events. Deloitte & Touche LLP's report on our financial statements for the year ended December 31, 1998 contained no adverse opinions or disclaimers of opinion and was not modified or qualified as to uncertainty, audit scope or accounting principles. We have provided Deloitte & Touche LLP with a copy of the disclosure contained in this section of the prospectus. Prior to retaining KPMG LLP, we did not consult with KPMG LLP regarding the application of accounting principles to a specified transaction or the type of audit opinion that might be rendered on our financial statements.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 with the Securities and Exchange Commission for the common stock we are offering by this prospectus. This prospectus does not include all of the information contained in the registration statement. You should refer to the registration statement and its exhibits for additional information. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are not necessarily complete and you should refer to the exhibits attached to the registration statement for copies of the actual contract, agreement or other document. When we complete this offering, we will also be required to file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission.

You can read our Securities and Exchange Commission filings, including the registration statement, over the Internet at the Securities and Exchange Commission's website at http://www.sec.gov. You may also read and copy any document we file with the Securities and Exchange Commission at its public reference facilities at 450 Fifth Street, N.W., Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates by calling the Public Reference Section of the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders
AMN Healthcare Services, Inc.:

We have audited the accompanying consolidated statements of operations, stockholders' equity and cash flows of AMN Healthcare Services, Inc. and subsidiary, formerly AMN Holdings, Inc. (the Company) for the year ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 1998 consolidated financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of AMN Healthcare Services, Inc. and subsidiary for the year ended December 31, 1998 in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

San Diego, California
September 23, 1999

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
AMN Healthcare Services, Inc.:

We have audited the accompanying consolidated balance sheets of AMN Healthcare Services, Inc. and subsidiaries, formerly AMN Holdings, Inc., (the Company), as of December 31, 1999 and 2000, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AMN Healthcare Services, Inc. and subsidiaries as of December 31, 1999 and 2000, and the results of their operations and their cash flows for each of the years in the two-year period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

San Diego, California
March 29, 2001, except as to Note 12,
which is as of July 9, 2001

AMN HEALTHCARE SERVICES, INC.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PAR VALUE)

	DECEMBER 31, 1999	DECEMBER 31, 2000	JUNE 30, 2001 (UNAUDITED)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 503	$ 546	$ 2,594
Accounts receivable, net	26,178	63,401	76,113
Income taxes receivable	3,036	--	--
Other current assets	2,379	4,812	6,270
Total current assets	32,096	68,759	84,977
Fixed assets, net	2,242	5,006	6,154
Deferred income taxes	838	10,565	14,863
Deposits	36	102	111
Goodwill, net	39,365	118,423	127,201
Other intangibles, net	5,301	6,555	6,532
Total assets	$ 79,878	$209,410	$239,838
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Book overdraft	$ 1,005	$ 556	$ --
Accounts payable and accrued expenses	961	2,431	4,073
Accrued compensation and benefits	4,299	11,017	14,996
Income taxes payable	--	1,745	2,363
Due to former shareholder	1,676	342	--
Current portion of notes payable	2,500	7,500	11,250
Other current liabilities	--	1,019	2,043
Total current liabilities	10,441	24,610	34,725
Notes payable, less current portion	71,506	115,389	126,541
Other long-term liabilities	42	2,341	1,457
Total liabilities	81,989	142,340	162,723
Stockholders' equity:			
Common stock, $.01 par value; 2,000 shares authorized; 473, 669, and 669 shares issued and outstanding at December 31, 1999 and 2000, and June 30, 2001, respectively	5	7	7
Additional paid-in capital	62,639	137,016	145,747
Accumulated deficit	(64,755)	(69,953)	(68,124)
Accumulated other comprehensive loss	--	--	(515)
Total stockholders' equity (deficit)	(2,111)	67,070	77,115
Commitments and contingencies			
Total liabilities and stockholders' equity	$ 79,878	$209,410	$239,838

See accompanying notes to consolidated financial statements.

AMN HEALTHCARE SERVICES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEARS ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1998	1999	2000	2000	2001
				(UNAUDITED)	(UNAUDITED)
Revenue	$87,718	$146,514	$230,766	$90,996	$219,169
Cost of revenue	67,244	111,784	170,608	68,478	164,235
Gross profit	20,474	34,730	60,158	22,518	54,934
Expenses:					
Selling, general and administrative, excluding non-cash stock-based compensation	12,804	20,677	30,728	12,280	30,820
Non-cash stock-based compensation	--	--	22,379	10,601	8,731
Amortization	1,163	1,721	2,387	867	2,696
Depreciation	171	325	916	324	879
Transaction costs	--	12,404	1,500	--	--
Total expenses	14,138	35,127	57,910	24,072	43,126
Income (loss) from operations	6,336	(397)	2,248	(1,554)	11,808
Interest expense, net	2,476	4,030	10,006	4,575	7,997
Income (loss) before minority interest, income taxes, and extraordinary item	3,860	(4,427)	(7,758)	(6,129)	3,811
Minority interest in earnings of subsidiary	(657)	(1,325)	--	--	--
Income tax (expense) benefit	(1,571)	872	2,560	2,023	(1,982)
Income (loss) before extraordinary item	1,632	(4,880)	(5,198)	(4,106)	1,829
Extraordinary loss on early extinguishment of debt, net of income tax benefit of $427	--	(730)	--	--	--
Net income (loss)	$ 1,632	$ (5,610)	$ (5,198)	$(4,106)	$ 1,829
Basic net income (loss) per common share:					
Income (loss) before extraordinary item	$ 3.96	$ (9.68)	$ (9.96)	$ (8.64)	$ 2.73
Extraordinary loss	--	(1.45)	--	--	--
Basic net income (loss) per common share	$ 3.96	$ (11.13)	$ (9.96)	$ (8.64)	2.73
Diluted net income (loss) per common share:					
Income (loss) before extraordinary item	$ 3.96	$ (9.68)	$ (9.96)	$ (8.64)	2.51
Extraordinary loss	--	(1.45)	--	--	--
Diluted net income (loss) per common share	$ 3.96	$ (11.13)	$ (9.96)	$ (8.64)	2.51
Weighted average common shares outstanding:					
Basic	412	504	522	475	669
Diluted	412	504	522	475	729

See accompanying notes to consolidated financial statements.

	YEARS ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1998	1999	2000	2000	2001
				(UNAUDITED)	(UNAUDITED)
Unaudited pro forma information (Note 1)					
Pro forma earnings (loss) per common share					
Pro forma basic net income (loss) per common share:					
Income (loss) before extraordinary item...	$ 0.09	$ (0.23)	$ (0.23)	$ (0.20)	$ 0.06
Extraordinary loss.....	--	(0.03)	--	--	--
Basic net income (loss) per common share.....	$ 0.09	$ (0.26)	$ (0.23)	$ (0.20)	0.06
Pro forma diluted net income (loss) per common share:					
Income (loss) before extraordinary item...	$ 0.09	$ (0.23)	$ (0.23)	$ (0.20)	$ 0.06
Extraordinary loss.....	--	(0.03)	--	--	--
Diluted net income (loss) per common share.....	$ 0.09	$ (0.26)	$ (0.23)	$ (0.20)	0.06
Pro forma weighted average common shares outstanding:					
Basic.....	17,751	21,715	22,497	20,461	28,835
Diluted.....	17,751	21,715	22,497	20,461	31,421

See accompanying notes to consolidated financial statements.

AMN HEALTHCARE SERVICES, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 1998, 1999 AND 2000 AND FOR

THE SIX MONTHS ENDED JUNE 30, 2001 (UNAUDITED)

(IN THOUSANDS)

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS (ACCUMULATED DEFICIT)	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL
	SHARES	AMOUNT				
Balance, December 31, 1997	400	$ 4	$ 12,396	$ (53)	$ --	$ 12,347
Issuance of stock for cash	37	--	2,050	--	--	2,050
Issuance of common stock	61	1	3,447	--	--	3,448
Net income	--	--	--	1,632	--	1,632
Balance, December 31, 1998	498	5	17,893	1,579	--	19,477
Repurchase of common stock	(492)	(5)	(19,350)	(62,915)	--	(82,270)
Issuance of common stock in exchange for minority interest	104	1	1,581	2,191	--	3,773
Issuance of common stock	363	4	59,515	--	--	59,519
Issuance of warrants	--	--	3,000	--	--	3,000
Net loss	--	--	--	(5,610)	--	(5,610)
Balance, December 31, 1999	473	5	62,639	(64,755)	--	(2,111)
Issuance of common stock	196	2	51,998	--	--	52,000
Stock-based compensation	--	--	22,379	--	--	22,379
Net loss	--	--	--	(5,198)	--	(5,198)
Balance, December 31, 2000	669	7	137,016	(69,953)	--	67,070
Stock-based compensation (unaudited)	--	--	8,731	--	--	8,731
Net income (unaudited)	--	--	--	1,829	--	1,829
Comprehensive income (loss):						
SFAS No. 133 (derivatives) transition adjustment (unaudited)	--	--	--	--	(589)	(589)
Amortization of SFAS No. 133 transition adjustment (unaudited)	--	--	--	--	74	74
Total comprehensive loss (unaudited)	--	--	--	--	--	(515)
Balance, June 30, 2001 (unaudited)	669	$ 7	$145,747	$(68,124)	$(515)	$ 77,115

See accompanying notes to consolidated financial statements.

AMN HEALTHCARE SERVICES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEARS ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1998	1999	2000	2000	2001
				(UNAUDITED)	(UNAUDITED)
Cash flows from operating activities:					
Net income (loss)	$ 1,632	$ (5,610)	$ (5,198)	$ (4,106)	$ 1,829
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	1,334	2,046	3,303	1,191	3,575
Minority interest in earnings of subsidiary	657	1,325	--	--	--
Debt extinguishment before income tax benefit	--	1,157	--	--	--
Provision for bad debts	30	260	435	16	1,207
Noncash interest expense	163	633	4,188	1,980	2,959
Deferred income taxes	350	(1,196)	(9,727)	(3,830)	(4,106)
Stock-based compensation	--	--	22,379	10,601	8,731
Loss on disposal of fixed assets	31	1	17	--	(1)
Changes in assets and liabilities, net of effects from acquisitions:					--
Accounts receivable	(2,420)	(7,847)	(23,572)	(4,652)	(8,421)
Income taxes receivable and other current assets	(411)	(2,976)	1,921	2,305	(1,212)
Deposits	107	(36)	(63)	(1)	(9)
Accounts payable and accrued expenses	(301)	(232)	68	(23)	1,104
Accrued compensation and benefits	(161)	1,195	3,772	1,573	2,732
Income taxes payable	--	--	1,745	584	(351)
Due to former shareholder	--	1,676	(1,334)	--	(1,342)
Other liabilities	--	42	480	28	50
Net cash provided by (used in) operating activities	1,011	(9,562)	(1,586)	5,666	6,745
Cash flows from investing activities:					
Purchase of fixed assets	(690)	(1,656)	(2,358)	(756)	(1,794)
Proceeds from disposal of fixed assets	3	--	8	--	--
Acquisitions, including acquisition costs	(15,995)	--	(91,793)	(16,440)	(12,963)
Net cash used in investing activities	(16,682)	(1,656)	(94,143)	(17,196)	(14,757)
Cash flows from financing activities:					
Capital lease repayments	--	--	(18)	(5)	(29)
Proceeds from issuance of notes payable	71,426	76,675	48,180	509	18,000
Payment of financing costs	(423)	(5,338)	(1,405)	--	(629)
Payments on notes payable	(58,980)	(37,596)	(2,500)	(191)	(6,726)
Repurchase of common stock	--	(82,270)	--	--	--
Proceeds from issuance of common stock	2,050	59,519	52,000	12,000	--
Proceeds from issuance of stock by AMN	200	--	--	--	--
Change in book overdraft, net of effects of acquisitions	1,162	(157)	(485)	(1,042)	(556)
Net cash provided by (used in) financing activities	15,435	10,833	95,772	11,271	10,060
Net increase (decrease) in cash and cash equivalents	(236)	(385)	43	(259)	2,048
Cash and cash equivalents at beginning of period	1,124	888	503	503	546
Cash and cash equivalents at end of period	$ 888	$ 503	$ 546	$ 244	$ 2,594
Supplemental disclosures of cash flow information:					
Cash paid for interest (net of $0, $36, $58, $4 (unaudited) and $46 (unaudited) capitalized in 1998, 1999 and 2000, and during the six months ended June 30, 2000 and 2001, respectively)	$ 2,298	$ 3,269	$ 5,853	$ 2,544	$ 4,704
Cash paid for income taxes	$ 2,357	$ 2,723	$ 4,640	$ 423	$ 5,257
Supplemental disclosures of noncash investing and financing activities:					
Common stock issued in exchange for minority interest	$ --	$ 3,773	$ --	$ --	$ --
Accrued interest on notes payable converted to notes payable	$ --	$ 273	$ 2,544	$ 1,235	$ 1,390
Fixed assets obtained through capital leases	$ --	$ --	$ 109	$ 63	$ 2
Fair value of assets acquired in acquisitions, net of cash received	$ 5,732	$ --	$ 16,644	$ 4,239	$ 6,192
Goodwill	15,332	--	81,315	15,484	11,325
Noncompete covenants	--	--	1,036	836	200
Liabilities assumed	(1,622)	--	(4,693)	(1,610)	(4,754)
Present value of deferred purchase payments	--	--	(2,509)	(2,509)	--
Common stock issued in connection with acquisition	(3,447)	--	--	--	--
Net cash paid for acquisitions	$ 15,995	$ --	$ 91,793	$ 16,440	$ 12,963

See accompanying notes to consolidated financial statements.

AMN HEALTHCARE SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1998, 1999, AND 2000

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General

On April 19, 2001, AMN Holdings, Inc. changed its name to AMN Healthcare Services, Inc. (Services). Services was incorporated in Delaware on November 10, 1997. On December 4, 1997, Services acquired 80% of the outstanding common stock of AMN Healthcare, Inc. (AMN). On November 18, 1998, AMN purchased 100% of Medical Express, Inc. (MedEx). Pursuant to a share exchange completed on October 18, 1999, AMN became a wholly owned subsidiary of Services. On June 28, 2000, AMN purchased 100% of Nurses RX, Inc. (NRx). On November 28, 2000, AMN purchased 100% of Preferred Healthcare Staffing, Inc. (PHS). On May 1, 2001, AMN purchased 100% of O'Grady-Peyton International (USA), Inc. (OGP). Services, AMN, MedEx, NRx, PHS and OGP collectively are referred to herein as the Company. The Company recruits nurses and allied health professionals and places them on temporary assignments at hospitals and other healthcare facilities throughout the United States.

(b) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Services, AMN, MedEx, NRx, PHS and OGP. All significant intercompany balances and transactions have been eliminated in consolidation.

(c) Interim Financial Information (unaudited)

The interim financial statements of the Company as of June 30, 2001 and for the six months ended June 30, 2000 and June 30, 2001, included herein, have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). The unaudited interim financial statements include all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation of the results for the interim periods presented. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations relating to interim financial statements. In the opinion of management, the accompanying unaudited statements reflect all adjustments necessary to present fairly the results of its operations and its cash flows for the six months ended June 30, 2000 and June 30, 2001.

(d) Minority Interest

On October 18, 1999, the minority stockholder of AMN exchanged its shares of AMN for shares of Services resulting in the elimination of the minority interest in AMN and the consolidation of all of the AMN shareholder interests in the Services shareholder group. Services' only asset was its investment in AMN, and no other assets or consideration was exchanged in this transaction. The relative ownership interests in Services and AMN before and after this event remained the same. Following this exchange, AMN became a wholly owned subsidiary. The assets, liabilities and earnings of AMN and its subsidiary, MedEx, are consolidated in the accompanying financial statements, and the ownership interests of the minority stockholder of AMN is reported as minority interest through October 18, 1999.

(e) Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include currency on hand and deposits with financial institutions. At December 31, 1999 and 2000, and at June 30, 2001, the Company had $174,000, $434,000,

and $1,831,000 (unaudited) respectively, in deposits with major financial institutions that exceeded the federally insured limit of $100,000.

(f) Fixed Assets

Furniture, equipment, leasehold improvements and software are stated at cost. Equipment acquired under capital leases are stated at the present value of the future minimum lease payments. Additions and improvements are capitalized, maintenance and repairs are expensed when incurred. Depreciation on furniture and equipment is calculated using the straight-line method based on the estimated useful lives of the related assets (generally five years). Leasehold improvements and equipment obtained under capital leases are amortized over the shorter of the term of the lease or the useful life. Amortization of equipment obtained under capital leases is included in depreciation in the accompanying consolidated financial statements. Software is amortized over the estimated useful life (generally three years).

(g) Goodwill

The excess of purchase price over the fair value of the net assets of entities acquired is recorded as goodwill and amortized on a straight-line basis over the estimated period of future benefit of 25 years. The Company assesses the recoverability of this intangible asset by determining whether the amortization of the goodwill balance over its remaining life can be recovered through future operating cash flows of the acquired operation. The amount of goodwill impairment, if any, is measured based on the projected discounted future operating cash flows using a discount rate reflecting the Company's average cost of funds. The assessment of the recoverability of goodwill will be impacted if estimated future operating cash flows are not achieved.

(h) Debt Issuance Costs

Debt issuance costs related to the notes payable are deferred and amortized to interest expense using the effective interest method over the respective term of the notes.

(i) Concentration of Credit Risk

Most of the Company's business activity is with hospitals located throughout the United States. Credit is extended based on the evaluation of each entity's financial condition and collateral is generally not required. Credit losses have been within management's expectations.

(j) Revenue Recognition

Revenue is recognized in the period in which services are provided. Provisions for discounts to customers and other adjustments are provided for in the period the related revenue is recorded.

(k) Advertising Expenses

The Company's policy is to expense advertising costs as incurred.

(l) Income Taxes

The Company records income taxes using the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date.

(m) Impairment of Long-Lived Assets

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

(n) Common Stock Split

On November 19, 1999, the Company effected a 200-for-1 stock split of its common stock. All references in the consolidated financial statements to number of shares outstanding, price per share and per share amounts related to Services have been restated to reflect the stock split for all periods presented.

(o) Stock-Based Compensation

The Company applies the intrinsic value-based method of accounting prescribed by Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations including Financial Accounting Standards Board (FASB) Interpretation No. 44, Accounting for Certain Transactions involving Stock Compensation an interpretation of APB Opinion No. 25 issued in March 2000, to account for its stock option plans. Under this method, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. SFAS No. 123, Accounting for Stock-Based Compensation, established accounting and disclosure requirements using a fair value-based method of accounting for stock-based employee compensation plans. As allowed by SFAS No. 123, the Company has elected to continue to apply the intrinsic value-based method of accounting described above, and has adopted the disclosure requirements of SFAS No. 123.

(p) Net Income (Loss) per Common Share

Basic net income (loss) per common share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the reporting period. Diluted net income (loss) per common share reflects the effects of potentially dilutive securities. Net income (loss) and weighted average shares used to compute net income (loss) per share are presented below (in thousands, except per share amounts):

	YEARS ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1998	1999	2000	2000	2001
				(UNAUDITED)	(UNAUDITED)
Net income (loss)	$1,632	$(5,610)	$(5,198)	$(4,106)	$1,829
Weighted average shares, basic	412	504	522	475	669
Dilutive effect of stock options	--	--	--	--	17
Dilutive effect of warrants	--	--	--	--	43
Weighted average shares, dilutive	412	504	522	475	729
Basic net income (loss) per share	$ 3.96	$(11.13)	$ (9.96)	$ (8.64)	$ 2.73
Diluted net income (loss) per share	$ 3.96	$(11.13)	$ (9.96)	$ (8.64)	$ 2.51

Options to purchase 89,000 shares of common stock at December 31, 2000, and warrants to purchase 58,000 shares of common stock at December 31, 1999 and 2000 and June 30, 2000 were not included in the calculation of diluted net (loss) per common share because the effect of these instruments was anti-dilutive.

(q) Other Comprehensive Income

SFAS No. 130, Reporting Comprehensive Income, establishes rules for the reporting of comprehensive income and its components. The Company's net income (loss) is the same as comprehensive income (loss) for the years ended December 31, 1998, 1999, and 2000 and for the six month period ended June 30, 2000. Comprehensive (loss) for the six months ended June 30, 2001 includes a $515,000 (unaudited) unrealized loss on derivative instruments.

(r) New Accounting Pronouncements

In June 1998, the FASB issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. This statement, as amended, establishes accounting and reporting standards requiring that all derivative instruments (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or a liability measured at its fair value. This statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The accounting provisions for qualifying hedges allow a derivative's gains and losses to offset related results of the hedged item in the income statement and require that the Company must formally document, designate and assess the effectiveness of transactions that qualify for hedge accounting.

The impact of SFAS No. 133, which was adopted by the Company on January 1, 2001, resulted in a transition adjustment to other comprehensive loss as of January 1, 2001 in the amount of $589,000 (unaudited), and charge to net income for the six month period ended June 30, 2001 in the amount of $512,000 (unaudited).

In July 2001, the FASB issued SFAS No. 141, Business Combinations, and SFAS No. 142, Goodwill and Other Intangible Assets. SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001 as well as all purchase method business combinations completed after June 30, 2001. SFAS No. 141 also specifies the criteria that intangible assets acquired in a purchase method business combination must meet to be recognized and reported apart from goodwill, noting that any purchase price allocable to an assembled workforce may not be accounted for separately. SFAS No. 142 will require that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of SFAS No. 142. SFAS No. 142 will also require that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.

We are required to adopt the provisions of SFAS No. 141 immediately and SFAS No. 142 effective January 1, 2002. Furthermore, any goodwill and any intangible asset determined to have an indefinite useful life that are acquired in a purchase business combination completed after June 30, 2001 will not be amortized, but will continue to be evaluated for impairment in accordance with the appropriate pre-SFAS No. 142 accounting literature. Goodwill and intangible assets acquired in business combinations completed before July 1, 2001 will continue to be amortized prior to the adoption of SFAS No. 142.

SFAS No. 141 will require, upon adoption of SFAS No. 142, that we evaluate existing intangible assets and goodwill that were acquired in prior purchase business combinations, and make any necessary reclassifications in order to conform with the new criteria in SFAS No. 141 for recognition apart from goodwill. Upon adoption of SFAS No. 142, we will be required to reassess the useful lives and residual

values of all intangible assets acquired in purchase business combinations, and make any necessary amortization period adjustments by the end of the first interim period after adoption. In addition, to the extent an intangible asset is identified as having an indefinite useful life, we will be required to test the intangible asset for impairment in accordance with the provisions of SFAS No. 142 within the first interim period. Any impairment loss will be measured as of the date of adoption and recognized as the cumulative effect of a change in accounting principle in the first interim period.

As of the date of adoption, January 1, 2002, we expect to have unamortized goodwill in the amount of $124,502,000 and unamortized identifiable intangible assets in the amount of $871,000, all of which will be subject to the transition provisions of SFAS Nos. 141 and 142. Amortization expense related to goodwill was $2,257,000 and $2,548,000 for the year ended December 31, 2000 and the six months ended June 30, 2001, respectively. Because of the extensive effort needed to comply with adopting SFAS Nos. 141 and 142, it is not yet practicable to reasonably estimate the impact of adopting these accounting pronouncements on our financial statements, including whether any transitional impairment losses will be required to be recognized as the cumulative effect of a change in accounting principle.

(s) Segment Information

SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information, establishes annual and interim reporting standards for an enterprise's operating segments and related disclosures about its products, services, geographic areas and major customers. An operating segment is defined as a component of an enterprise that engages in business activities from which it may earn revenues and incur expenses, and about which separate financial information is regularly evaluated by the chief operating decision maker in deciding how to allocate resources. This statement allows aggregation of similar operating segments into a single operating segment if the businesses are considered similar under the criteria of this statement. For all periods presented, the Company believes it operated in a single segment, temporary healthcare staffing.

(t) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(u) Reclassifications

Certain amounts in the 1998 and 1999 consolidated financial statements have been reclassified to conform to the 2000 presentation.

(v) Pro Forma

All pro forma share and per share information has been retroactively restated to reflect the 43.10849-for-1 stock split which will become effective upon the effective date of the proposed initial public offering. See Note 12.

(2) LEVERAGED RECAPITALIZATION

On November 19, 1999, Services consummated a leveraged recapitalization (the 1999 Recapitalization) pursuant to which the Company's outstanding debt and capital stock were restructured. As part of the 1999 Recapitalization, the Company obtained $70.0 million in new and senior debt financing and $20.0 million in new debt financing through the issuance of senior subordinated notes. The Company also sold 362,976 shares

to Acquisition for cash consideration of $59.5 million. Acquisition acquired an additional 79,166 shares directly from existing shareholders for cash consideration of $13.0 million. After the reorganization, Acquisition held 442,142 shares of Services, representing a 93.5% ownership interest. Existing stockholders retained shares representing the remaining 6.5% ownership interest in Services. Proceeds from the equity and debt financing were used to retire existing debt, repurchase stock of existing stockholders and pay fees and expenses incurred in connection with the recapitalization. These transactions were recognized as capital and debt transactions with no change to recorded amounts for existing assets and liabilities. On March 29, 2001, AMN Acquisition Corp. was merged into AMN Healthcare Services, Inc.

In conjunction with the 1999 Recapitalization, the Company incurred the following charges which are included in the 1999 results of operations: (i) an extraordinary loss of $730,000 (net of tax benefit of $427,000) from the retirement of debt outstanding prior to the 1999 Recapitalization; and (ii) transaction costs of $12,404,000 comprised of bonus payments and option buyouts of $6,503,000, a warrant buyout of $1,077,000 and professional service fees of $4,824,000 (including the payment of $2,587,000 to the majority stockholder of Services). In addition, the Company incurred $5,050,000 in financing costs, which have been recorded as deferred financing costs and will be amortized over the term of the related debt.

(3) ACQUISITIONS

(a) AMN

On December 4, 1997, Services acquired 80% of the outstanding common stock of AMN for total consideration of $33,513,000. The transaction has been accounted for in the accompanying consolidated financial statements using the purchase method of accounting, and the assets and liabilities of AMN were recorded at fair value as of the acquisition date. In connection with this transaction, the Company recorded goodwill of $26,985,000, which is being amortized over 25 years. Also in connection with this transaction, the Company borrowed $25,151,000 from a bank (see Note 6) and incurred deferred financing costs totaling $1,084,000, which were being amortized over the life of the loans until the 1999 Recapitalization when they were written off.

On November 18, 1998, in connection with the acquisition of MedEx, Services acquired an additional 2.77% of AMN for $2,050,000.

(b) MedEx

On November 18, 1998, Services acquired 100% of the issued and outstanding stock of MedEx in exchange for 61,200 shares of Services common stock valued at $3,448,000 and cash of $16,362,000, for a total purchase price of $19,809,000. The transaction was accounted for using the purchase method of accounting, and the assets and liabilities of MedEx were recorded at fair value as of the acquisition date. Results of MedEx operations from the acquisition date through December 31, 1998 are included in the accompanying financial statements for the year ended December 31, 1998. In connection with this transaction, the Company recorded goodwill of $15,332,000, which is being amortized over 25 years.

(c) NRx

On June 28, 2000, AMN acquired 100% of the issued and outstanding stock of NRx. The acquisition was recorded using the purchase method of accounting. Thus, the results of operations from the acquired assets are included in the Company's consolidated financial statements from the acquisition date. The purchase price to the former shareholders of NRx included a payment of $16,181,000 in cash and $3,000,000 to be paid in three equal installments of $1,000,000 each on June 29, 2001, June 28, 2002, and June 30, 2003 provided that the terms of the agreement are met. Since the deferred payment in the amount of $3,000,000 is not interest bearing, AMN recorded the present value of the future payments on the date of the acquisition

utilizing an interest rate of 9.5%. As of December 31, 2000, the present value of the amount due on June 29, 2001 is $954,000 and is included in other current liabilities. As of December 31, 2000, the present value of the amounts due on June 28, 2002 and June 30, 2003 is $1,676,000 and is included in other long-term liabilities.

AMN acquired NRx's assets of $4,239,000, assumed its liabilities of $1,610,000, and recorded goodwill in the amount of $15,484,000, which is being amortized over 25 years under the straight line method. AMN allocated $836,000 of the purchase price to the noncompete covenant, which is being amortized over the four-year life of the covenant. As of December 31, 2000, the amortized cost of the covenant is $730,000.

(d) PHS

On November 28, 2000, AMN acquired 100% of the issued and outstanding stock of PHS. The acquisition was recorded using the purchase method of accounting. Thus, the results of operations from the acquired assets are included in the Company's consolidated financial statements from the acquisition date. The purchase price to the former stockholders of PHS included a payment of $75,041,000 in cash (net of cash received), $4,000,000 of which was delivered to an escrow agent on the acquisition date in accordance with the purchase agreement. The funds held in escrow are to be released to the former shareholder in the amount of $2,000,000 on May 31, 2001 and $2,000,000 on December 31, 2001, provided that terms of the agreement are met.

AMN acquired PHS's assets of $12,405,000 (net of cash received), assumed its liabilities of $3,083,000, and recorded goodwill in the amount of $65,831,000, which is being amortized over 25 years using the straight-line method. AMN allocated $200,000 to the noncompete covenant, which is being amortized over the four-year life of the covenant. The amortized cost of this covenant is $195,000 as of December 31, 2000.

(e) OGP

On May 1, 2001, AMN acquired 100% of the issued and outstanding stock of OGP, a healthcare staffing company specializing in the recruitment of nurses domestically and from English-speaking foreign countries. The acquisition was recorded using the purchase method of accounting. The purchase price paid to the former stockholders of OGP included a payment of $11,973,000 in cash (net of $1,574,000 cash received), and $800,000 which was delivered to an escrow agent on the acquisition date in accordance with the purchase agreement. The funds held in escrow are to be released to the former shareholders on November 1, 2002, provided that terms of the agreement are met. The OGP acquisition was financed by an $18,000,000 term loan which bears interest at a rate of either the higher of (i) the federal funds rate plus 0.5% or (ii) the prime rate, plus 2% or LIBOR plus 3.75%, depending on the composition of the loan. Interest is payable in arrears on a quarterly basis, and the principal is due in full on March 31, 2005.

Included in the asset purchase agreement is an earn-out provision whereby AMN agrees to pay the OGP selling stockholders additional consideration contingent on certain annual revenue results of OGP. Earn-out payments, if earned, are capped at $5,340,000 and are to be paid in April 2002. There is also additional contingent consideration of up to $2,369,000 depending upon collection of an outstanding receivable from a customer.

AMN acquired OGP's assets of $7,766,000, assumed its liabilities of $4,754,000, and recorded goodwill in the amount of $11,325,000, which is being amortized over 25 years using the straight-line method. AMN allocated $200,000 of the purchase price to the noncompete agreement, which is being amortized over the four-year life of the agreement.

(f) Pro Forma Consolidated Results of Operations

The following summary presents pro forma consolidated results of operations for the years ended December 31, 1998, 1999, and 2000 as if the MedEx acquisition described above had occurred on January 1, 1998, and the NRx and PHS acquisitions described above had occurred on January 1, 1999. The following unaudited pro forma financial information gives effect to certain adjustments, including the amortization of intangible assets and interest expense on acquisition debt and depreciation on fixed assets. The pro forma financial information is not necessarily indicative of the operating results that would have occurred had the acquisitions been consummated as of the dates indicated, nor are they necessarily indicative of future operating results (in thousands, except per share amounts).

	PRO FORMA		
	YEARS ENDED DECEMBER 31,		
	1998	1999	2000
Revenue	$121,062	$215,323	$301,807
Income from operations	$ 9,791	$ 1,036	$ 5,492
Income (loss) before extraordinary loss	$ 3,077	$ (6,134)	$ (5,120)
Net income (loss)	$ 3,077	$ (6,865)	$ (5,120)
Earnings per share -- basic and diluted	$ 7.47	$ (13.62)	$ (9.81)
Weighted average shares -- basic and diluted	412	504	522

(4) BALANCE SHEET DETAILS

The consolidated balance sheets detail is as follows as of December 31, 1999 and 2000 (in thousands):

	DECEMBER 31,	
	1999	2000
Accounts receivable, net:		
Accounts receivable	$26,434	$ 64,331
Allowance for doubtful accounts	(256)	(930)
Accounts receivable, net	$26,178	$ 63,401
Fixed assets, net:		
Furniture and equipment	$ 2,126	$ 3,538
Software	863	2,798
Leasehold improvements	174	432
	3,163	6,768
Accumulated depreciation and amortization	(921)	(1,762)
Fixed assets, net	$ 2,242	$ 5,006
Goodwill, net:		
Goodwill	$42,307	$123,622
Accumulated amortization	(2,942)	(5,199)
Goodwill, net	$39,365	$118,423

	DECEMBER 31,	
	1999	2000
Other intangibles, net:		
Debt issuance costs	$ 5,338	$ 6,742
Non-compete covenants	100	1,136
	5,438	7,878
Accumulated amortization	(137)	(1,323)
Other intangibles, net	$ 5,301	$ 6,555

Included in fixed assets is equipment acquired through capital leases in the amount of $190,000 as of December 31, 2000. Accumulated amortization on these capital leases is $48,000 as of December 31, 2000. There were no capitalized leases as of December 31, 1999.

(5) INCOME TAXES

The provision (benefit) for income taxes for the years ended December 31, 1998, 1999, and 2000 consists of the following (in thousands):

	DECEMBER 31,		
	1998	1999	2000
Current income taxes:			
Federal	$ 970	$ (103)	$ 5,954
State	251	--	1,213
Total	1,221	(103)	7,167
Deferred income taxes:			
Federal	254	(925)	(8,550)
State	96	(271)	(1,177)
Total	350	(1,196)	(9,727)
Provision (benefit) for income taxes, including tax benefit of $427 on extraordinary loss in 1999	$1,571	$(1,299)	$(2,560)

The Company's income tax expense (benefit) differs from the amount that would have resulted from applying the federal statutory rate of 35% to pretax income (loss) because of the effect of the following items during the years ended December 31, 1998, 1999, and 2000 (in thousands):

	DECEMBER 31,		
	1998	1999	2000
Tax expense (benefit) at federal statutory rate	$1,121	$(2,418)	$(2,715)
State taxes, net of federal benefit	228	(210)	24
Nondeductible transaction costs	--	730	--
Minority interest	192	464	--
Interest	--	--	171
Other, net	30	135	(40)
Income tax expense (benefit)	$1,571	$(1,299)	$(2,560)

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities are presented below as of December 31, 1999, and 2000 (in thousands):

	DECEMBER 31,	
	1999	2000
Deferred tax assets:		
Stock compensation	$ --	$ 8,453
Debt issuance costs	1,084	1,454
Interest and warrants	--	1,026
Accrued bonuses	270	461
State taxes	--	425
Allowance for doubtful accounts	105	314
Other	314	506
Total deferred tax assets	1,773	12,639
Deferred tax liabilities:		
Intangibles	(711)	(1,232)
Capitalized software	--	(633)
Other	(224)	(209)
Total deferred tax liabilities	(935)	(2,074)
Net deferred tax assets	$ 838	$10,565

Management believes it is more likely than not that the results of the future operations will generate sufficient taxable income to realize the deferred tax assets and, accordingly, has not provided a valuation allowance.

(6) NOTES PAYABLE

	DECEMBER 31,	
	1999	2000
	(IN THOUSANDS)	
12% Senior subordinated notes issued with attached warrants (see Note 8(b)) due November 19, 2005. Interest payable in cash or through issuance of additional notes	$20,000	$ 20,000
12% Senior subordinated notes issued for conversion of accrued interest to notes payable due November 19, 2005	273	2,818
$20,000,000 Revolver due November 19, 2004 with variable interest rates based on LIBOR, federal funds or the prime lending rate ranging from 8.5% to 11.25% (weighted average of 9.8% at December 31, 2000). An unused fee of .5% per annum is due quarterly on the unused Revolver commitment	6,675	15,045
$50,000,000 Term Loan due in 18 consecutive quarterly installments beginning with a principal payment of $1,250,000 on September 30, 2000. The quarterly principal payment escalates to $2,500,000 on March 31, 2002 and to $3,750,000 and $4,375,000 on March 31 in the succeeding years, maturing on November 19, 2004. Interest is paid quarterly and varies based on LIBOR plus 2.5% to 3.25% (9.5% at December 31, 2000)	50,000	47,500

	DECEMBER 31,	
	1999	2000
	(IN THOUSANDS)	
$32,500,000 Tranche A Acquisition Loan due March 31, 2005, with interest at LIBOR plus 3% (9.44% at December 31, 2000). Principal is due in 17 consecutive quarterly installments beginning with a payment of $625,000 on March 31, 2001. The quarterly payment escalates to $1,250,000 on March 31, 2002 until December 31, 2004, with a full payment of $15,000,000 at the maturity date. Interest is paid quarterly	--	32,500
$7,500,000 Tranche B Acquisition Loan due March 31, 2005, with interest at LIBOR plus 2.5% (8.94% at December 31, 2000). Principal is due at maturity and interest is paid quarterly	--	7,500
Total notes payable	76,948	125,363
Unamortized discount on senior subordinated notes (See Note 8(b))	(2,942)	(2,474)
	74,006	122,889
Less current portion of notes payable	(2,500)	(7,500)
Long-term portion of notes payable	$71,506	$115,389

Annual maturities of long-term debt are as follows (in thousands):

2001	$ 7,500
2002	15,000
2003	20,000
2004	37,545
2005	45,318
	$125,363

The Company's debt is secured by all assets of the Company and the common stock of its subsidiaries. The credit agreement and senior subordinated notes contain various financial ratio covenants, as well as restrictions on assumption of additional indebtedness, declaration of dividends, dispositions of assets, consolidation into another entity, capital expenditures in excess of specified amounts and allowable investments. The Company was in compliance with all covenants and ratios at December 31, 2000.

In conjunction with the 1999 Recapitalization, $37,412,000 of notes payable were repaid with proceeds from the new borrowings. In connection with the early pay-off of these notes, debt issuance costs of $1,157,000 were written off and are reflected net of tax in the accompanying consolidated statements of operations as an extraordinary loss on early extinguishment of debt.

During 2000, the Company entered into interest rate swap agreements as a means to hedge its interest rate exposure on debt instruments. In addition, the Company's credit agreement requires that the Company maintain protection against fluctuations in interest rates providing coverage in an aggregate notional amount equal to $25,000,000. As a result of adopting SFAS No. 133 on January 1, 2001, net settlement amounts to be received or paid under the swap agreements are reflected as adjustments to interest expense. The Company recorded a transition adjustment to other comprehensive income in the amount of $589,000 (unaudited), which will be amortized into interest expense over the remaining life of the debt agreements being hedged. Additionally, included in interest expense for the six month period ended June 30, 2001 is $512,000 (unaudited) related to additional unrealized losses related to these swap agreements that were incurred during the period.

At December 31, 2000, the Company had three interest rate swaps outstanding with major financial institutions that effectively convert variable-rate debt to fixed rate. Two swaps have notional amounts of $25,000,000 each, whereby the Company pays fixed rates of 6.585% and 6.57%, respectively, and receives a floating three-month LIBOR. One swap has a notional amount of $40,000,000, which decreases by $325,000 at the end of each three-month period beginning December 29, 2000; under this agreement, the Company pays a fixed rate of 6.5% and receives a floating three-month LIBOR. All agreements expire in December 2001 and no initial investments were made to enter into these agreements.

Effective December 6, 1999, the Company entered into a three-year interest rate cap agreement. The agreement applies to $25,000,000, which was 50% of the term loan outstanding on that date. The agreement provides a 7% interest rate cap on the three-month LIBOR rate. The cost of the agreement of $289,000 is included in debt issuance costs, and is being amortized over the three-year term of the agreement.

On January 26, 1998, the Company entered into an interest rate collar agreement with a bank to reduce the impact of changes in interest rates on its floating rate long-term debt. The agreement required the Company to make payments to the bank for the difference between the selected interest rate, based on a three-month LIBOR, and the floor rate as specified in the agreement. In addition, the agreement entitled the Company to receive payments from the bank for the difference between the selected interest rate, based on three-month LIBOR, and the cap rate as specified in the agreement. On November 19, 1999, the Company paid $25,000 to terminate this agreement.

(7) RETIREMENT PLAN

The Company maintains the AMN Healthcare Retirement Savings Plan (the AMN Plan), a profit sharing plan that complies with the Internal Revenue Code Section 401(k) provisions. The AMN Plan covers substantially all employees that meet certain age and other eligibility requirements. An annual discretionary matching contribution is determined by the Board of Directors each year and may be up to a maximum 6% of eligible compensation paid to all participants during the plan year. The amount of the employer contributions was $86,000, $213,000, and $422,000 for the years ended December 31, 1998, 1999 and 2000, respectively. Employees of PHS became eligible under the AMN Plan at the date of acquisition.

NRx maintained a separate profit sharing plan that complied with the Internal Revenue Code Section 401(k) provisions. The plan covered substantially all employees that had been employed for at least 12 months. No match was provided under this plan. Effective January 1, 2001, NRx employees were eligible to participate in the AMN Plan and the NRx plan was terminated.

(8) STOCKHOLDERS' EQUITY

(a) Stock Option Plans

In November 1999, Services established two performance stock option plans (the 1999 Plans) to provide for the grant of options to upper management of AMN. Options for a maximum of 93,715 shares of common stock were authorized at an exercise price of $163.97 per option for grants within 120 days of the 1999 Recapitalization and not less than the fair market value in the case of subsequent grants. Options under the plan vest 25% per year beginning in 2000 if certain earnings performance criteria are met and grantee remains an employee. If the Company does not meet the performance criteria for the particular year, that portion of the option, which was eligible to become vested, will terminate. Options that vest expire in nine to ten years from the grant date. In 1999, the Company granted options for 84,343 shares of common stock at an exercise price of $163.97 per share. At December 31, 1999, 9,372 shares of common stock were reserved for future issuance related to the 1999 Plans.

During 2000, options for an additional 34,634 shares were reserved under the 1999 Plans. In November 2000, additional options totaling 4,686 were granted at an exercise price of $163.97. In

December 2000, 31,171 options were granted at an exercise price of $287.84 per share. At December 31, 2000, 8,149 shares of common stock were reserved for future issuance related to the 1999 Plans.

In accordance with the provisions of SFAS No. 123, the Company applies APB Opinion No. 25, and related interpretations in accounting for its 1999 Plan. Accordingly, because the 1999 plan is performance based, the Company applies variable accounting and recorded compensation expense of $22,379,000 in 2000 and $10,601,000 (unaudited) and $8,731,000 (unaudited) for the six month periods ended June 30, 2000 and 2001, respectively, in connection with the 1999 Plans in accordance with APB 25 and FIN 44.

A summary of stock option activity under the 1999 Plans is as follows:

	OPTIONS OUTSTANDING	WEIGHTED-AVERAGE EXERCISE PRICE
Outstanding at December 31, 1998	--	--
Granted	84,343	$163.97
Exercised	--	--
Canceled	--	--
Outstanding at December 31, 1999	84,343	163.97
Granted	35,857	271.65
Exercised	--	--
Canceled	--	--
Outstanding at December 31, 2000	120,200	$196.09
Exercisable as of December 31, 2000	22,257	$163.97

The following table summarizes options outstanding and exercisable as of December 31, 2000:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE		
EXERCISE PRICE	NUMBER OUTSTANDING	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	WEIGHTED-AVERAGE EXERCISE PRICE	NUMBER OUTSTANDING	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	WEIGHTED-AVERAGE EXERCISE PRICE
$ 163.97	89,029	9	$163.97	22,257	9	$163.97
287.84	31,171	9	287.84	--	--	--
	120,200			22,257		

In December 1997, AMN established a stock incentive plan to provide an equity-based incentive plan to certain officers and key employees. Options for a maximum of 1,200 shares of common stock were authorized. In 1997, AMN granted ten-year options for 1,200 shares of common stock at an exercise price of $536.80 per share. In March 1999, the Company amended the plan to include certain officers and key employees of MedEx. Options for an additional 491 shares of common stock were authorized, and the Company granted ten-year options for 454 shares of stock at an exercise price of $975.85 per share. Options under the plan vested 25% each year over four years, provided that certain performance criteria were met and grantee remained an employee. However, all options would have become fully vested on December 31, 2004, provided that the grantee was employed by the Company on that date. In conjunction with the 1999 Recapitalization, all options previously granted related to this plan were repurchased by the Company for $3,953,000, which is included in transaction costs in the accompanying 1999 consolidated statements of operations.

Under SFAS No. 123, the weighted average per share fair value of the options granted during 1998, 1999 and 2000 was $241.84, $495.78 and $486.42, respectively on the date of grant. Fair value under SFAS No. 123 is determined using the Black-Scholes option-pricing model with the following assumptions:

	1998	1999	2000
Expected life	3	5	5
Risk-free interest rate	6.00%	5.95%	5.30%
Volatility	60%	60%	60%
Dividend yield	0%	0%	0%

Had compensation expense been recognized for stock-based compensation plans in accordance with SFAS No. 123, the Company would have recorded the following net income (loss) and net income (loss) per share amounts (in thousands, except per share amounts):

	1998	1999	2000
Pro forma net income (loss)	$1,589	$(5,610)	$(4,992)
Pro forma income per common share:			
Basic	$ 3.86	$(11.13)	$ (9.56)
Diluted	$ 3.86	$(11.13)	$ (9.56)

(b) Common Stock Warrants

On November 19, 1999, in connection with the issuance of its $20,000,000 senior subordinated notes, Services issued warrants to purchase 58,416 shares of its common stock at $163.97 per share. These warrants are exercisable upon issuance and expire at the earlier of a qualified public stock offering, as defined, or November 19, 2009. The fair value of the warrants in the amount of $3,000,000 was based upon a third-party valuation and was recorded as a discount to the related senior subordinated notes payable. This discount is being amortized to interest expense over the term of the notes using the effective interest method. Discount amortization was $58,000, $468,000 in 1999 and 2000, respectively.

On December 5, 1997, AMN granted warrants to purchase 440 shares of AMN's common stock, at $536.80 per share, to a bank in connection with certain loans. The warrants were immediately exercisable and expire ten years from the date of issuance. In conjunction with the 1999 Recapitalization, these warrants were repurchased by the Company for $1,077,000, and is included in transaction costs in the accompanying 1999 consolidated statements of operations.

(c) Stockholders' Agreement

The stockholders of Services have entered into a stockholders' agreement conferring certain rights and restrictions, including among others: restrictions on transfers of shares, "tag along" and "drag along" rights, rights to acquire shares, and piggyback registration rights, as defined in the agreement. This agreement will terminate at the time of an initial public offering by Services.

(9) FAIR VALUE OF FINANCIAL INSTRUMENTS

SFAS No. 107, Disclosures about Fair Value of Financial Instruments, requires that fair values be disclosed for most of the Company's financial instruments. Estimated fair values for the Company's financial instruments and a description of the methodologies and assumptions used to determine such amounts follow:

(a) Cash and Cash Equivalents

The carrying amount is assumed to be the fair value due to the liquidity of these instruments.

(b) Accounts Receivable, Income Taxes Receivable, Other Current Assets, Deposits, Book Overdraft, Accounts Payable and Accrued Expenses, Income Taxes Payable, Accrued Compensation and Benefits, and Other Current Liabilities

The carrying amounts of these financial instruments are considered to be representative of their respective fair values because of the short-term nature of these financial instruments.

(c) Notes Payable

The carrying amounts of notes payable are considered to be reasonable estimates of their fair values, as these borrowings have variable rates that reflect currently available terms and conditions for similar debt. The carrying amounts of fixed rate obligations also approximate their fair value.

(d) Other Long-Term Liabilities

Other long-term liabilities consist primarily of the present value of deferred payments related to the acquisition of NRx (Note 3(c)). The carrying value is considered to be representative of the fair value due to the imputed interest rate approximating the current market rate.

(e) Derivative Financial Instruments, Including Off-Balance Sheet Derivative Financial Instruments

Included in debt issuance costs is the amortized cost of the interest rate cap agreement discussed in Note 6 of $281,000 and $185,000 at December 31, 1999 and 2000, respectively. As of December 31, 2000, the fair value of this agreement is estimated based on quoted market price. As of December 31, 1999, the carrying amount of this agreement was considered to be a reasonable estimate of its fair value, due to the recent timing of the agreement.

During 2000, the Company entered into interest rate swap agreements as a means to hedge its interest rate exposure on debt instruments as discussed in Note 6. These agreements did not require an initial investment by the Company. The fair value of these agreements are estimated based on quoted market prices for these or similar instruments. As of December 31, 2000, the fair value of interest rate swap agreements were $589,000 less than the carrying amount.

(10) OTHER RELATED PARTY TRANSACTIONS

During 2000, the Company issued 196,000 shares of common stock to existing stockholders for $52,000,000.

In connection with the acquisition of PHS, the Company paid $1,500,000 to the Company's majority stockholder for advisory services which is reported as transaction costs in the accompanying 2000 statement of operations. During 2000, the Company paid $150,000 in management advisory fees to the majority stockholder which is included in selling, general and administrative expenses. In addition, in conjunction with the 1999 Recapitalization, the Company paid advisory fees to the majority stockholder and to a minority shareholder of $1,500,000 and $100,000, respectively, which is included in transaction costs in fiscal 1999.

The Company was provided the advisory services of the majority stockholder of the Company until the 1999 Recapitalization. The Company paid for out-of-pocket expenses of $32,000 in 1999.

The Company received services from an advertising agency which was 20% owned by the minority stockholders during 1998 and 30% owned by the minority stockholders during 1999 and 2000. The Company incurred expenses of $702,000, $31,000, and $40,000 in 1998, 1999 and 2000, respectively.

(11) COMMITMENTS AND CONTINGENCIES

(a) Legal

The Company is party to legal actions in the normal course of business. In the opinion of management and legal counsel, the outcome of legal actions will not have a material impact on the financial position or results of operations of the Company.

(b) Leases

The Company leases certain office facilities and equipment under various operating and capital leases that expire over the next five years. Future minimum lease payments under noncancelable operating leases (with initial or remaining lease terms in excess of one year) and future minimum capital lease payments as of December 31, 2000 are as follows (in thousands):

	CAPITAL LEASES	OPERATING LEASES
Years ending December 31:		
2001	$ 71	$2,574
2002	71	2,639
2003	18	1,795
2004	6	1,157
2005	2	583
Total minimum lease payments	168	$8,748
Less amount representing interest (at rates ranging from 5.7% to 11.97%)	(77)	
Present value of minimum lease payments	91	
Less current installments of obligations under capital leases	(33)	
Obligations under capital leases, excluding current installments	$ 58	

Obligations under capital leases are included in other current and other long-term liabilities, respectively, in the accompanying financial statements. Rent expense was $529,000, $1,077,000, and $1,810,000 for the years ended December 31, 1998, 1999 and 2000, respectively.

(12) SUBSEQUENT EVENTS

On July 9, 2001, the board of directors of the Company authorized management of the Company to file a registration statement with the Securities and Exchange Commission for an initial public offering of its common stock.

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Nurses RX, Inc.

We have audited the accompanying balance sheets of Nurses RX, Inc. as of December 31, 1998 and 1999, and the related statements of income and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nurses RX, Inc. as of December 31, 1998 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

DDK & Company LLP

New York, New York
March 31, 2001

NURSES RX, INC.

BALANCE SHEETS
DECEMBER 31, 1998 AND 1999

	1998	1999
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 121,473	$ 20,843
Accounts receivable, less allowance for doubtful accounts of $141,138 in 1998 and $211,788 in 1999	2,583,929	2,921,756
Unbilled income	466,680	543,179
Prepaid expenses and other current assets	283,232	315,027
Total current assets	3,455,314	3,800,805
Property and equipment, at cost, less accumulated depreciation and amortization of $217,336 in 1998 and $215,620 in 1999	278,014	333,188
Other assets -- security deposit	2,627	3,829
Total assets	$3,735,955	$4,137,822

	1998	1999
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Bank debt	$ 522,111	$ 586,530
Accounts payable and accrued expenses	640,722	546,691
Due to officer	270,000	98,000
Income taxes payable	16,972	36,000
Total current liabilities	1,449,805	1,267,221
Other liabilities -- due to officer	98,000	--
Total liabilities	1,547,805	1,267,221
Commitment and Contingencies		
Shareholders' equity:		
Common stock, no par value; 100 shares authorized, issued and outstanding	500	500
Retained earnings	2,187,650	2,870,101
Total shareholders' equity	2,188,150	2,870,601
Total liabilities and shareholders' equity	$3,735,955	$4,137,822

See accompanying notes to financial statements.

NURSES RX, INC.

STATEMENTS OF INCOME AND RETAINED EARNINGS
YEARS ENDED DECEMBER 31, 1998 AND 1999

	1998	1999
Revenue	$21,438,179	$22,451,359
Cost of revenue	15,343,056	15,424,600
Gross profit	6,095,123	7,026,759
Operating expenses:		
Selling and marketing	2,017,191	2,284,234
General and administrative (including interest of $81,339 in 1998 and $26,340 in 1999)	2,832,872	3,128,291
	4,850,063	5,412,525
Income before other income and income taxes	1,245,060	1,614,234
Other income:		
Interest income	7,305	11,630
Management fee	203,078	--
	210,383	11,630
Income before income taxes	1,455,443	1,625,864
Income taxes	41,117	57,460
Net income	1,414,326	1,568,404
Retained earnings -- beginning	1,459,969	2,187,650
Distributions to shareholders	(686,645)	(885,953)
Retained earnings -- ending	$ 2,187,650	$ 2,870,101

See accompanying notes to financial statements.

NURSES RX, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1998 AND 1999

	1998	1999
Operating Activities:		
Net income	$ 1,414,326	$ 1,568,404
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	70,129	85,007
Bad debts	74,686	70,650
Changes in operating assets and liabilities		
Accounts receivable	(416,344)	(408,477)
Unbilled income	(106,726)	(76,499)
Prepaid expenses and other current assets	(41,280)	(32,997)
Accounts payable and accrued expenses	115,918	(94,031)
Income taxes payable	9,775	19,028
Net cash provided by operating activities	1,120,484	1,131,085
Investing Activities -- purchase of property and equipment	(77,474)	(140,181)
Net cash used in investing activities	(77,474)	(140,181)
Financing Activities:		
Principal payments on officer loans	(1,247,857)	(270,000)
Proceeds of bank debt, net	522,111	64,419
Distributions to shareholders	(686,645)	(885,953)
Net cash used in financing activities	(1,412,391)	(1,091,534)
Net decrease in cash and cash equivalents	(369,381)	(100,630)
Cash and cash equivalents -- beginning	490,854	121,473
Cash and cash equivalents -- ending	$ 121,473	$ 20,843
Supplemental Information:		
Interest paid	$ 81,349	$ 25,542
Income taxes paid	$ 31,342	$ 38,432
Noncash Transactions -- retirement of property and equipment	--	$ 86,723

See accompanying notes to financial statements.

NURSES RX, INC.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1998 AND 1999

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of Business

Nurses RX, Inc. ("Company"), a temporary healthcare staffing company, was incorporated on August 7, 1990, under the laws of the State of North Carolina. The Company primarily sells the services of registered nurses throughout North America.

(b) Revenue Recognition

Fees are primarily billed on a bi-weekly basis in direct proportion to completed work. Income and direct costs are recognized through the balance sheet date on unbilled work.

(c) Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

(d) Property, Equipment and Depreciation

Property and equipment are stated at cost. Major expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in operations. Depreciation is provided by both straight-line and accelerated methods over the estimated useful lives of the assets. Amortization of leasehold improvements is calculated by the straight-line method over the lesser of the term of the related lease or the useful lives of the improvements.

(e) Income Taxes

The Company has elected to have its income taxed under Section 1362 (Subchapter S) of the Internal Revenue Code of 1986 which provides that, in lieu of corporate income taxes, the Company's income or loss is passed to the shareholders and combined with their other personal income and deductions to determine taxable income on their individual tax returns. Therefore, no provision or liability for Federal income tax is reflected in the financial statements. Provision has been made for certain state and local taxes. On June 28, 2000, the Company was acquired by AMN Healthcare, Inc. and the Subchapter S election was terminated.

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities and the effect of future tax planning strategies to reduce any deferred tax liability.

The Company reports on a cash basis for income tax purposes, creating timing differences between tax and financial reporting. The resultant effect is currently considered immaterial and no deferred income taxes are provided.

(f) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(g) Advertising

Advertising costs are expensed as incurred. Advertising costs totaled approximately $500,000 in 1998 and 1999.

2. PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	ESTIMATED USEFUL LIVES	1998	1999
Furniture and fixtures	7 years	$163,703	$193,548
Machinery and equipment	5 years	323,133	325,777
Leasehold improvements	Life of lease	8,514	8,514
Computer software	3 years	--	20,969
Total property and equipment		495,350	548,808
Less -- accumulated depreciation and amortization		217,336	215,620
Net property and equipment		$278,014	$333,188

Depreciation and amortization expense for the years ended December 31, 1998 and 1999 was $70,129 and $85,007, respectively.

3. DUE TO OFFICER

The debt to officer includes repayments of $1,247,857 during 1998 and $270,000 during 1999. Loans bear interest at 9.50%. Related interest expense charged to operations was $70,073 in 1998 and $20,737 in 1999. This officer sold his minority interest to the remaining shareholders on January 1, 1998. This loan was repaid in full during 2000.

4. BANK DEBT

During February 1998, the Company executed a revolving step down line of credit with a bank providing for maximum borrowings (Commitment Amount) of $1,500,000. The Commitment Amount is reduced annually by $200,000 through January 31, 2003 and is subject to a borrowing base which cannot exceed 80% of eligible accounts receivable and 50% of eligible net book value of furniture and fixtures. The agreement contains certain covenants and restrictions and is secured by all accounts receivable and equipment. Interest is charged at the bank's prime rate and related interest expense charged to operations was approximately $11,000 in 1998 and $4,500 in 1999. This loan was paid in full and the line was closed during June 2000.

5. RELATED PARTY TRANSACTIONS

For the year ended December 31, 1998, the Company charged management fees of $203,078 to an affiliated company for services and expenses incurred on behalf of the affiliate. The affiliate and the Company have common stockholders. At December 31, 1998 and 1999, included in other current assets is $70,227 due from this affiliate.

6. COMMITMENT AND CONTINGENCIES

Lease

Effective December 1, 1999, the Company entered into a new lease for office space, expiring in December 2005, which requires future minimum base rental payments plus escalation rent and common area maintenance charges. Minimum base rental payments as of December 31, 1999 are as follows:

YEARS ENDING DECEMBER 31,	AMOUNT
2000	$153,300
2001	155,850
2002	161,100
2003	161,100
2004	175,500
2005	179,400
	$986,250

Total rent expense charged to operations was approximately $94,000 in 1998 and $116,000 in 1999.

Cash and Cash Equivalents

At December 31, 1998, bank balances exceeded the $100,000 FDIC insured limit by approximately $232,000.

Claims

The Company is involved in various claims incidental to its business. These claims are substantially covered by insurance. While it is not feasible to predict or determine the final outcome of these claims, management does not believe they should result in a materially adverse effect on the Company's financial position, results of operations or liquidity.

7. PROFIT-SHARING PLAN

The Company has a 401(k) profit-sharing plan covering substantially all of its employees. Eligible employees may elect to have a maximum of 15% of their wages withheld up to a statutory maximum as adjusted annually. The annual contribution to the plan is at the discretion of the Board of Directors. There were no Company contributions in 1998 and 1999.

8. CAFETERIA PLAN

The Company maintains a contributory Premium Payment Plan which qualifies as a "Cafeteria Plan" under Section 125 of the Internal Revenue Code of 1986, as amended. The plan provides for health insurance and other benefits for all eligible employees.

9. SUBSEQUENT EVENT

On June 28, 2000, the shareholders sold all of their stock to AMN Healthcare, Inc.

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Preferred Healthcare Staffing, Inc.:

We have audited the accompanying balance sheets of Preferred Healthcare Staffing, Inc. (a wholly owned subsidiary of Preferred Employers Holdings, Inc.) as of December 31, 1999 and November 30, 2000, and the related statements of operations, shareholder's equity and cash flows for the years ended December 31, 1998 and 1999 and the eleven months ended November 30, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Preferred Healthcare Staffing, Inc. as of December 31, 1999 and November 30, 2000, and the results of its operations and its cash flows for the years ended December 31, 1998 and 1999 and the eleven months ended November 30, 2000 in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

Miami, Florida
April 4, 2001

PREFERRED HEALTHCARE STAFFING, INC.
(A WHOLLY OWNED SUBSIDIARY OF
PREFERRED EMPLOYERS HOLDINGS, INC.)

BALANCE SHEETS
DECEMBER 31, 1999 AND NOVEMBER 30, 2000

	1999	2000
ASSETS		
Current assets:		
Cash	$ 240,957	$ 147,062
Accounts receivable, net	6,921,417	10,980,481
Prepaid and other current assets	974,392	1,016,658
Deferred tax asset	62,063	--
Total current assets	8,198,829	12,144,201
Property and equipment, net	635,044	886,229
Goodwill, net	4,707,657	4,489,361
Total assets	$13,541,530	$17,519,791
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,977,582	$ 3,196,460
Due to Parent	1,445,960	--
Total current liabilities	3,423,542	3,196,460
Deferred tax liability	65,950	46,122
Total liabilities	3,489,492	3,242,582
Shareholder's equity:		
Common stock, no par value, $1 per share assigned value, 15,000 shares authorized, 10,000 shares issued and outstanding	10,000	10,000
Additional paid-in capital	7,470,437	7,470,437
Retained earnings	2,571,601	6,796,772
Total shareholder's equity	10,052,038	14,277,209
Commitments and contingencies		
Total liabilities and shareholder's equity	$13,541,530	$17,519,791

See accompanying notes to financial statements.

PREFERRED HEALTHCARE STAFFING, INC.
(A WHOLLY OWNED SUBSIDIARY OF
PREFERRED EMPLOYERS HOLDINGS, INC.)

STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 1998 AND 1999 AND
FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 2000

	1998	1999	2000
Staffing revenue, net	$34,461,735	$46,358,045	$57,162,456
Cost of revenue	27,140,355	35,775,512	44,567,866
Gross profit	7,321,380	10,582,533	12,594,590
Expenses:			
Selling, general and administrative expenses	4,587,357	6,295,793	6,616,595
Depreciation and amortization	277,209	391,301	417,006
Total expenses	4,864,566	6,687,094	7,033,601
Income from operations	2,456,814	3,895,439	5,560,989
Non-operating income (expenses):			
Interest income (expense), net	(494,191)	(78,232)	43,654
Other (expenses) income	299	(4,867)	(19,864)
Total non-operating income (expenses)	(493,892)	(83,099)	23,790
Income before income tax expense	1,962,922	3,812,340	5,584,779
Income tax expense	561,155	1,465,509	807,325
Net income	$ 1,401,767	$ 2,346,831	$ 4,777,454
Pro forma information:			
Historical income before income tax	$ 1,962,922	$ --	$ 5,584,779
Pro forma income tax expense	814,058	--	2,042,743
Pro forma net income	1,148,864	--	3,542,036

See accompanying notes to financial statements.

PREFERRED HEALTHCARE STAFFING, INC.
(A WHOLLY OWNED SUBSIDIARY OF PREFERRED EMPLOYERS HOLDINGS, INC.)

STATEMENTS OF SHAREHOLDER'S EQUITY
YEARS ENDED DECEMBER 31, 1998 AND 1999 AND
FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 2000

	COMMON STOCK		ADDITIONAL PAID-IN	RETAINED	
	SHARES	AMOUNT	CAPITAL	EARNINGS	TOTAL
Balance as of December 31, 1997	10,000	$10,000	$ --	$(1,176,997)	$(1,166,997)
Net income	--	--	--	1,401,767	1,401,767
Capital contribution	--	--	7,470,437	--	7,470,437
Balance as of December 31, 1998	10,000	10,000	7,470,437	224,770	7,705,207
Net income	--	--	--	2,346,831	2,346,831
Balance as of December 31, 1999	10,000	10,000	7,470,437	2,571,601	10,052,038
Net income	--	--	--	4,777,454	4,777,454
Forgiveness of receivable from parent company	--	--	--	(552,283)	(552,283)
Balance as of November 30, 2000	10,000	$10,000	$7,470,437	$ 6,796,772	$14,277,209

See accompanying notes to financial statements.

PREFERRED HEALTHCARE STAFFING, INC.
(A WHOLLY OWNED SUBSIDIARY OF PREFERRED EMPLOYERS HOLDINGS, INC.)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1998 AND 1999 AND
FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 2000

	1998	1999	2000
Cash flows from operating activities:			
Net income	$ 1,401,767	$ 2,346,831	$ 4,777,454
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation	82,769	149,151	198,710
Amortization of goodwill	194,440	242,150	218,296
Loss on retirement of property and equipment	--	--	20,179
Provision for doubtful accounts receivable	96,054	64,706	61,009
Deferred taxes	11,030	40,032	42,235
Changes in other assets and liabilities:			
Accounts receivable	(4,500,264)	(455,694)	(4,120,073)
Prepaid and other current assets	(540,088)	(363,630)	(42,266)
Accounts payable and accrued expenses	255,627	460,049	1,218,878
Net cash provided by (used in) operating activities	(2,998,665)	2,483,595	2,374,422
Cash flows from investing activities:			
Purchase of property and equipment	(317,583)	(346,524)	(470,074)
Purchase of HSSI Travel Nurse Operations, Inc	(5,000,000)	--	--
Net cash used in investing activities	(5,317,583)	(346,524)	(470,074)
Cash flows from financing activities:			
Proceeds from line of credit	2,000,000	--	--
Repayment of lines of credit	(2,590,000)	(1,850,000)	--
Repayment of capital lease	(17,559)	(500)	--
Bank overdraft	420,969	(459,296)	--
Capital contribution	7,470,437	--	--
Net advances and receipts from parent company	1,050,026	395,933	(1,998,243)
Net cash (used in) provided by financing activities	8,333,873	(1,913,863)	(1,998,243)
Net (decrease) increase in cash	17,625	223,208	(93,895)
Cash, at beginning of period	124	17,749	240,957
Cash, at end of period	$ 17,749	$ 240,957	$ 147,062
Supplemental disclosure:			
Cash paid for taxes	$ --	$ 85,545	$ 209,649
Cash paid for interest	$ 398,244	$ 78,706	$ --
Supplemental disclosure of noncash financing activities -- forgiveness of receivable from parent company	$ --	$ --	$ 552,283

See accompanying notes to financial statements.

PREFERRED HEALTHCARE STAFFING, INC.
(A WHOLLY OWNED SUBSIDIARY OF
PREFERRED EMPLOYER'S HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998, DECEMBER 31, 1999 AND NOVEMBER 30, 2000

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(a) Description of Business

Preferred Healthcare Staffing, Inc. (the "Company") was incorporated in 1997 under the laws of the state of Delaware as a wholly owned subsidiary of Preferred Employers Holdings, Inc. ("PEHI"). The Company is in the business of providing health care professionals to health care organizations throughout the United States, its territories and possessions. The Company negotiates and enters into contracts with health care organizations on behalf of its network of health care professionals who render medical services to patients affiliated with those facilities.

In March 1998, the Company purchased certain of the assets of HSSI Travel Nurse Operations, Inc. ("Travel Nurse"), which was formerly a wholly owned subsidiary of Hospital Staffing Services, Inc., for $5 million in cash. Based in Fort Lauderdale, Florida since 1981, Travel Nurse has provided registered nurses and other professional medical personnel, often referred to as "travelers," primarily to client hospitals in the United States and the Caribbean on a contractual basis for periods generally averaging 13 weeks in duration. In August 1998, PEHI issued 517,085 shares of common stock in exchange for all the outstanding common stock of National Explorers and Travelers Healthcare, Inc. ("NET Healthcare"), an employee staffing company and provider of temporary registered nurses and other professional medical personnel primarily to client hospitals, and combined its operations with Travel Nurse. This business combination was accounted for as a pooling-of-interests combination and, accordingly, the Company's financial statements for applicable periods prior to the combination include the accounts and results of operations of NET Healthcare.

On November 28, 2000, AMN Healthcare, Inc. acquired 100 percent of the issued and outstanding stock of the Company. The purchase price to the former shareholder of the Company included a payment of $75,041,267 in cash (net of cash received), $4,000,000 of which was delivered to an escrow agent on the acquisition date in accordance with the purchase agreement. The funds held in escrow are to be released to the former shareholder in the amount of $2,000,000 on May 31, 2001 and $2,000,000 on December 31, 2001, provided that terms of the agreement are not violated.

(b) Basis of Presentation

These financial statements have been prepared to reflect the historical results prior to the change in control, as discussed above, although the period presented for this purpose was November 30, 2000. Certain transactions with AMN Healthcare, Inc. subsequent to the purchase have been excluded.

(c) Revenue Recognition

Revenue is recognized as staffing services are rendered. Provisions for discounts to customers and other adjustments are provided for in the period the related revenue is recorded.

(d) Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation on property and equipment is calculated on the straight-line basis over the estimated useful lives of the related assets which ranges from five to seven years. Leasehold improvements are amortized using the straight-line basis over the lesser of the lease term or estimated useful life of the related improvements. Software and software development costs are depreciated over the estimated useful life which has been established as three years.

PREFERRED HEALTHCARE STAFFING, INC.
(A WHOLLY OWNED SUBSIDIARY OF
PREFERRED EMPLOYER'S HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

(e) Goodwill

Goodwill was established as a result of the purchase during March 1998 of certain of the assets of Travel Nurse which was formerly a wholly owned subsidiary of Hospital Staffing Services, Inc. The goodwill is being amortized on a straight-line basis over the expected future periods to be benefited, estimated at approximately 20 years. Amortization of goodwill for the year ended December 31, 1999 and the eleven-month period ended November 30, 2000 was $242,150 and $218,296, respectively, resulting in accumulated amortization of $436,590 and $654,885 as of December 31 1999 and November 30, 2000, respectively.

The Company assesses the recoverability of goodwill by determining whether the amortization of the goodwill balance over its remaining estimated life can be recovered through undiscounted future operating cash flows of the acquired operation. The assessment of the recoverability of goodwill will be impacted if estimated future operating cash flows are not achieved.

(f) Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

(g) Income Taxes

The Company filed a consolidated U.S. federal and state income tax return with its parent, PEHI, for the years ended December 31, 1999 and 1998. Accordingly, all income-tax-related balances are included as due to parent in the accompanying financial statements.

On June 28, 2000, International Insurance Group, Inc. ("IIG"), an S corporation, merged with Preferred Employers Holdings, Inc., the parent corporation of the Company, and IIG was the surviving entity. On June 29, 2000, IIG elected to treat the Company as a Qualified Subchapter S Subsidiary ("QSSS") as provided under Internal Revenue Code section 1361(b)(3). A corporation which is a QSSS for federal income tax purposes is not treated as a separate corporation. All of the assets, liabilities, and items of income and expense of the QSSS are treated as items of the S corporation, in this case items of IIG. No provision has been made for income taxes subsequent to June 28, 2000 since the Company is not directly subject to income taxes and the results of operations for the period are includable in the tax returns of the shareholders of IIG.

In August of 1998, the Company merged with NET Healthcare, an S corporation, under a business combination accounted for under the pooling-of-interests method. As a result of the business combination, Net Healthcare's tax status cease to exist. No provision has been made for income taxes prior to the date of the business combination since NET Healthcare was not subject to income tax and the results of operations for the period were included in the tax returns of the shareholders of NET Healthcare.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities for the periods prior to the conversion to a QSSS are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. For the period subsequent to the conversion, the Company follows the built-in gain system of recognizing income taxes. Deferred tax liabilities are recognized on taxable temporary differences for the excess of the current financial statement carrying

amount over the tax basis at conversion. Deferred tax assets would be recognized only for the tax benefits of deductible temporary differences and carryforwards that are expected to be realized by offsetting taxable amounts under the provisions of the tax law. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Pro forma income taxes presented for 2000 and 1998 represents the total of historical income tax that would have been reported had the respective entities been taxable C corporations for each of the periods presented.

(h) Use of Estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

The Company estimates an allowance for doubtful accounts based on the credit worthiness of its customers as well as the general economic conditions in their respective geographical regions. Consequently, a change in those factors could affect the Company's estimate of its allowance for doubtful accounts.

(i) Concentration of Credit Risk

Most of the Company's business activity is with healthcare organizations located throughout the United States and the Caribbean. Credit is extended based on the evaluation of each entity's financial condition and collateral is generally not required.

(j) Reclassifications

Certain amounts in the 1999 financial statements have been reclassified to conform to the 2000 presentation.

(k) Pro Forma Net Income

Pro forma net income represents the results of operations for the eleven months ended November 30, 2000 and the year ended December 31, 1998, adjusted to reflect a provision for income tax on historical income before income taxes as if the respective entities had been a taxable C corporation.

(2) ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of December 31, 1999 and November 30, 2000.

	1999	2000
Accounts receivable billed	$5,086,231	$ 9,272,543
Unbilled accounts receivable	2,000,116	1,997,430
	7,086,347	11,269,973
Less allowance for doubtful accounts	(164,930)	(289,492)
Accounts receivable, net	$6,921,417	$10,980,481

PREFERRED HEALTHCARE STAFFING, INC.
(A WHOLLY OWNED SUBSIDIARY OF
PREFERRED EMPLOYER'S HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

(3) PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 1999 and November 30, 2000:

	1999	2000
Leasehold improvements	$ 30,118	$ 77,460
Office and computer equipment	340,383	479,332
Software and software development	355,717	528,551
Furniture and fixtures	151,490	197,271
	877,708	1,282,614
Less accumulated depreciation and amortization	(242,664)	(396,385)
Property and equipment, net	$ 635,044	$ 886,229

(4) ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following as of December 31, 1999 and November 30, 2000:

	1999	2000
Accounts payable	$1,023,680	$ 874,985
Accrued payroll and payroll taxes	822,080	2,029,561
Other accrued expenses	131,822	291,914
Accounts payable and accrued expenses	$1,977,582	$3,196,460

(5) LINE OF CREDIT

In May 1998, the Company entered into a $3,000,000 unsecured revolving line of credit with a bank, unconditionally guaranteed by PEHI. The Company paid the outstanding balance during 1999 and eliminated the facility. The rate of interest on the line of credit floated with the prime lending rate. Interest expense related to the line of credit for the eleven months ended November 30, 2000 and for the years ended December 31, 1999 and 1998 amounted to approximately $0, $56,000 and $107,000, respectively.

PREFERRED HEALTHCARE STAFFING, INC.
(A WHOLLY OWNED SUBSIDIARY OF
PREFERRED EMPLOYER'S HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)

(6) INCOME TAXES

Income tax expense for the years ended December 31, 1998 and 1999 and for the eleven months ended November 30, 2000 consists of the following:

	1998		
	CURRENT	DEFERRED	TOTAL
U.S. federal	$ 469,967	$ 9,967	$ 479,934
State and local	80,158	1,063	81,221
Total	$ 550,125	$11,030	$ 561,155

	1999		
	CURRENT	DEFERRED	TOTAL
U.S. federal	$1,216,882	$36,170	$1,253,052
State and local	208,595	3,862	212,457
Total	$1,425,477	$40,032	$1,465,509

	2000		
	CURRENT	DEFERRED	TOTAL
U.S. federal	$ 690,292	$38,743	$ 729,035
State and local	74,798	3,492	78,290
Total	$ 765,090	$42,235	$ 807,325

Income tax expense and for the years ended December 31, 1998 and 1999 and for the eleven months ended November 30, 2000 differed from the amounts computed by applying the U.S. federal income tax rate of 34 percent to pretax income as a result of the following:

	1998	1999	2000
Computed "expected" tax expense	$ 667,393	$1,296,195	$ 1,898,825
Increase (reduction) in income taxes resulting from:			
State and local income taxes, net of federal income tax benefit	54,146	96,948	52,892
S corporation earnings of Net Healthcare prior to merger	(252,903)	--	--
Meals and entertainment	92,697	27,829	1,029
Other, net	(178)	44,537	2,056
Change in tax status	--	--	69,123
Income during QSSS status	--	--	(1,216,600)
	$ 561,155	$1,465,509	$ 807,325

As of December 31, 1999 and November 30, 2000, the Company has a net deferred tax liability of $3,887 and $46,122, respectively. The tax effects of temporary differences between financial statement carrying amounts and tax basis of assets and liabilities that give rise to the deferred tax assets and liabilities are as follows:

	1999	2000
Deferred tax assets:		
Allowance for doubtful accounts	$31,518	$ --
Allowance for billing adjustments	30,545	--
Total deferred tax assets	62,063	--
Deferred tax liabilities -- depreciation and amortization	65,950	46,122
Net deferred tax liability	$ 3,887	$46,122

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods which the deferred tax assets are deductible, management believes it is more likely than not the Company will realize the benefits of these deductible differences.

(7) LEASES

The Company has several noncancelable operating leases, primarily for office space, a telephone system and a copy machine. Approximate future minimum annual lease payments under the noncancelable operating leases (with initial or remaining lease terms in excess of one year) as of November 30, 2000 are as follows:

YEARS ENDING NOVEMBER 30,	TOTAL
2001	$ 399,000
2002	409,000
2003	415,000
2004	345,000
2005	264,000
	$1,832,000

Rent expenses for operating leases was $241,635, $415,325 and $397,629 for the years ended December 31, 1998 and 1999 and for the eleven months ended November 30, 2000, respectively.

(8) COMMITMENTS AND CONTINGENCIES

Self-Insurance

Beginning in 1999, the Company became self-insured for its group health insurance up to predetermined specific and aggregate amounts with stop-loss limits above such amount for which third-party insurance applies. The Company has a recorded liability of approximately $198,000 and $70,000 as of December 31,

1998 and 1999, respectively, for such amounts under this agreement. No amounts were recorded as of November 30, 2000.

Legal Proceedings

The Company is involved in various claims and actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position, results of operations or liquidity.

(9) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of the Company's financial instruments approximates fair value due to the short-term maturity and/or liquidity of these instruments.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
O'Grady-Peyton International (USA), Inc.:

We have audited the consolidated balance sheets of O'Grady-Peyton International (USA), Inc. and subsidiary as of December 31, 1999 and 2000, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of O'Grady-Peyton International (USA), Inc. and subsidiary as of December 31, 1999 and 2000, and the results of their operations and their cash flows for each of the years in the two-year period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

Atlanta, Georgia
May 11, 2001

O'GRADY-PEYTON INTERNATIONAL (USA), INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 1999	DECEMBER 31, 2000	MARCH 31, 2001 (UNAUDITED)
ASSETS			
Cash and cash equivalents	$ 14,915	$ 754,703	$1,121,778
Trade accounts receivable including unbilled amounts of $92,000, $563,000, and $1,273,000, and net of allowance for doubtful accounts of $384,000, $275,000, and $151,000 in 1999, 2000, and 2001 (unaudited), respectively	3,333,597	4,958,960	5,855,614
Prepaid expenses and other assets	207,171	92,352	208,249
Deferred taxes	126,317	152,543	152,543
	3,682,000	5,958,558	7,338,184
Equipment and furniture, net	47,784	150,638	178,934
Total assets	$3,729,784	$6,109,196	$7,517,118
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Borrowings under line of credit	$1,500,000	$1,510,654	$2,000,000
Current installments of long-term debt	99,996	--	--
Notes payable to related party	--	300,000	300,000
Accounts payable	509,746	282,247	128,334
Accrued expenses	457,955	1,129,179	595,928
Accrued payroll and payroll taxes	346,206	642,031	1,109,915
Income taxes payable	--	611,498	1,057,478
Total current liabilities	2,913,903	4,475,609	5,191,655
Long-term debt	391,671	--	--
Notes payable to related party	300,000	--	--
Total liabilities	3,605,574	4,475,609	5,191,655
Shareholders' equity:			
Common stock -- authorized 12,500 shares of no par value; 5,000 shares issued and outstanding	4,125	4,125	4,125
Retained earnings	120,085	1,629,462	2,321,338
Total shareholders' equity	124,210	1,633,587	2,325,463
Commitments			
Total liabilities and shareholders' equity	$3,729,784	$6,109,196	$7,517,118

See accompanying notes to consolidated financial statements.

O'GRADY-PEYTON INTERNATIONAL (USA), INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

	YEARS ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,	
	1999	2000	2000	2001
			(UNAUDITED)	
Revenue	$14,541,030	$24,548,075	$5,121,693	$7,774,735
Cost of revenue	11,344,779	17,228,208	3,581,210	5,432,611
Gross profit	3,196,251	7,319,867	1,540,483	2,342,124
General and administrative expenses	3,852,565	4,709,212	1,328,695	1,199,594
(Loss) income from operations	(656,314)	2,610,655	211,788	1,142,530
Interest expense, net	91,264	162,006	82,470	25,449
(Loss) income before income taxes	(747,578)	2,448,649	129,318	1,117,081
Income tax (benefit) expense	(280,724)	939,272	55,067	425,205
Net (loss) income	$ (466,854)	$ 1,509,377	$ 74,251	$ 691,876

See accompanying notes to consolidated financial statements.

O'GRADY-PEYTON INTERNATIONAL (USA), INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 1999 AND 2000 AND
THREE MONTHS ENDED MARCH 31, 2001 (UNAUDITED)

	COMMON STOCK	RETAINED EARNINGS	TOTAL
Balances, December 31, 1998	$4,125	$ 586,939	$ 591,064
Net loss	--	(466,854)	(466,854)
Balances, December 31, 1999	4,125	120,085	124,210
Net income	--	1,509,377	1,509,377
Balances, December 31, 2000	4,125	1,629,462	1,633,587
Net income (unaudited)	--	691,876	691,876
Balances, March 31, 2001	$4,125	$2,321,338	$2,325,463

See accompanying notes to consolidated financial statements.

O'GRADY-PEYTON INTERNATIONAL, INC. (USA) AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEARS ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,	
	1999	2000	2000	2001
			(UNAUDITED)	
Cash flows from operating activities:				
Net (loss) income	$ (466,854)	$ 1,509,377	$ 74,251	$ 691,876
Adjustments to reconcile net (loss) income to cash (used in) provided by operating activities:				
Depreciation	129,394	36,545	6,522	18,016
Deferred tax benefit	(280,724)	(26,226)	--	--
Changes in:				
Accounts receivable	(1,119,883)	(1,625,363)	473,999	(896,654)
Prepaid expenses and other assets	185,297	114,819	(191,784)	(115,897)
Accounts payable and accrued expenses	594,263	739,550	239,286	(219,280)
Income taxes payable	--	611,498	105,444	445,980
Cash (used in) provided by operating activities	(958,507)	1,360,200	707,718	(75,959)
Cash flows used in investing activities--acquisition of equipment and furniture	(44,844)	(139,399)	(9,506)	(46,312)
Cash flows from financing activities:				
Net borrowings under line of credit	1,100,000	10,654	--	489,346
Proceeds from long-term debt	500,000	--	--	--
Payments on notes payable to related parties	(603,955)	--	--	--
Repayment of long-term debt	(8,332)	(491,667)	(25,000)	
Net cash provided by (used in) financing activities	987,713	(481,013)	(25,000)	489,346
Net (decrease) increase in cash and cash equivalents	(15,638)	739,788	673,212	367,075
Cash and cash equivalents at beginning of year	30,553	14,915	14,915	754,703
Cash and cash equivalents at end of year	$ 14,915	$ 754,703	$ 688,127	$1,121,778
Supplemental cash flows information -- cash paid during the year for:				
Interest	$ 85,028	$ 219,000	$ 86,280	$ 32,043
Income taxes	$ 24,011	$ 354,000	$ --	$ 3,580

See accompanying notes to consolidated financial statements.

O'GRADY-PEYTON INTERNATIONAL (USA), INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 2000 AND MARCH 31, 2001 (UNAUDITED)

(1) DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O'Grady-Peyton International (USA), Inc. (the "Company"), employs registered nurses and contracts their services to hospitals and health care facilities throughout the United States. The Company extends credit to its customers on an unsecured basis. The Company recruits many of its nurses from the United States, Ireland, United Kingdom, South Africa, Australia, New Zealand, Philippines, and Canada.

The accompanying consolidated interim financial statements (including notes to financial statements) of the Company as of March 31, 2001 and for the three months ended March 31, 2000 and 2001, are unaudited. In the opinion of management, the accompanying unaudited consolidated interim financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position of the Company at March 31, 2001, and the results of its operations and its cash flows for the three months ended March 31, 2000 and 2001.

The following is a summary of the more significant accounting policies and practices of the Company.

(a) Consolidation

The accompanying financial statements include the accounts of the Company and its wholly owned subsidiary. Significant intercompany accounts and transactions have been eliminated in consolidation.

(b) Revenue Recognition

The Company recognizes revenue when services are performed.

(c) Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

(d) Equipment and Furniture

Equipment and furniture are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the following estimated useful lives:

Equipment	3 - 5 years
Furniture	5 years

(e) Self-Insurance

The Company provides a self-insured medical reimbursement program covering substantially all full-time employees whereby it assumes limited liabilities with the excess liability assumed by the insurance company. Provision for claims under the self-insured program is recorded based on the Company's experience.

(f) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(g) Estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

(h) Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques, as appropriate. The Company believes that the fair value of financial instruments, including cash and cash equivalents, trade accounts receivable, and accounts payable and accrued expenses, approximates their recorded values due primarily to the short-term nature of their maturities. The carrying amounts of long-term debt is considered to be reasonable estimates of their fair values, as the borrowings have variable rates that reflect currently available terms and conditions for similar debt. The carrying amounts of notes payable to related party are impractical to determine due to their related party nature.

(2) PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	DECEMBER 31,	
	1999	2000
Equipment	$307,271	$422,489
Furniture	65,271	93,582
	372,542	516,071
Less accumulated depreciation	324,758	365,433
Property and equipment, net	$ 47,784	$150,638

Depreciation expense charged to operations was approximately $129,000, $37,000, $7,000 and $18,000 for the years ended December 31, 1999 and 2000 and the three months ended March 31, 2000 and 2001 (unaudited), respectively.

(3) LINE OF CREDIT

The Company has a $2,000,000 line of credit facility with a commercial bank. Interest on outstanding borrowings is payable monthly at rates ranging from the prime rate less .25% to prime plus .5% (10% at December 31, 2000), depending on the Company's debt-to-net worth ratio. Borrowings under the facility are secured by substantially all assets of the Company. The line of credit agreement contains provisions which place limitations on indebtedness and the disposition of assets. At December 31, 2000, the Company was in compliance with these covenants. The facility matures on June 30, 2001.

(4) LONG-TERM DEBT

Long-term debt consists of the following:

	DECEMBER 31,	
	1999	2000
Installment note payable in monthly principal payments of $8,333 plus interest at the prime rate through November 2004; secured by substantially all assets of the Company	$491,667	$ --
Less current installments	99,996	--
	$391,671	$ --

(5) RETIREMENT PLAN

The Company sponsors a salary deferral plan that covers all full-time employees who have met certain age and service requirements. Contributions to the plan are at the discretion of the Board of Directors. The Company made no contributions to the plan in 1999 and 2000.

(6) INCOME TAX

Income tax (benefit) expense consists of:

	CURRENT	DEFERRED	TOTAL
Year ended December 31, 1999:			
U.S. Federal	$ --	$(251,174)	$(251,174)
State and local	--	(29,550)	(29,550)
	$ --	$(280,724)	$(280,724)
Year ended December 31, 2000:			
U.S. Federal	$812,890	$ (23,465)	$ 789,425
State and local	152,608	(2,761)	149,847
	$965,498	$ (26,226)	$ 939,272

Income tax (benefit) expense differed from the amounts computed by applying the U.S. Federal income tax rate of 34% to (loss) income before taxes as a result of the following:

	1999	2000
Computed "expected" tax expense (benefit)	$(254,176)	$832,540
Increase (reduction) in income taxes resulting from:		
Meals and entertainment	3,002	8,497
State and local income taxes, net of Federal income tax benefit	(19,503)	98,899
Other, net	(10,047)	(664)
	$(280,724)	$939,272

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 1999 and 2000 are presented below:

	1999	2000
Deferred tax assets:		
Accounts receivable, principally due to allowance for doubtful accounts	$ --	$104,500
Depreciation	9,514	--
Accrued expenses	--	42,650
Net operating loss carryforwards	115,929	--
Other	874	5,393
Total gross deferred tax asset	$126,317	$152,543

Management believes that it is more likely than not that the results of the future operations will generate sufficient taxable income to realize the deferred tax assets and, accordingly, has not provided a valuation allowance.

(7) COMMITMENTS

The Company leases office space under noncancelable leases. Minimum annual rentals are as follows:

YEARS ENDING DECEMBER 31,	AMOUNT
2001	$165,000
2002	156,000
2003	56,000
	$377,000

Total rent expense amounted to $179,339 and $139,254 in 1999 and 2000 and $49,560 and $42,376 for the three months ended March 31, 2000 and 2001 (unaudited), respectively.

(8) RELATED PARTY TRANSACTIONS

The Company has a $300,000 note payable to a party related to the shareholders of the Company. The note is unsecured, bears interest at 8%, and is due June 2001. Interest paid on the note amounted to $24,000 in 1999 and 2000.

The Company pays recruiting expenses to various companies under common management control. Recruiting costs include approximately $1,561,000 and $1,500,000 paid to these related companies in 1999 and 2000, respectively. In addition, the Company pays a management fee to a company under common management control. The fee in 2000 was $800,000. Accrued expenses includes approximately $692,000 owed to a related company.

(9) SUBSEQUENT EVENT

Effective May 1, 2001, the Company was acquired by AMN Healthcare Services, Inc.

AMN HEALTHCARE SERVICES, INC.

INDEX TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

We acquired Nurses RX, Inc., Preferred Healthcare Staffing, Inc., and O'Grady-Peyton International (USA), Inc. on June 28, 2000, November 28, 2000 and May 1, 2001, respectively. NursesRx and Preferred Healthcare's results of operations for the six months and one month ended December 31, 2000, respectively, are included in our condensed consolidated statement of operations for the year ended December 31, 2000. The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2000 give effect to the acquisitions of NursesRx, Preferred Healthcare and O'Grady-Peyton, as well as this initial public offering, including application of the proceeds thereof to repay outstanding indebtedness under our credit facility and our senior subordinated notes as required pursuant to the debt agreements, as if these events had occurred on January 1, 2000. The unaudited pro forma condensed consolidated statement of operations for the six months ended June 30, 2001 gives effect to the acquisition of O'Grady-Peyton and this initial public offering as if these events had occurred on January 1, 2000.

This pro forma financial information does not purport to represent what our actual results of operations or financial position would have been had the acquisitions occurred on the dates indicated or for any future period or date. The pro forma adjustments give effect to available information and assumptions that we believe are reasonable. You should read our pro forma condensed consolidated financial information in conjunction with our financial statements and the related notes, as well as "Selected Consolidated Financial and Operating Data," "Summary Consolidated Financial and Operating Data," "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this prospectus.

AMN HEALTHCARE SERVICES, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2000
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	HISTORICAL(1)					
	AMN	NURSESRX	PREFERRED HEALTHCARE	O'GRADY-PEYTON	PRO FORMA ADJUSTMENTS	PRO FORMA
Revenue	$230,766	$13,879	$57,162	$24,548	$ --	$326,355
Cost of revenue	170,608	9,580	44,568	17,228	--	241,984
Gross profit	60,158	4,299	12,594	7,320	--	84,371
Expenses:						
Selling, general, and administrative (excluding non-cash stock-based compensation)	30,728	3,580	6,637	4,672	(1,018)(2)	44,599
Non-cash stock-based compensation	22,379	--	--	--	31,771(3)	54,150
Amortization	2,387	--	218	--	3,130(4)	5,735
Depreciation	916	55	199	37	--	1,207
Transaction costs	1,500	--	--	--	--	1,500
Total expenses	57,910	3,635	7,054	4,709	33,883	107,191
Income (loss) from operations	2,248	664	5,540	2,611	(33,883)	(22,820)
Interest income (expense), net	(10,006)	(18)	44	(162)	10,173(5)	31
Income (loss) before income tax benefit (expense) and extraordinary item	(7,758)	646	5,584	2,449	(23,710)	(22,789)
Income tax benefit (expense)	2,560	(189)	(807)	(940)	6,896(6)	7,520
Income (loss) before extraordinary item(7)	$ (5,198)	$ 457	$ 4,777	$ 1,509	$(16,814)	$(15,269)
Net loss per common share -- basic and diluted						$ (16.17)
Weighted average common shares -- basic and diluted						944(8)
Split adjusted net loss per common share -- basic and diluted						$ (.38)(9)
Split adjusted weighted average common shares -- basic and diluted						40,715(9)

See accompanying notes to Unaudited Pro Forma Condensed Consolidated Statement of Operations.

AMN HEALTHCARE SERVICES, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2000

(1) The historical results of operations of AMN includes the results of NursesRx and Preferred Healthcare commencing June 28, 2000 and November 28, 2000, respectively, their dates of acquisition by AMN. The historical results of operations of NursesRx and Preferred Healthcare reflect their results from January 1, 2000 through June 28, 2000 and November 28, 2000, respectively. The historical results of operations of O'Grady-Peyton reflects its results for the year ended December 31, 2000.

(2) The pro forma selling, general and administrative expense gives effect to the elimination of certain payments to the former owners of Preferred Healthcare and NursesRx that were discontinued as a result of AMN's acquisition of those companies. Accordingly, these payments would not have been made if the acquisitions had occurred on January 1, 2000.

(3) The pro forma stock-based compensation adjustment gives effect to the vesting of all outstanding stock options under the 1999 stock option plans as if the consummation of this initial public offering had occurred on January 1, 2000. Pursuant to the provisions of the 1999 stock option plans, options become fully vested upon the occurrence of an initial public offering.

(4) The pro forma amortization expense gives effect to additional goodwill amortization of $305,000, $2,174,000, and $453,000 in connection with the NursesRx, Preferred Healthcare and O'Grady-Peyton acquisitions, respectively. It also gives effect to additional non-compete amortization of $103,000, $45,000, and $50,000 for NursesRx, Preferred Healthcare, and O'Grady-Peyton, respectively.

(5) The pro forma interest expense, net gives effect to the reduction of interest expense in the amount of $10,173,000 related to the payment of all outstanding debt with the proceeds of this initial public offering.

(6) The pro forma adjustment represents the additional tax expense, calculated at our effective tax rate of approximately 33.0% related to the pro forma adjustments described above and pre-tax income of NursesRx, Preferred Healthcare and O'Grady-Peyton.

(7) Pro forma income (loss) does not include $5,471,000 in extraordinary loss, net of income tax benefit of $2,694,000, resulting from the write-off of the unamortized discount on the senior subordinated notes and unamortized deferred financing costs as this is a nonrecurring charge which will be included in our income (loss) following this initial public offering.

(8) Pro forma basic and diluted weighted average shares gives effect to the shares issued in this initial public offering plus the shares of common stock to be issued upon exercise of warrants at the time of this initial public offering, but does not give effect to the shares that had been issued under stock options outstanding under the 1999 stock option plans, as the impact would be anti-dilutive.

(9)Pro forma split adjusted basic and diluted weighted average shares reflect the 43.10849-for-1 stock split of our common stock which will become effective upon the effective date of this offering.

AMN HEALTHCARE SERVICES, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2001

(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	HISTORICAL(1)			
	AMN	O'GRADY-PEYTON	PRO FORMA ADJUSTMENTS	PRO FORMA
Revenue	$219,169	$10,582	$ --	$229,751
Cost of revenue	164,235	7,373	--	171,608
Gross profit	54,934	3,209	--	58,143
Expenses:				
Selling, general, and administrative (excluding non-cash stock-based compensation)	30,820	1,818	--	32,638
Non-cash stock-based compensation	8,731	--	(8,731)(2)	--
Amortization	2,696	--	168(3)	2,864
Depreciation	879	25	--	904
Total expenses	43,126	1,843	(8,563)	36,406
Income from operations	11,808	1,366	8,563	21,737
Interest income (expense), net	(7,997)	(43)	8,004(4)	(36)
Income before income tax expense	3,811	1,323	16,567	21,701
Income tax expense	(1,982)	(539)	(8,763)(5)	(11,284)
Net income	$ 1,829	$ 784	$ 7,804	$ 10,417
Net income per common share				
Basic				$ 11.03
Diluted				$ 10.13
Weighted average common shares				
Basic				944(6)
Diluted				1,028(7)
Split adjusted net income per common share				
Basic				$ 0.26(8)
Diluted				$ 0.24(8)
Split adjusted weighted average common shares				
Basic				40,715(8)
Diluted				44,325(8)

See accompanying notes to Unaudited Pro Forma Condensed Consolidated Statement of Operations.

AMN HEALTHCARE SERVICES, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET AND UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 2001

(1) Reflects the historical results of operations of each of AMN and O'Grady-Peyton for the six months ended June 30, 2001.

(2) The pro forma stock-based compensation adjustment gives effect to the vesting of all outstanding stock options under the 1999 stock option plans as if the consummation of this initial public offering had occurred on January 1, 2000. Pursuant to the provisions of the 1999 stock option plans, options become fully vested upon the occurrence of an initial public offering. Therefore, there would be no charge during the six months ended June 30, 2001 related to these options.

(3) The pro forma amortization expense gives effect to additional goodwill amortization of $151,000 and additional non compete amortization of $17,000 in connection with the O'Grady-Peyton acquisition.

(4) The pro forma interest expense, net gives effect to the reduction of interest expense in the amount of $6,980,000 and the settlement of the derivative instrument agreements in the amount of $1,024,000 in connection with the payment of all outstanding debt with the proceeds of this initial public offering.

(5) The pro forma tax adjustment represents the additional tax expense, calculated at AMN's effective tax rate of approximately 52%, for the pro forma adjustments described above and the pre-tax income of O'Grady-Peyton.

(6) Pro forma basic weighted average shares gives effect to the shares issued in this initial public offering plus the shares of common stock to be issued upon the exercise of warrants at the time of this initial public offering.

(7) Pro forma diluted weighted average shares gives effect to the stock options outstanding under the 1999 stock option plans.

(8) Pro forma split adjusted basic and diluted weighted average shares reflect the 43.10849-for-1 stock split of our common stock which will become effective upon the effective date of this offering.


[Art work: A collage of photos (four depicting travel scenes and two depicting clinical scenes), five brand name logos, NurseZone.com logo and Registrant's logo, a listing of Registrant's offices and a screen map of the world.]

10,000,000 Shares

[AMN Heathcare Services, Inc. Logo]

Prospectus
, 2001

BANC OF AMERICA SECURITIES LLC

UBS WARBURG

JPMORGAN

Until , 2001, all dealers that buy, sell or trade the common stock may be required to deliver a prospectus, regardless of whether they are participating in this offering. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following sets forth the estimated expenses and costs (other than underwriting discounts and commissions) expected to be incurred in connection with the issuance and distribution of the common stock registered hereby:

SEC registration fee	$ 43,125
NASD fee	31,000
Printing and engraving expenses	900,000
Accounting fees and expenses	1,080,000
Legal fees and expenses	1,250,000
Blue Sky fees and expenses	40,000
NYSE listing application fee	266,000
Transfer agent fees and expenses	5,000
Miscellaneous	469,000
TOTAL	4,084,125

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of the State of Delaware provides as follows:

A corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent or another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

A corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification will be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Our amended and restated certificate of incorporation provides that we will indemnify any person, including persons who are not our directors and officers, to the fullest extent permitted by Section 145 of the Delaware General Corporation Law.

In addition, pursuant to our Bylaws, we will indemnify our directors and officers against expenses (including judgments or amounts paid in settlement) incurred in any action, civil or criminal, to which any such person is a party by reason of any alleged act or failure to act in his capacity as such, except as to a matter as to which such director or officer shall have been finally adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation or not to have acted in good faith in the reasonable belief that his action was in the best interest of the corporation.

The underwriting agreement provides that the underwriters are obligated, under certain circumstances, to indemnify our directors, officers and controlling persons against certain liabilities, including liabilities under the Securities Act. Reference is made to the form of underwriting agreement filed as Exhibit 1.1 hereto.

We maintain directors and officers liability insurance for the benefit of our directors and certain of our officers.

Reference is made to Item 17 for our undertakings with respect to indemnification for liabilities arising under the U.S. Securities Act of 1993.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

The following is a summary of transactions by us involving sales of our securities that were not registered under the Securities Act during the last three years preceding the date of this registration statement:

(a) On November 18, 1998, we issued 1,800 shares of common stock upon a stock split to our then existing stockholders.

(b) On November 18, 1998, we issued 182 shares of common stock at a price of $11,265.21 per share to our then existing stockholders.

(c) On November 18, 1998, we issued 306 shares of common stock to the stockholders of Medical Express, Inc. in connection with our acquisition of Medical Express, Inc.

(d) On October 18, 1999, we issued 517.8 shares of common stock in exchange for AMN Healthcare, Inc. shares.

(e) On November 19, 1999, we issued 1,814.9 shares of common stock at a price of $32,794.87 per share upon our recapitalization to some of our existing stockholders.

(f) On November 19, 1999, we issued 472,634.9 shares of common stock upon the split of 2,363.17 outstanding shares, on the basis of 200 shares for each outstanding share to our then existing stockholders.

(g) On November 19, 1999, we issued options to purchase an aggregate of 84,343.4 shares of stock to members of management, each at an exercise price of $163.9743 per share.

(h) On June 26, 2000, we issued an aggregate of 73,182.2 shares at a price of $163.9743 per share for capital contributions in connection with our acquisition of Nurses RX, Inc. to some of our existing stockholders.

(i) On November 20, 2000, we issued options to purchase 4,686 shares of stock to a member of management at an exercise price of $163.9743 per share.

(j) On November 28, 2000, we issued an aggregate of 123,077 shares at a price of $325.00 per share for capital contributions in connection with our acquisition of Preferred Healthcare Staffing, Inc. to some of our existing stockholders.

(k) On December 13, 2000, we issued options to purchase an aggregate of 31,170.6 shares of stock to members of management, each at an exercise price of $287.84 per share.

(l) On March 29, 2001, we issued 616,694.9 shares of common stock to the HWP stockholders in connection with the merger of AMN Acquisition Corp. with and into us and the 616,694.9 shares previously held by AMN Acquisition Corp. were canceled.

(m) On July 24, 2001, we issued options to purchase an aggregate of 12,673 shares of stock to members of management, each at an exercise price of $392.04 per share.

(n) Prior to the effectiveness of this offering, we issued 28,835,015 shares of common stock upon the split of 668,894.1 outstanding shares, on the basis of 43.10849 shares for each outstanding share to our existing stockholders.

(o) Prior to the effectiveness of this offering, we issued 1,879,628 shares of common stock to BancAmerica Capital Investors SBIC I, L.P. in connection with the exercise of a warrant.

The issuances listed above are exempt from registration under Section 4(2) of the Securities Act as transactions by an issuer not involving a public offering.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

a. Exhibits

1.1	Form of Underwriting Agreement.***
2.1	Acquisition Agreement, dated as of October 1, 1999, among the Registrant, AMN Healthcare, Inc., AMN Acquisition Corp., Olympus Growth Fund II, L.P., Olympus Growth Executive Fund, L.P., Steven Francis, as Trustee of the Francis Family Trust dated May 24, 1996, Gayle Francis, as Trustee of the Francis Family Trust dated May 24, 1996, Todd Johnson and Deborah Johnson.**
2.2	Stock Purchase Agreement, dated as of June 23, 2000, by and between AMN Healthcare, Inc., Suzanne Confoy and George Robert Kraus, Jr.**
2.3	Stock Purchase Agreement, dated as of October 12, 2000, by and between AMN Healthcare, Inc. and Preferred Employers Holdings, Inc.**
2.4	Stock Purchase Agreement, dated as of April 3, 2001, by and between AMN Healthcare, Inc., Joseph O'Grady and Teresa O'Grady-Peyton.**
3.1	Form of Amended and Restated Certificate of Incorporation of AMN Healthcare Services, Inc.***
3.2	Form of By-laws of AMN Healthcare Services, Inc.***
4.1	Form of Specimen Stock Certificate.*
4.2	Form of Registration Rights Agreement among the Registrant, HWH Capital Partners, L.P., HWH Nightingale Partners, L.P., HWP Nightingale Partners II, L.P., HWP Capital Partners II, L.P., BancAmerica Capital Investors SBIC I, L.P., the Francis Family Trust dated May 24, 1996 and Steven Francis.***
5.1	Opinion of Paul, Weiss, Rifkind, Wharton & Garrison regarding the legality of the shares.*
8.1	Opinion of Paul, Weiss, Rifkind, Wharton & Garrison as to certain tax matters.*
10.1	Note and Warrant Purchase Agreement, dated as of November 19, 1999, between the Registrant and BancAmerica Capital Investors SBIC I, L.P.**
10.2	First Amendment to Note and Warrant Purchase Agreement, dated as of November 21, 2000, by and among the Registrant and BancAmerica Capital Investors SBIC I, L.P.**
10.3	Subscription Agreement, dated as of November 28, 2000, between the Registrant and BancAmerica Capital Investors SBIC I, L.P.**
10.4	Warrant Agreement, dated as of November 19, 1999, among the Registrant, BancAmerica Capital Investors SBIC I, L.P. and each of the warrantholders who are or may become a party thereto.**
10.5	AMN Holdings, Inc. 1999 Performance Stock Option Plan, as amended.***
10.6	AMN Holdings, Inc. 1999 Super-Performance Stock Option Plan, as amended.***
10.7	AMN Healthcare Services, Inc. 2001 Stock Option Plan.***

10.8	Employment and Non-Competition Agreement, dated as of November 19, 1999, among AMN Holdings, Inc., AMN Acquisition Corp. and Steven Francis.***
10.9	Executive Severance Agreement, dated as of November 19, 1999, between AMN Healthcare, Inc. and Susan Nowakowski.***
10.10	Executive Severance Agreement, dated as of May 21, 2001, between AMN Healthcare, Inc. and Donald Myll.***
10.11	1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Steven Francis.***
10.12	Amendment, dated as of December 13, 2000, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Steven Francis.***
10.13	Amendment No. 2, dated as of July 24, 2001, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, as amended December 13, 2000, between the Registrant and Steven Francis.***
10.14	1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Steven Francis.***
10.15	Amendment, dated as of December 13, 2000, to the Super-Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Steven Francis.***
10.16	Amendment No. 2, dated as of July 24, 2001, to the 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, as amended December 13, 2000, between the Registrant and Steven Francis.***
10.17	1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Susan Nowakowski.***
10.18	Amendment, dated as of December 13, 2000, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Susan Nowakowski.***
10.19	Amendment No. 2, dated as of July 24, 2001, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, as amended December 13, 2000, between the Registrant and Susan Nowakowski.***
10.20	1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Susan Nowakowski.***
10.21	Amendment, dated as of December 13, 2000, to the Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Susan Nowakowski.***
10.22	Amendment No. 2, dated as of July 24, 2001, to the 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, as amended December 13, 2000, between the Registrant and Susan Nowakowski.***
10.23	1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 20, 2000, between the Registrant and Susan Nowakowski.***
10.24	Amendment, dated as of July 24, 2001, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 20, 2000, between the Registrant and Susan Nowakowski.***
10.25	1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 20, 2000, between the Registrant and Susan Nowakowski.***
10.26	Amendment, dated as of July 24, 2001, to the 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 20, 2000, between the Registrant and Susan Nowakowski.***
10.27	1999 Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Steven Francis.***

10.28	Amendment, dated as of July 24, 2001, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Steven Francis.***
10.29	1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Steven Francis.***
10.30	Amendment, dated as of July 24, 2001, to the 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Steven Francis.***
10.31	1999 Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Susan Nowakowski.***
10.32	Amendment, dated as of July 24, 2001, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Susan Nowakowski.***
10.33	1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Susan Nowakowski.***
10.34	Amendment, dated as of July 24, 2001, to the 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2001, between the Registrant and Susan Nowakowski.***
10.35	2001 Stock Option Plan Stock Option Agreement between the Registrant and Donald Myll.***
10.36	Form of Amended and Restated Financial Advisory Agreement between the Registrant and Haas Wheat & Partners, L.P.***
10.37	Form of Amended and Restated Credit Agreement.*
10.38	AMN Healthcare Services, Inc. 2001 Senior Management Bonus Plan.***
16.1	Letter from Deloitte & Touche LLP regarding change in certifying accountant.***
21.1	Subsidiaries of the Registrant.**
23.1	Consent of Paul, Weiss, Rifkind, Wharton & Garrison (included in Exhibit 5.1).*
23.2	Independent Auditors' Report on Schedule and Consent of KPMG LLP with respect to the Registrant.***
23.3	Consent of KPMG LLP with respect to Preferred Healthcare Staffing, Inc.***
23.4	Consent of KPMG LLP with respect to O'Grady-Peyton International (USA), Inc.***
23.5	Consent of Deloitte & Touche LLP with respect to the Registrant.***
23.6	Independent Auditors' Report on Schedule of Deloitte & Touche LLP with respect to the Registrant.***
23.7	Consent of DDK & Company LLP with respect to Nurses RX, Inc.***
24.1	Power of Attorney.**
99.1	Consent of Michael Gallagher to be named as a director nominee.***
99.2	Consent of Andrew Stern to be named as a director nominee.***

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* To be provided by amendment.

**Previously filed.

***Filed herewith.

b. Financial Statement Schedules

The following financial statement schedules are included herein:

Schedule II -- Valuation and qualifying accounts

All other schedules are omitted because they are either not required, not applicable or the required information is included in the financial statements or notes thereto.

ITEM 17. UNDERTAKINGS

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

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this amendment to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Diego, State of California, on August 21, 2001.

AMN Healthcare Services, Inc.

By: /s/ STEVEN FRANCIS

Name: Steven Francis
Title: President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this amendment to the registration statement has been signed below by the following persons in the following capacities on the 21st day of August, 2001.

*

Name: Robert Haas
Title: Chairman of the Board and Director

/s/ STEVEN FRANCIS

Name: Steven Francis
Title: President, Chief Executive Officer and Director

*

Name: William Miller
Title: Director

*

Name: Douglas Wheat
Title: Director

*

Name: Donald Myll
Title: Chief Accounting Officer and Chief Financial Officer

*By: /s/ STEVEN FRANCIS

Steven Francis

Attorney-in-fact

INDEX TO FINANCIAL
STATEMENT SCHEDULES

SCHEDULE II

AMN HEALTHCARE SERVICES, INC.

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1998, 1999 AND 2000
(IN THOUSANDS)

ALLOWANCE FOR DOUBTFUL ACCOUNTS	BALANCE AT BEGINNING OF PERIOD	PROVISION	PROVISION DUE TO ACQUISITIONS	DEDUCTIONS(*)	BALANCE AT END OF PERIOD
Year ended December 31, 1998....	$ 70	$ 30	$ 35	$ --	$135
Year ended December 31, 1999....	$135	$260	--	$(139)	$256
Year ended December 31, 2000....	$256	$270	$441	$ (37)	$930

- ---------------
(*) Accounts written off

See accompanying notes to consolidated financial statements

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT TITLE
1.1	Form of Underwriting Agreement.***
2.1	Acquisition Agreement, dated as of October 1, 1999, among the Registrant, AMN Healthcare, Inc., AMN Acquisition Corp., Olympus Growth Fund II, L.P., Olympus Growth Executive Fund, L.P., Steven Francis, as Trustee of the Francis Family Trust dated May 24, 1996, Gayle Francis, as Trustee of the Francis Family Trust dated May 24, 1996, Todd Johnson and Deborah Johnson.**
2.2	Stock Purchase Agreement, dated as of June 23, 2000, by and between AMN Healthcare, Inc., Suzanne Confoy and George Robert Kraus, Jr.**
2.3	Stock Purchase Agreement, dated as of October 12, 2000, by and between AMN Healthcare, Inc. and Preferred Employers Holdings, Inc.**
2.4	Stock Purchase Agreement, dated as of April 3, 2001, by and between AMN Healthcare, Inc., Joseph O'Grady and Teresa O'Grady-Peyton.**
3.1	Form of Amended and Restated Certificate of Incorporation of AMN Healthcare Services, Inc.***
3.2	Form of By-laws of AMN Healthcare Services, Inc.***
4.1	Form of Specimen Stock Certificate.*
4.2	Form of Registration Rights Agreement among the Registrant, HWH Capital Partners, L.P., HWH Nightingale Partners, L.P., HWP Nightingale Partners II, L.P., HWP Capital Partners II, L.P., BancAmerica Capital Investors SBIC I, L.P., the Francis Family Trust dated May 24, 1996 and Steven Francis.***
5.1	Opinion of Paul, Weiss, Rifkind, Wharton & Garrison regarding the legality of the shares.*
8.1	Opinion of Paul, Weiss, Rifkind, Wharton & Garrison as to certain tax matters.*
10.1	Note and Warrant Purchase Agreement, dated as of November 19, 1999, between the Registrant and BancAmerica Capital Investors SBIC I, L.P.**
10.2	First Amendment to Note and Warrant Purchase Agreement, dated as of November 21, 2000, by and among the Registrant and BancAmerica Capital Investors SBIC I, L.P.**
10.3	Subscription Agreement, dated as of November 28, 2000, between the Registrant and BancAmerica Capital Investors SBIC I, L.P.**
10.4	Warrant Agreement, dated as of November 19, 1999, among the Registrant, BancAmerica Capital Investors SBIC I, L.P. and each of the warrantholders who are or may become a party thereto.**
10.5	AMN Holdings, Inc. 1999 Performance Stock Option Plan, as amended.***
10.6	AMN Holdings, Inc. 1999 Super-Performance Stock Option Plan, as amended.***
10.7	AMN Healthcare Services, Inc. 2001 Stock Option Plan.***
10.8	Employment and Non-Competition Agreement, dated as of November 19, 1999, among AMN Holdings, Inc., AMN Acquisition Corp. and Steven Francis.***
10.9	Executive Severance Agreement, dated as of November 19, 1999, between AMN Healthcare, Inc. and Susan Nowakowski.***
10.10	Executive Severance Agreement, dated as of May 21, 2001, between AMN Healthcare, Inc. and Donald Myll.***
10.11	1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Steven Francis.***
10.12	Amendment, dated as of December 13, 2000, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Steven Francis.***

EXHIBIT NUMBER	EXHIBIT TITLE
10.13	Amendment No. 2, dated as of July 24, 2001, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, as amended December 13, 2000, between the Registrant and Steven Francis.***
10.14	1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Steven Francis.***
10.15	Amendment, dated as of December 13, 2000, to the Super-Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Steven Francis.***
10.16	Amendment No. 2, dated as of July 24, 2001, to the 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, as amended December 13, 2000, between the Registrant and Steven Francis.***
10.17	1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Susan Nowakowski.***
10.18	Amendment, dated as of December 13, 2000, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Susan Nowakowski.***
10.19	Amendment No. 2, dated as of July 24, 2001, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, as amended December 13, 2000, between the Registrant and Susan Nowakowski.***
10.20	1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Susan Nowakowski.***
10.21	Amendment, dated as of December 13, 2000, to the Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Registrant and Susan Nowakowski.***
10.22	Amendment No. 2, dated as of July 24, 2001, to the 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, as amended December 13, 2000, between the Registrant and Susan Nowakowski.***
10.23	1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 20, 2000, between the Registrant and Susan Nowakowski.***
10.24	Amendment, dated as of July 24, 2001, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 20, 2000, between the Registrant and Susan Nowakowski.***
10.25	1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 20, 2000, between the Registrant and Susan Nowakowski.***
10.26	Amendment, dated as of July 24, 2001, to the 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 20, 2000, between the Registrant and Susan Nowakowski.***
10.27	1999 Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Steven Francis.***
10.28	Amendment, dated as of July 24, 2001, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Steven Francis.***
10.29	1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Steven Francis.***
10.30	Amendment, dated as of July 24, 2001, to the 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Steven Francis.***
10.31	1999 Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Susan Nowakowski.***

EXHIBIT NUMBER	EXHIBIT TITLE
10.32	Amendment, dated as of July 24, 2001, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Susan Nowakowski.***
10.33	1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Registrant and Susan Nowakowski.***
10.34	Amendment, dated as of July 24, 2001, to the 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2001, between the Registrant and Susan Nowakowski.***
10.35	2001 Stock Option Plan Stock Option Agreement between the Registrant and Donald Myll.***
10.36	Form of Amended and Restated Financial Advisory Agreement between the Registrant and Haas Wheat & Partners, L.P.***
10.37	Form of Amended and Restated Credit Agreement.*
10.38	AMN Healthcare Services, Inc. 2001 Senior Management Bonus Plan.***
16.1	Letter from Deloitte & Touche LLP regarding change in certifying accountant.***
21.1	Subsidiaries of the Registrant.**
23.1	Consent of Paul, Weiss, Rifkind, Wharton & Garrison (included in Exhibit 5.1).*
23.2	Independent Auditors' Report on Schedule and Consent of KPMG LLP with respect to the Registrant.***
23.3	Consent of KPMG LLP with respect to Preferred Healthcare Staffing, Inc.***
23.4	Consent of KPMG LLP with respect to O'Grady-Peyton International (USA), Inc.***
23.5	Consent of Deloitte & Touche LLP with respect to the Registrant.***
23.6	Independent Auditors' Report on Schedule of Deloitte & Touche LLP with respect to the Registrant.***
23.7	Consent of DDK & Company LLP with respect to Nurses RX, Inc.***
24.1	Power of Attorney.**
99.1	Consent of Michael Gallagher to be named as a director nominee.***
99.2	Consent of Andrew Stern to be named as a director nominee.***

*To be provided by amendment.

**Previously filed.

***Filed herewith.

EXHIBIT 1.1

[___] SHARES

AMN HEALTHCARE SERVICES, INC.

COMMON STOCK

UNDERWRITING AGREEMENT

DATED [___]

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UNDERWRITING AGREEMENT

September __, 2001

BANC OF AMERICA SECURITIES LLC
UBS WARBURG LLC
J.P. MORGAN SECURITIES INC.
As Representatives of the several Underwriters
c/o Banc of America Securities LLC
600 Montgomery Street
San Francisco, California 94111

Ladies and Gentlemen:

Introductory.

AMN Healthcare Services, Inc., a Delaware corporation (the "Company"), proposes to issue and sell to the several underwriters named in Schedule A (the "Underwriters") an aggregate of 10,000,000 shares (the "Firm Common Shares") of its Common Stock, par value $0.01 per share (the "Common Stock"). In addition, the Company has granted to the Underwriters an option to purchase up to an additional 1,500,000 shares (the "Optional Common Shares") of Common Stock, as provided in Section 2. The Firm Common Shares and, if and to the extent such option is exercised, the Optional Common Shares are collectively called the "Common Shares". Banc of America Securities LLC ("BAS"), UBS Warburg LLC ("UBS Warburg") and J.P. Morgan Securities Inc. ("J.P. Morgan") have agreed to act as representatives of the several Underwriters (in such capacity, the "Representatives") in connection with the offering and sale of the Common Shares.

The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (File No. 333-65168), which contains a form of prospectus to be used in connection with the public offering and sale of the Common Shares. Such registration statement, as amended, including the financial statements, exhibits and schedules thereto, in the form in which it was declared effective by the Commission under the Securities Act of 1933 and the rules and regulations promulgated thereunder (collectively, the "Securities Act"), including any information deemed to be a part thereof at the time of effectiveness pursuant to Rule 430A or Rule 434 under the Securities Act, is called the "Registration Statement". Any registration statement filed by the Company pursuant to Rule 462(b) under the Securities Act is called the "Rule 462(b) Registration Statement", and from and after the date and time of filing of the Rule 462(b) Registration Statement the term "Registration Statement" shall include the Rule 462(b) Registration Statement. Such prospectus, in the form first used by the Underwriters to confirm sales of the

Common Shares, is called the "Prospectus"; provided, however, if the Company has, with the consent of BAS, elected to rely upon Rule 434 under the Securities Act, the term "Prospectus" shall mean the Company's prospectus subject to completion (each, a "preliminary prospectus") dated [___] (such preliminary prospectus is called the "Rule 434 preliminary prospectus"), together with the applicable term sheet (the "Term Sheet") prepared and filed by the Company with the Commission under Rules 434 and 424(b) under the Securities Act and all references in this Agreement to the date of the Prospectus shall mean the date of the Term Sheet. All references in this Agreement to the Registration Statement, the Rule 462(b) Registration Statement, a preliminary prospectus, the Prospectus or the Term Sheet, or any amendments or supplements to any of the foregoing, shall include any copy thereof filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System ("EDGAR").

The Company hereby confirms its agreements with the Underwriters as follows:

Section 1. Representations and Warranties of the Company.

Representations and Warranties of the Company. The Company hereby represents, warrants and covenants to each Underwriter as follows:

(a) Compliance with Registration Requirements. The Registration Statement and any Rule 462(b) Registration Statement have been declared effective by the Commission under the Securities Act. The Company has complied to the Commission's satisfaction with all requests of the Commission for additional or supplemental information. No stop order suspending the effectiveness of the Registration Statement or any Rule 462(b) Registration Statement is in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated or threatened by the Commission.

Each preliminary prospectus and the Prospectus when filed complied in all material respects with the Securities Act and, if filed by electronic transmission pursuant to EDGAR (except as may be permitted by Regulation S-T under the Securities Act), was identical in all material respects to the copy thereof delivered to the Underwriters for use in connection with the offer and sale of the Common Shares. Each of the Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendment thereto, at the time it became effective and at all subsequent times, complied and will comply in all material respects with the Securities Act and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Prospectus, as amended or supplemented, as of its date and at all subsequent times, did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties set forth in the two immediately preceding sentences do not apply to statements in or omissions from the Registration Statement, any Rule 462(b) Registration Statement, or any post-effective amendment thereto, or the Prospectus, or any amendments or supplements thereto, made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by the Representatives expressly for use therein. There are no contracts or other documents required to be described in the Prospectus or to be filed as exhibits to the Registration Statement which have not been described or filed as required.

(b) Offering Materials Furnished to Underwriters. The Company has delivered to each Representative one complete manually signed copy of the Registration Statement and of each consent and certificate of experts filed as a part thereof, and conformed copies of the Registration Statement (without exhibits) and preliminary prospectuses and the Prospectus, as amended or supplemented, in such quantities and at such places as the Representatives have reasonably requested for each of the Underwriters.

(c) Distribution of Offering Material By the Company. The Company has not distributed and will not distribute, prior to the later of the Second Closing Date (as defined below) and the completion of the Underwriters' distribution of the Common Shares, any offering material in connection with the offering and sale of the Common Shares other than a preliminary prospectus, the Prospectus or the Registration Statement.

(d) The Underwriting Agreement. This Agreement has been duly authorized, executed and delivered by, and is a valid and binding agreement of, the Company, enforceable in accordance with its terms, except as rights to indemnification hereunder may be limited by applicable law and except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

(e) Authorization of the Common Shares. The Common Shares to be purchased by the Underwriters from the Company have been duly authorized for issuance and sale pursuant to this Agreement and, when issued and delivered by the Company pursuant to this Agreement, will be validly issued, fully paid and nonassessable.

(f) No Applicable Registration or Other Similar Rights. There are no persons with registration or other similar rights to have any equity or debt securities registered for sale under the Registration Statement or included in the offering contemplated by this Agreement, except for such rights as have been duly waived.

(g) No Material Adverse Change. Except as otherwise disclosed in the Prospectus, subsequent to the respective dates as of which information is given in the Prospectus: (i) there has been no material adverse change, or any development that could reasonably be expected to result in a material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations, whether or not arising from transactions in the ordinary course of business, of the Company and its subsidiaries, considered as one entity (any such change is called a "Material Adverse Change"); (ii) the Company and its subsidiaries, considered as one entity, have not incurred any material liability or obligation, indirect, direct or contingent, not in the ordinary course of business nor entered into any material transaction or agreement not in the ordinary course of business; and (iii) there has been no dividend or distribution of any kind declared, paid or made by the Company or, except for dividends paid to the Company or other subsidiaries, any of its subsidiaries on any class of capital stock or repurchase or redemption by the Company or any of its subsidiaries of any class of capital stock.

(h) Independent Accountants. Each of KPMG LLP, Deloitte & Touche LLP and DDK & Company LLP, who have expressed their opinion with respect to the financial statements (which term as used in this Agreement includes the related notes thereto) and

supporting schedules filed with the Commission as a part of the Registration Statement and included in the Prospectus, are independent public or certified public accountants as required by the Securities Act.

(i) Preparation of the Financial Statements. The financial statements filed with the Commission as a part of the Registration Statement and included in the Prospectus present fairly in all material respects the consolidated financial position of the Company and its subsidiaries as of and at the dates indicated and the results of their operations and cash flows for the periods specified. The supporting schedules included in the Registration Statement present fairly in all material respects the information required to be stated therein. Such financial statements and supporting schedules have been prepared in conformity with generally accepted accounting principles as applied in the United States applied on a consistent basis throughout the periods involved, except as may be expressly stated in the related notes thereto. Except for the historical financial statements of Nurses RX, Inc., Preferred Healthcare Staffing, Inc. and O'Grady-Peyton International (USA), Inc. included therein, no other financial statements or supporting schedules are required to be included in the Registration Statement. The financial data set forth in the Prospectus under the captions "Prospectus Summary -- Summary Consolidated Financial and Operating Data", "Selected Consolidated Financial and Operating Data" and "Capitalization" and the Registration Statement fairly present in all material respects the information set forth therein on a basis consistent with that of the audited financial statements contained in the Registration Statement. The pro forma consolidated financial statements of the Company and its subsidiaries and the related notes thereto included in the Prospectus and the pro forma financial data set forth in the Prospectus under the captions "Prospectus Summary -- Summary Consolidated Financial and Operating Data", "Capitalization" and elsewhere in the Prospectus and in the Registration Statement present fairly in all material respects the information contained therein, have been prepared in all material respects in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly presented on the bases described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate in all material respects to give effect to the transactions and circumstances referred to therein.

(j) Incorporation and Good Standing of the Company and its Subsidiaries. Each of the Company and its subsidiaries has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus and, in the case of the Company, to enter into and perform its obligations under this Agreement, except for such jurisdictions where the failure of any such subsidiary to exist as a corporation in good standing would not result in a Material Adverse Change. Each of the Company and each subsidiary is duly qualified as a foreign corporation to transact business and is in good standing in the State of California and each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or to be in good standing would not, individually or in the aggregate, result in a Material Adverse Change. All of the issued and outstanding capital stock of each subsidiary has been duly authorized and validly issued, is fully paid and nonassessable and is owned by the Company, directly or through subsidiaries, and, other than under the Amended and Restated Credit Agreement, dated as of [ ], 2001, among the Company, AMN Healthcare, Inc., the Subsidiary Guarantors named

therein, the Lenders and the Agent named therein (the "Credit Agreement"), is free and clear of any security interest, mortgage, pledge, lien, encumbrance or claim. The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 22.1 to the Registration Statement.

(k) Capitalization and Other Capital Stock Matters. The authorized, issued and outstanding capital stock of the Company is as set forth in the Prospectus under the caption "Capitalization" (other than for subsequent issuances, if any, pursuant to employee benefit plans described in the Prospectus or upon exercise of outstanding options described in the Prospectus). The Common Stock (including the Common Shares) conforms in all material respects to the description thereof contained in the Prospectus. All of the issued and outstanding shares of Common Stock have been duly authorized and validly issued, are fully paid and nonassessable and have been issued in compliance with federal and state securities laws. None of the outstanding shares of Common Stock were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or any of its subsidiaries other than those described in the Prospectus. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, set forth in the Prospectus accurately presents in all material respects the information required to be shown with respect to such plans, arrangements, options and rights.

(l) Stock Exchange Listing. The Common Shares have been approved for listing on the New York Stock Exchange, subject only to official notice of issuance.

(m) Non-Contravention of Existing Instruments; No Further Authorizations or Approvals Required. Neither the Company nor any of its subsidiaries is in violation of its charter or by-laws or is in default (or, with the giving of notice or lapse of time, would be in default) ("Default") under any indenture, mortgage, loan or credit agreement, note, contract, franchise, lease or other instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any of its subsidiaries is subject (each, an "Existing Instrument"), except for such Defaults as would not, individually or in the aggregate, result in a Material Adverse Change. The Company's execution, delivery and performance of this Agreement and consummation of the transactions contemplated hereby and by the Prospectus (i) have been duly authorized by all necessary corporate action and will not result in any violation of the provisions of the charter or by-laws of the Company or any subsidiary, (ii) will not conflict with or constitute a breach of, or Default or a Debt Repayment Triggering Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, or require the consent of any other party to, any Existing Instrument, except for such conflicts, breaches, Defaults, liens, charges or encumbrances as would not, individually or in the aggregate, result in a Material Adverse Change and (iii) will not result in any violation of any law, administrative regulation or administrative or court decree applicable to the Company or any subsidiary except, in the case of (iii), for such violations as would not result in a Material Adverse Change. No consent, approval, authorization or other order of, or registration or filing with, any court or other governmental or regulatory authority or

agency, is required for the Company's execution, delivery and performance of this Agreement and consummation of the transactions contemplated hereby and by the Prospectus, except such as have been obtained or made by the Company and are in full force and effect under the Securities Act and from the NYSE and such as may be required under applicable state securities or blue sky laws or foreign securities laws and from the National Association of Securities Dealers, Inc. (the "NASD"). As used herein, a "Debt Repayment Triggering Event" means any event or condition which gives, or with the giving of notice or lapse of time would give, the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries, provided that "Debt Repayment Triggering Event" shall not include the requirement to repay outstanding indebtedness under the Credit Agreement or under the Note and Warrant Purchase Agreement and First Amendment thereto listed as Exhibits 10.2 and 10.3 to the Registration Statement out of the proceeds of an initial public offering of equity securities by the Company.

(n) No Material Actions or Proceedings. There are no legal or governmental actions, suits or proceedings pending or, to the Company's knowledge, threatened (i) against or affecting the Company or any of its subsidiaries, (ii) which has as the subject thereof any property owned or leased by, the Company or any of its subsidiaries or (iii) relating to environmental or discrimination matters, where in any such case such action, suit or proceeding would reasonably be expected to result in a Material Adverse Change or adversely affect the consummation of the transactions contemplated by this Agreement. No labor dispute with the employees of the Company or any of its subsidiaries exists or, to the Company's knowledge, is threatened or imminent except for any such disputes as would not result in a Material Adverse Change.

(o) Intellectual Property Rights. The Company and its subsidiaries own or possess sufficient trademarks, trade names, patent rights, copyrights, licenses, approvals, trade secrets and other similar rights (collectively, "Intellectual Property Rights") reasonably necessary to conduct their businesses as now conducted; and the expected expiration of any of such Intellectual Property Rights would not result in a Material Adverse Change. Neither the Company nor any of its subsidiaries has received any notice of infringement or conflict with asserted Intellectual Property Rights of others, which infringement or conflict would reasonably be expected to result in a Material Adverse Change.

(p) All Necessary Permits, etc. Except where the failure to possess any such certificates, authorizations or permits would not result in a Material Adverse Change, the Company and each of its subsidiaries possess such valid and current certificates, authorizations or permits issued by the appropriate state, federal or foreign regulatory agencies or bodies necessary to conduct their respective businesses, and neither the Company nor any such subsidiary has received any notice of proceedings relating to the revocation or modification of, or non-compliance with, any such certificate, authorization or permit which, singly or in the aggregate would reasonably be expected to result in a Material Adverse Change.

(q) Title to Properties. The Company and each of its subsidiaries has good and marketable title to all the properties and assets reflected as owned in the financial statements referred to in Section 1(i) above, in each case free and clear of any security interests, mortgages,

liens, encumbrances, equities, claims and other defects (any of the foregoing, a "Lien"), except for Liens under the Credit Agreement and except such as do not materially and adversely affect the value of such property and do not materially interfere with the use made or proposed to be made of such property by the Company or such subsidiary. The real property, improvements, equipment and personal property held under lease by the Company or any subsidiary are held under valid and enforceable leases, with such exceptions as are not material and do not materially interfere with the use made or proposed to be made of such real property, improvements, equipment or personal property by the Company or such subsidiary.

(r) Tax Law Compliance. The Company and its consolidated subsidiaries have filed all necessary federal, state and foreign income and franchise tax returns or have filed for extensions thereof and have paid all taxes required to be paid by any of them and, if due and payable, any related or similar assessment, fine or penalty levied against any of them, except for any such tax returns, taxes, assessments, fines or penalties as would not, in the aggregate, result in a Material Adverse Change. The Company has made adequate charges, accruals and reserves in the applicable financial statements referred to in Section 1(i) above in respect of all material federal, state and foreign income and franchise taxes for all periods as to which the tax liability of the Company or any of its consolidated subsidiaries has not been finally determined.

(s) Company Not an "Investment Company". The Company is not, and after receipt of payment for the Common Shares will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(t) Insurance. Each of the Company and its subsidiaries are insured by insurers that in its reasonable judgment are recognized, financially sound and reputable institutions with policies in such amounts and with such deductibles and covering such risks as are generally deemed adequate and customary for their businesses. The Company has no reason to believe that it or any of its subsidiaries will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business substantially the same as now conducted except where the failure to renew or obtain comparable coverage would not result in a Material Adverse Change.

(u) No Price Stabilization or Manipulation. The Company has not taken, directly or indirectly, any action designed to or that might be reasonably expected to cause or result in stabilization or manipulation of the price of the Common Stock to facilitate the sale or resale of the Common Shares.

(v) Related Party Transactions. There are no business relationships or related-party transactions involving the Company or any of its subsidiaries or any other person required to be described in the Prospectus which have not been described as required pursuant to the requirements of the Securities Act and the rules and regulations thereunder.

(w) Company's Accounting System. The Company maintains a system of accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally

accepted accounting principles as applied in the United States and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(x) Compliance with Environmental Laws. Except as would not, individually or in the aggregate, result in a Material Adverse Change, (i) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign law or regulation relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum and petroleum products (collectively, "Materials of Environmental Concern"), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environment Concern (collectively, "Environmental Laws"), which violation includes, but is not limited to, noncompliance with any permits or other governmental authorizations required for the operation of the business of the Company or its subsidiaries under applicable Environmental Laws, or noncompliance with the terms and conditions thereof, nor has the Company or any of its subsidiaries received any written communication, whether from a governmental authority, citizens group, employee or otherwise, that alleges that the Company or any of its subsidiaries is in violation of any Environmental Law; (ii) there is no claim, action or cause of action filed with a court or governmental authority, no investigation with respect to which the Company has received written notice, and no written notice by any person or entity alleging potential liability for investigatory costs, cleanup costs, governmental responses costs, natural resources damages, property damages, personal injuries, attorneys' fees or penalties arising out of, based on or resulting from the presence, or release into the environment, of any Material of Environmental Concern at any location owned, leased or operated by the Company or any of its subsidiaries, now or in the past (collectively, "Environmental Claims"), pending or, to the Company's knowledge, threatened against the Company or any of its subsidiaries or any person or entity whose liability for any Environmental Claim the Company or any of its subsidiaries has retained or assumed either contractually or by operation of law; and (iii) to the Company's knowledge, there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the release, emission, discharge, presence or disposal of any Material of Environmental Concern, that reasonably could result in a violation of any Environmental Law by the Company or any of its subsidiaries or against any person or entity whose liability for any Environmental Claim the Company or any of its subsidiaries has retained or assumed either contractually or by operation of law.

(y) ERISA Compliance. The Company and its subsidiaries and any "employee benefit plan" (as defined under the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder (collectively, "ERISA")) established or maintained by the Company, its subsidiaries or their ERISA Affiliates (as defined below) are in compliance in all material respects with ERISA. "ERISA Affiliate" means, with respect to the Company or a subsidiary, any member of any group of organizations described in Sections 414(b),(c),(m) or (o) of the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereunder (the "Code") of which the Company

or such subsidiary is a member. No "reportable event" (as defined under ERISA) has occurred or is reasonably expected to occur with respect to any "employee benefit plan" established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates except as would not result in a Material Adverse Change. No "employee benefit plan" established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates, if such "employee benefit plan" were terminated, would have any "amount of unfunded benefit liabilities" (as defined under ERISA) except as would not result in a Material Adverse Change. Neither the Company, its subsidiaries nor any of their ERISA Affiliates has incurred or reasonably expects to incur any liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "employee benefit plan" or (ii) Sections 412, 4971, 4975 or 4980B of the Code except as would not result in a Material Adverse Change. Each "employee benefit plan" established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates that is intended to be qualified under Section 401(a) of the Code is so qualified and nothing has occurred, whether by action or failure to act, which would cause the loss of such qualification except as would not result in a Material Adverse Change.

Any certificate signed by an officer of the Company and delivered to the Representatives or to counsel for the Underwriters shall be deemed to be a representation and warranty by the Company to each Underwriter as to the matters set forth therein.

Section 2. Purchase, Sale and Delivery of the Common Shares.

(a) The Firm Common Shares. The Company agrees to issue and sell to the several Underwriters the Firm Common Shares upon the terms herein set forth. On the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions herein set forth, the Underwriters agree, severally and not jointly, to purchase from the Company the respective number of Firm Common Shares set forth opposite their names on Schedule A. The purchase price per Firm Common Share to be paid by the several Underwriters to the Company shall be $[___] per share.

(b) The First Closing Date. Delivery of certificates for the Firm Common Shares to be purchased by the Underwriters and payment therefor shall be made at the offices of Latham & Watkins, 885 Third Avenue, New York, New York 10022 (or such other place as may be agreed to by the Company and the Representatives) at 9:00 a.m. New York City time, on [___], or such other time and date not later than 1:00 p.m. New York City time, on [___] as the Representatives shall designate by notice to the Company (the time and date of such closing are called the "First Closing Date"). The Company hereby acknowledges that circumstances under which the Representatives may provide notice to postpone the First Closing Date as originally scheduled include, but are not limited to, any determination by the Company or the Representatives to recirculate to the public copies of an amended or supplemented Prospectus or a delay as contemplated by the provisions of Section 10.

(c) The Optional Common Shares; the Second Closing Date. In addition, on the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions herein set forth, the Company hereby grants an option to the several Underwriters to purchase, severally and not jointly, up to an aggregate of 1,500,000 Optional Common Shares from the Company at the purchase price per share to be paid by the

Underwriters for the Firm Common Shares. The option granted hereunder is for use by the Underwriters solely in covering any over-allotments in connection with the sale and distribution of the Firm Common Shares. The option granted hereunder may be exercised at any time (but not more than once) upon notice by the Representatives to the Company, which notice may be given at any time within 30 days from the date of this Agreement. Such notice shall set forth (i) the aggregate number of Optional Common Shares as to which the Underwriters are exercising the option, (ii) the names and denominations in which the certificates for the Optional Common Shares are to be registered and (iii) the time, date and place at which such certificates will be delivered (which time and date may be simultaneous with, but not earlier than, the First Closing Date; and in such case the term "First Closing Date" shall refer to the time and date of delivery of certificates for the Firm Common Shares and the Optional Common Shares). Such time and date of delivery, if subsequent to the First Closing Date, is called the "Second Closing Date" and shall be determined by the Representatives and shall not be earlier than three nor later than five full business days after delivery of such notice of exercise. If any Optional Common Shares are to be purchased, each Underwriter agrees, severally and not jointly, to purchase the number of Optional Common Shares (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of Optional Common Shares to be purchased as the number of Firm Common Shares set forth on Schedule A opposite the name of such Underwriter bears to the total number of Firm Common Shares. The Representatives may cancel the option at any time prior to its expiration by giving written notice of such cancellation to the Company.

(d) Public Offering of the Common Shares. The Representatives hereby advise the Company that the Underwriters intend to offer for sale to the public, as described in the Prospectus, their respective portions of the Common Shares as soon after this Agreement has been executed and the Registration Statement has been declared effective as the Representatives have determined is advisable and practicable.

(e) Payment for the Common Shares.

Payment for the Common Shares shall be made at the First Closing Date (and, if applicable, at the Second Closing Date) by wire transfer of immediately available funds to the order of the Company.

It is understood that the Representatives have been authorized, for their own account and the accounts of the several Underwriters, to accept delivery of and receipt for, and make payment of the purchase price for, the Firm Common Shares and any Optional Common Shares the Underwriters have agreed to purchase. Each of BAS, UBS Warburg and JP Morgan, individually and not as a Representative of the Underwriters, may (but shall not be obligated to unless otherwise obligated under Section 10) make payment for any Common Shares to be purchased by any Underwriter whose funds shall not have been received by the Representatives by the First Closing Date or the Second Closing Date, as the case may be, for the account of such Underwriter, but any such payment shall not relieve such Underwriter from any of its obligations under this Agreement.

(f) Delivery of the Common Shares.

The Company shall deliver, or cause to be delivered, to the Representatives for the accounts of the several Underwriters certificates for the Firm Common Shares at the First Closing Date, against the irrevocable release of a wire transfer of immediately available funds for the amount of the purchase price therefor. The Company shall also deliver, or cause to be delivered, to the Representatives for the accounts of the several Underwriters, certificates for the Optional Common Shares the Underwriters have agreed to purchase at the First Closing Date or the Second Closing Date, as the case may be, against the irrevocable release of a wire transfer of immediately available funds for the amount of the purchase price therefor. The certificates for the Common Shares shall be in definitive form and registered in such names and denominations as the Representatives shall have requested at least two full business days prior to the First Closing Date (or the Second Closing Date, as the case may be) and shall be made available for inspection on the business day preceding the First Closing Date (or the Second Closing Date, as the case may be) at a location in New York City as the Representatives may designate. Time shall be of the essence, and delivery at the time and place specified in this Agreement is a further condition to the obligations of the Underwriters.

(g) Delivery of Prospectus to the Underwriters.

Not later than 12:00 p.m. on the second business day following the date the Common Shares are first released by the Underwriters for sale to the public, the Company shall deliver or cause to be delivered copies of the Prospectus in such quantities and at such places as the Representatives shall reasonably request.

Section 3. Additional Covenants of the Company.

Covenants of the Company. The Company further covenants and agrees with each Underwriter as follows:

(a) Representatives' Review of Proposed Amendments and Supplements. During such period beginning on the date hereof and ending on the later of the First Closing Date or such date, as in the reasonable opinion of counsel for the Underwriters, the Prospectus is no longer required by law to be delivered in connection with sales by an Underwriter or dealer (the "Prospectus Delivery Period"), prior to amending or supplementing the Registration Statement (including any registration statement filed under Rule 462(b) under the Securities Act) or the Prospectus, the Company shall furnish in a timely manner to the Representatives for review a copy of each such proposed amendment or supplement, and the Company shall not file any such proposed amendment or supplement to which the Representatives reasonably object in a timely manner.

(b) Securities Act Compliance. After the date of this Agreement, the Company shall promptly advise the Representatives in writing (i) of the receipt of any comments of, or requests for additional or supplemental information from, the Commission in connection with the Registration Statement, (ii) of the time and date of any filing of any post-effective amendment to the Registration Statement or any amendment or supplement to any preliminary prospectus or the Prospectus, (iii) of the time and date that any post-effective amendment to the Registration Statement becomes effective, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective

amendment thereto or of any order preventing or suspending the use of any preliminary prospectus or the Prospectus and (v) of any proceedings to remove, suspend or terminate from listing or quotation the Common Stock from any securities exchange upon which it is listed for trading or included or designated for quotation, or of the threatening or initiation of any proceedings for any of such purposes; provided that the obligation of the Company to so advise of the events set forth in (v) above shall be deemed to be satisfied after the end of the Prospectus Delivery Period by the Company's issuance of a press release and/or the filing of a current report on Form 8-K with the Commission. If the Commission shall enter any such stop order at any time, the Company will use its best efforts to obtain the lifting of such order at the earliest possible moment. Additionally, the Company agrees that it shall comply in all material respects with the provisions of Rules 424(b), 430A and 434, as applicable, under the Securities Act and will use its reasonable efforts to confirm that any filings made by the Company under such Rule 424(b) were received in a timely manner by the Commission.

(c) Amendments and Supplements to the Prospectus and Other Securities Act Matters. If, during the Prospectus Delivery Period, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, or if in the reasonable opinion of the Representatives or counsel for the Underwriters it is otherwise necessary to amend or supplement the Prospectus to comply with law, the Company agrees to promptly prepare (subject to Section 3(a) hereof), file with the Commission and furnish at its own expense to the Underwriters and to dealers, amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply in all material respects with law.

(d) Copies of any Amendments and Supplements to the Prospectus. The Company agrees to furnish the Representatives, without charge, during the Prospectus Delivery Period, as many copies of the Prospectus and any amendments and supplements thereto as the Representatives may reasonably request.

(e) Blue Sky Compliance. The Company shall cooperate with the Representatives and counsel for the Underwriters to qualify or register the Common Shares for sale under (or obtain exemptions from the application of) the state securities or blue sky laws or Canadian provincial Securities laws of those jurisdictions designated by the Representatives in their reasonable discretion, shall comply with such laws and shall continue such qualifications, registrations and exemptions in effect so long as required under such state securities or blue sky laws or Canadian provincial Securities laws for the distribution of the Common Shares. The Company shall not be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company will advise the Representatives promptly upon receipt of any notice of the suspension of the qualification or registration of (or any such exemption relating to) the Common Shares for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification,

registration or exemption, the Company shall use its commercially reasonable efforts to obtain the withdrawal thereof at the earliest possible moment.

(f) Use of Proceeds. The Company shall apply the net proceeds from the sale of the Common Shares sold by it in the manner described under the caption "Use of Proceeds" in the Prospectus.

(g) Transfer Agent. The Company shall engage and maintain, at its expense, a registrar and transfer agent for the Common Stock.

(h) Earnings Statement. As soon as practicable, the Company will make generally available to its security holders and to the Representatives an earnings statement (which need not be audited) covering the twelve-month period ending December 31, 2002, that satisfies the provisions of Section 11(a) of the Securities Act.

(i) Periodic Reporting Obligations. During the Prospectus Delivery Period, the Company shall file, on a timely basis, with the Commission and the New York Stock Exchange all reports and documents required to be filed under the Exchange Act.

(j) Agreement Not To Offer or Sell Additional Securities. During the period of 180 days following the date of the Prospectus, the Company will not, without the prior written consent of BAS (which consent may be withheld at the sole discretion of BAS), directly or indirectly, sell, offer, contract or grant any option to sell, pledge, transfer or establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Exchange Act, or otherwise dispose of or transfer, or announce the offering of, or file any registration statement under the Securities Act in respect of, any shares of Common Stock, options or warrants to acquire shares of the Common Stock or securities exchangeable or exercisable for or convertible into shares of Common Stock (other than as contemplated by this Agreement with respect to the Common Shares); provided, however, that (a) the Company may issue shares of its Common Stock, options to purchase its Common Stock, or Common Stock upon exercise of options, in each case pursuant to any stock option, stock bonus, employee stock purchase plan, incentive plan or other stock plan or arrangement described in the Prospectus, and the Company may file one or more registration statements on Form S-8 to register shares of Common Stock to be offered or sold under any of the foregoing option, bonus, purchase, incentive or other stock plan or arrangement, (b) the Company may issue shares of its Common Stock upon the exercise of outstanding warrants held by Banc America Capital Investors SBIC I, L.P. and (c) the Company may issue shares of its Common Stock as consideration for the acquisition of another business or entity, provided that in the case of (a), (b) or (c), the recipient of such shares, options, or shares issued upon exercise of such options or warrants, shall have agreed in writing not to sell, offer, dispose of or otherwise transfer any such shares or options during such 180-day period without the prior written consent of BAS (which consent may be withheld at the sole discretion of the BAS).

Section 4. Payment of Expenses. The Company agrees to pay all costs, fees and expenses incurred in connection with the performance of its obligations hereunder and in connection with the transactions contemplated hereby, including without limitation (i) all expenses incident to the issuance and delivery of the Common Shares (including all printing and

engraving costs), (ii) all fees and expenses of the registrar and transfer agent of the Common Stock, (iii) all necessary issue, transfer and other stamp taxes in connection with the issuance and sale of the Common Shares to the Underwriters, (iv) all fees and expenses of the Company's counsel, independent public or certified public accountants and other advisors, (v) all costs and expenses incurred in connection with the preparation, printing, filing, shipping and distribution of the Registration Statement (including financial statements, exhibits, schedules, consents and certificates of experts), each preliminary prospectus and the Prospectus, and all amendments and supplements thereto, (vi) all reasonable filing fees, attorneys' fees and expenses incurred by the Company or the Underwriters in connection with qualifying or registering (or obtaining exemptions from the qualification or registration of) all or any part of the Common Shares for offer and sale under the state securities or blue sky laws or the provincial securities laws of Canada, and, if requested by the Representatives, preparing and printing a "Blue Sky Survey" or memorandum, and any supplements thereto, advising the Underwriters of such qualifications, registrations and exemptions, (vii) the filing fees incident to, and the reasonable fees and expenses of counsel for the Underwriters in connection with, the NASD's review and approval of the Underwriters' participation in the offering and distribution of the Common Shares, (viii) the fees and expenses associated with listing the Common Shares on the New York Stock Exchange and (ix) all other fees, costs and expenses referred to in Item 13 of Part II of the Registration Statement. Except as provided in this Section 4, Section 6, Section 8 and Section 9 hereof, the Underwriters shall pay their own expenses, including the fees and disbursements of their counsel.

Section 5. Conditions of the Obligations of the Underwriters. The obligations of the several Underwriters to purchase and pay for the Common Shares as provided herein on the First Closing Date and, with respect to the Optional Common Shares, the Second Closing Date, shall be subject to the accuracy of the representations and warranties on the part of the Company set forth in Section 1 hereof as of the date hereof and as of the First Closing Date as though then made and, with respect to the Optional Common Shares, as of the Second Closing Date as though then made, to the timely performance by the Company of its covenants and other obligations hereunder, and to each of the following additional conditions:

(a) Accountants' Comfort Letters. On the date hereof, the Representatives shall have received from each of KPMG LLP, Deloitte & Touche LLP and DDK & Company LLP, independent public or certified public accountants for the Company, Preferred Healthcare Staffing, Inc. and Nurses RX, Inc., a letter dated the date hereof addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountant's "comfort letters" to underwriters, delivered according to Statement of Auditing Standards No. 72 (or any successor bulletin), with respect to the audited and unaudited financial statements and certain financial information contained in the Registration Statement and the Prospectus (and the Representatives shall have received an additional [___] conformed copies of such accountants' letters for each of the several Underwriters).

(b) Compliance with Registration Requirements; No Stop Order; No Objection from NASD. For the period from and after effectiveness of this Agreement and prior to the First Closing Date and, with respect to the Optional Common Shares, the Second Closing Date:

(i) the Company shall have filed the Prospectus with the Commission (including the information required by Rule 430A under the Securities Act) in the manner and within the time period required by Rule 424(b) under the Securities Act; or the Company shall have filed a post-effective amendment to the Registration Statement containing the information required by such Rule 430A, and such post-effective amendment shall have become effective; or, if the Company elected to rely upon Rule 434 under the Securities Act and obtained the Representatives' consent thereto, the Company shall have filed a Term Sheet with the Commission in the manner and within the time period required by such Rule 424(b);

(ii) no stop order suspending the effectiveness of the Registration Statement, any Rule 462(b) Registration Statement, or any post-effective amendment to the Registration Statement, shall be in effect and no proceedings for such purpose shall have been instituted or threatened by the Commission; and

(iii) the NASD shall have raised no objection to the fairness and reasonableness of the underwriting terms and arrangements pursuant to the filing and review process undertaken by the Representatives.

(c) No Material Adverse Change. For the period from and after the date of this Agreement and prior to the First Closing Date and, with respect to the Optional Common Shares, the Second Closing Date in the judgment of the Representatives there shall not have occurred any Material Adverse Change.

(d) Opinion of Counsel for the Company. On each of the First Closing Date and the Second Closing Date the Representatives shall have received the favorable opinion of Paul, Weiss, Rifkind, Wharton & Garrison, counsel for the Company, dated as of such Closing Date, the form of which is attached as Exhibit A, and the favorable opinion of Denise Jackson, Esq., in-house counsel for the Company, the form of which is attached as Exhibit B; provided that the opinions in paragraphs (ii), (iii) and, with respect to any subsidiaries of the Company, (v), of Exhibit B may be provided by other counsel to the Company reasonably satisfactory to the Representatives; and the Representatives shall have received an additional [__] conformed copies of each of such counsel's legal opinion for each of the several Underwriters.

(e) Opinion of Counsel for the Underwriters. On each of the First Closing Date and the Second Closing Date the Representatives shall have received the favorable opinion of Latham & Watkins, counsel for the Underwriters, dated as of such Closing Date, with respect to the matters set forth in paragraphs (i), (vii) (with respect to subparagraph (i) only), (viii), (ix), (x), (xi) and (xiii) (with respect to the captions "Description of Capital Stock" and "Underwriting" under subparagraph (i) only), and the next-to-last paragraph of Exhibit A (and the Representatives shall have received an additional [___] conformed copies of such counsel's legal opinion for each of the several Underwriters).

(f) Officers' Certificate. On each of the First Closing Date and the Second Closing Date the Representatives shall have received a written certificate of the Company executed by the Chairman of the Board, Chief Executive Officer or President of the Company and the Chief Financial Officer or Chief Accounting Officer of the Company, dated as of such

Closing Date, to the effect set forth in subsections (b)(ii) of this Section 5, and further to the effect that:

(i) for the period from and after the date of this Agreement and prior to such Closing Date, there has not occurred any Material Adverse Change;

(ii) the representations, warranties and covenants of the Company set forth in Section 1 of this Agreement are true and correct with the same force and effect as though expressly made on and as of such Closing Date; and

(iii) the Company has complied with all the agreements hereunder and satisfied in all material respects all the conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date.

(g) Bring-down Comfort Letter. On each of the First Closing Date and the Second Closing Date, the Representatives shall have received from each of KPMG LLP, Deloitte & Touche LLP and DDK & Company LLP, independent public or certified public accountants for the Company, Nurses RX, Inc., and Preferred Healthcare Staffing, Inc., respectively, a letter dated such date, in form and substance reasonably satisfactory to the Representatives, to the effect that they reaffirm the statements made in the letter furnished by them pursuant to subsection (a) of this Section 5, except that the specified date referred to therein for the carrying out of procedures shall be no more than three business days prior to the First Closing Date or Second Closing Date, as the case may be (and the Representatives shall have received an additional [___] conformed copies of such accountants' letter for each of the several Underwriters).

(h) Lock-Up Agreement from Certain Securityholders of the Company. On the date hereof, the Company shall have furnished to the Representatives an agreement in the form of Exhibit C hereto from each director, officer, holder of options to purchase the Company's stock and each beneficial owner of Common Stock (as defined and determined according to Rule 13d-3 under the Exchange Act, except that a 180-day period shall be used rather than the 60-day period set forth therein), and such agreement shall be in full force and effect on each of the First Closing Date and the Second Closing Date.

(i) Additional Documents. On or before each of the First Closing Date and the Second Closing Date, the Representatives and counsel for the Underwriters shall have received such information, documents and opinions as they may reasonably require for the purposes of enabling them to pass upon the issuance and sale of the Common Shares as contemplated herein, or in order to evidence the accuracy of any of the representations and warranties, or the satisfaction of any of the conditions or agreements, herein contained.

If any condition specified in this Section 5 is not satisfied when and as required to be satisfied, this Agreement may be terminated by the Representatives by notice to the Company at any time on or prior to the First Closing Date and, with respect to the Optional Common Shares, at any time prior to the Second Closing Date, which termination shall be without liability on the part of any party to any other party, except that Section 4, Section 6, Section 8 and Section 9 shall at all times be effective and shall survive such termination.

Section 6. Reimbursement of Underwriters' Expenses. If this Agreement is terminated by the Representatives pursuant to Section 5 or Section 11(iv), or if the sale to the Underwriters of the Common Shares on the First Closing Date is not consummated because of any refusal, inability or failure on the part of the Company to perform any agreement herein or to comply with any provision hereof, the Company agrees to reimburse the Representatives and the other Underwriters (or such Underwriters as have terminated this Agreement with respect to themselves), severally, upon demand for all out-of-pocket expenses that shall have been reasonably incurred by the Representatives and the Underwriters in connection with the proposed purchase and the offering and sale of the Common Shares, including but not limited to reasonable fees and disbursements of counsel, printing expenses, travel expenses, postage, facsimile and telephone charges.

Section 7. Effectiveness of this Agreement. This Agreement shall not become effective until the later of (i) the execution of this Agreement by the parties hereto and (ii) notification by the Commission to the Company and the Representatives of the effectiveness of the Registration Statement under the Securities Act.

Prior to such effectiveness, this Agreement may be terminated by any party by notice to each of the other parties hereto, and any such termination shall be without liability on the part of (a) the Company to any Underwriter, except that the Company shall be obligated to reimburse the expenses of the Representatives and the Underwriters pursuant to Sections 4 and 6 hereof, (b) of any Underwriter to the Company, or (c) of any party hereto to any other party except that the provisions of Section 8 and Section 9 shall at all times be effective and shall survive such termination.

Section 8. Indemnification.

(a) Indemnification of the Underwriters. The Company agrees to indemnify and hold harmless each Underwriter, its officers and employees, and each person, if any, who controls any Underwriter within the meaning of the Securities Act and the Exchange Act against any loss, claim, damage, liability or expense, as incurred, to which such Underwriter or such controlling person may become subject, under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Company), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based (i) upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, including any information deemed to be a part thereof pursuant to Rule 430A or Rule 434 under the Securities Act, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading; or (ii) upon any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (iii) upon any act or failure to act or any alleged act or failure to act by any Underwriter in connection with, or relating in any manner to, the Common Stock or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon

any matter covered by clause (i) or (ii) above, provided that the Company shall not be liable under this clause (iii) to the extent that a court of competent jurisdiction shall have determined by a final judgment that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by such Underwriter through its bad faith or willful misconduct; and to reimburse each Underwriter and each such controlling person for any and all expenses (including the fees and disbursements of counsel chosen by BAS) as such expenses are reasonably incurred by such Underwriter or such controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; provided, however, that the foregoing indemnity agreement shall not apply to any loss, claim, damage, liability or expense to the extent, but only to the extent, arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company by the Representatives expressly for use in the Registration Statement, any preliminary prospectus or the Prospectus (or any amendment or supplement thereto); and provided, further, that with respect to any preliminary prospectus, the foregoing indemnity agreement shall not inure to the benefit of any Underwriter from whom the person asserting any loss, claim, damage, liability or expense purchased Common Shares, or any person controlling such Underwriter, if copies of the Prospectus were timely delivered to the Underwriter pursuant to Section 2 and a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Underwriter to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the Common Shares to such person, and if the Prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage, liability or expense. The indemnity agreement set forth in this Section 8(a) shall be in addition to any liabilities that the Company may otherwise have.

(b) Indemnification of the Company, its Directors and Officers. Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act, against any loss, claim, damage, liability or expense, as incurred, to which the Company, or any such director, officer or controlling person may become subject, under the Securities Act, the Exchange Act, or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Underwriter), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon any untrue or alleged untrue statement of a material fact contained in the Registration Statement, any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), or arises out of or is based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any preliminary prospectus, the Prospectus (or any amendment or supplement thereto), in reliance upon and in conformity with written information furnished to the Company by the Representatives expressly for use therein; and to reimburse the Company, or any such director, officer or controlling person for any legal and other expense reasonably incurred by the Company, or any such director, officer or controlling person in connection with investigating, defending, settling, compromising or paying any such

loss, claim, damage, liability, expense or action. The Company hereby acknowledges that the only information that the Underwriters have furnished to the Company expressly for use in the Registration Statement, any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) are the statements set forth in the [_____] paragraph under the caption "Underwriting" in the Prospectus; and the Underwriters confirm that such statements are correct. The indemnity agreement set forth in this Section 8(b) shall be in addition to any liabilities that each Underwriter may otherwise have.

(c) Notifications and Other Indemnification Procedures. Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof, but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party for contribution or otherwise than under the indemnity agreement contained in this Section 8 or to the extent it is not prejudiced as a proximate result of such failure. In case any such action is brought against any indemnified party and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in, and, to the extent that it shall elect, jointly with all other indemnifying parties similarly notified, by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that a conflict may arise between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of such indemnifying party's election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 8 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the reasonable expenses of more than one separate counsel (together with local counsel), approved by the indemnifying party (BAS in the case of Section 8(b)), representing the indemnified parties who are parties to such action) or (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action, in each of which cases the reasonable fees and expenses of counsel shall be at the expense of the indemnifying party.

(d) Settlements. The indemnifying party under this Section 8 shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by

reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by Section 8(c) hereof, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement, except, with respect to clause (ii), to the extent the indemnifying party has provided written notice to the indemnified party that the indemnifying party disputes in good faith the unpaid balance of such fees and expenses for which reimbursement was requested. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any indemnified party is or could have been a party and indemnity was or could have been sought hereunder by such indemnified party, unless such settlement, compromise or consent includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding.

(e) Indemnification of a Qualified Independent Underwriter. Without limitation and in addition to its obligations under the other subsections of this Section 8, the Company agrees to indemnify and hold harmless J.P. Morgan and each person, if any, who controls J.P. Morgan within the meaning of the Securities Act or the Exchange Act from and against any loss, claim, damage, liabilities or expense, as incurred, arising out of or based upon J.P. Morgan's acting as a "qualified independent underwriter" (within the meaning of Rule 2720 to the NASD's Conduct Rules) in connection with the offering contemplated by this Agreement, and agrees to reimburse each such indemnified person for any legal or other expense reasonably incurred by them in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or expense results from the gross negligence, bad faith or willful misconduct of J.P. Morgan.

Section 9. Contribution. If the indemnification provided for in Section 8 is for any reason held to be unavailable to or otherwise insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount paid or payable by such indemnified party, as incurred, as a result of any losses, claims, damages, liabilities or expenses referred to therein (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, from the offering of the Common Shares pursuant to this Agreement or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Underwriters, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Common Shares pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Common Shares pursuant to this Agreement (before deducting expenses) received by the Company, and the total underwriting

discount received by the Underwriters, in each case as set forth on the front cover page of the Prospectus (or, if Rule 434 under the Securities Act is used, the corresponding location on the Term Sheet) bear to the aggregate initial public offering price of the Common Shares as set forth on such cover. The relative fault of the Company, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or the Underwriters, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 8(c), any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim. The provisions set forth in Section 8(c) with respect to notice of commencement of any action shall apply if a claim for contribution is to be made under this Section 9; provided, however, that no additional notice shall be required with respect to any action for which notice has been given under Section 8(c) for purposes of indemnification.

The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 9 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 9.

Notwithstanding the provisions of this Section 9, no Underwriter shall be required to contribute any amount in excess of the underwriting commissions received by such Underwriter in connection with the Common Shares underwritten by it and distributed to the public. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this Section 9 are several, and not joint, in proportion to their respective underwriting commitments as set forth opposite their names in Schedule A. For purposes of this Section 9, each officer and employee of an Underwriter and each person, if any, who controls an Underwriter within the meaning of the Securities Act and the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of the Securities Act and the Exchange Act shall have the same rights to contribution as the Company.

Section 10. Default of One or More of the Several Underwriters. If, on the First Closing Date or the Second Closing Date, as the case may be, any one or more of the several Underwriters shall fail or refuse to purchase Common Shares that it or they have agreed to purchase hereunder on such date, and the aggregate number of Common Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase does not exceed 10% of the aggregate number of the Common Shares to be purchased on such date, the other Underwriters shall be obligated, severally, in the proportions that the number of Firm Common Shares set forth opposite their respective names on Schedule A bears to the aggregate number of

Firm Common Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as may be specified by the Representatives with the consent of the non-defaulting Underwriters, to purchase the Common Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date. If, on the First Closing Date or the Second Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Common Shares and the aggregate number of Common Shares with respect to which such default occurs exceeds 10% of the aggregate number of Common Shares to be purchased on such date, and arrangements satisfactory to the Representatives and the Company for the purchase of such Common Shares are not made within 48 hours after such default, this Agreement shall terminate without liability of any party to any other party except that the provisions of Section 4, Section 6, Section 8 and Section 9 shall at all times be effective and shall survive such termination. In any such case either the Representatives or the Company shall have the right to postpone the First Closing Date or the Second Closing Date, as the case may be, but in no event for longer than seven days in order that the required changes, if any, to the Registration Statement and the Prospectus or any other documents or arrangements may be effected.

As used in this Agreement, the term "Underwriter" shall be deemed to include any person substituted for a defaulting Underwriter under this Section 10. Any action taken under this Section 10 shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

Section 11. Termination of this Agreement. Prior to the First Closing Date this Agreement may be terminated by the Representatives by notice given to the Company if at any time (i) trading or quotation in any of the Company's securities shall have been suspended or limited by the Commission or by the New York Stock Exchange, or trading in securities generally on either the Nasdaq Stock Market or the New York Stock Exchange shall have been suspended or limited, or minimum or maximum prices shall have been generally established on any of such stock exchanges by the Commission or the NASD; (ii) a general banking moratorium shall have been declared by any of federal or New York authorities; (iii) there shall have occurred any outbreak or escalation of national or international hostilities or any crisis or calamity, or any change in the United States or international financial markets, or any substantial change or development involving a prospective substantial change in United States' or international political, financial or economic conditions, as in the judgment of the Representatives is material and adverse and makes it impracticable to market the Common Shares in the manner and on the terms described in the Prospectus or to enforce contracts for the sale of securities; (iv) in the judgment of the Representatives there shall have occurred any Material Adverse Change; or (v) the Company shall have sustained a loss by strike, fire, flood, earthquake, accident or other calamity of such character as in the judgment of the Representatives may interfere materially with the conduct of the business and operations of the Company regardless of whether or not such loss shall have been insured. Any termination pursuant to this Section 11 shall be without liability on the part of (a) the Company to any Underwriter, except that the Company shall be obligated to reimburse the expenses of the Representatives and the Underwriters pursuant to Sections 4 and 6 hereof, (b) any Underwriter to the Company, or (c) of any party hereto to any other party except that the provisions of Section 8 and Section 9 shall at all times be effective and shall survive such termination.

Section 12. Representations and Indemnities to Survive Delivery. The respective indemnities, agreements, representations, warranties and other statements of the Company, of its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or any of its or their partners, officers or directors or any controlling person, as the case may be, and will survive delivery of and payment for the Common Shares sold hereunder and any termination of this Agreement.

Section 13. Notices. All communications hereunder shall be in writing and shall be mailed, hand delivered or telecopied and confirmed to the parties hereto as follows:

If to the Representatives:

1. Banc of America Securities LLC
600 Montgomery Street
San Francisco, California 94111
Facsimile: 415.913.5558
Attention: Equity Capital Markets

with copies to:

Banc of America Securities LLC
9 West 57th Street
New York, New York 10019
Facsimile: 212.583.8567
Attention: Isaac Osaki, Esq.

Latham & Watkins
885 Third Avenue
New York, New York 10022-4802
Facsimile: 212.751.4864
Attention: Ian B. Blumenstein, Esq.

2. UBS Warburg LLC

299 Park Avenue
New York, New York 10171-0026
Facsimile: 212.713.3460
Attention: Syndicate Department

3. J.P. Morgan Securities Inc.

270 Park Avenue, 6th Floor
New York, New York 10017
Facsimile: 212.834.6648
Attention: Kevin O'Reilly, Managing Director

If to the Company:

AMN Healthcare Services, Inc.
12235 El Camino Real, Suite 200
San Diego, California 92130
Facsimile: 858.792.0299
Attention: each of the President and General Counsel

with a copy to

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064
Facsimile: 212.757.3900
Attention: John C. Kennedy, Esq.

Any party hereto may change the address for receipt of communications by giving written notice to the others.

Section 14. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto, including any substitute Underwriters pursuant to Section 10 hereof, and to the benefit of the employees, officers and directors and controlling persons referred to in Section 8 and Section 9, and in each case their respective successors, and no other person will have any right or obligation hereunder. The term "successors" shall not include any purchaser of the Common Shares as such from any of the Underwriters merely by reason of such purchase.

Section 15. Partial Unenforceability. The invalidity or unenforceability of any Section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other Section, paragraph or provision hereof.

Section 16. Governing Law Provisions.

(a) Governing Law Provisions. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED IN SUCH STATE.

(b) Consent to Jurisdiction. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby ("Related Proceedings") may be instituted in the federal courts of the United States of America located in the Borough of Manhattan, City and County of New York or the courts of the State of New York in each case located in the Borough of Manhattan, City and County of New York (collectively, the "Specified Courts"), and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court (a "Related Judgment"), as to which such jurisdiction is non-exclusive) of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail to such party's address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any

objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum.

Section 17. General Provisions. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement may not be amended or modified unless in writing by all of the parties hereto, and no condition herein (express or implied) may be waived unless waived in writing by each party whom the condition is meant to benefit. The Table of Contents and the Section headings herein are for the convenience of the parties only and shall not affect the construction or interpretation of this Agreement.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company the enclosed copies hereof, whereupon this instrument, along with all counterparts hereof, shall become a binding agreement in accordance with its terms.

Very truly yours,

AMN HEALTHCARE SERVICES, INC.

By:

Steven C. Francis
President and Chief Executive Officer

The foregoing Underwriting Agreement is hereby confirmed and accepted by the Representatives in [New York, New York] as of the date first above written.

BANC OF AMERICA SECURITIES LLC
UBS WARBURG LLC
J.P. MORGAN SECURITIES INC.
Acting as Representatives of the several Underwriters named in the attached Schedule A.

By: Banc of America Securities LLC

By:

Name:
Title:

SCHEDULE A

UNDERWRITERS	NUMBER OF FIRM COMMON SHARES TO BE PURCHASED
Banc of America Securities LLC	[___]
UBS Warburg LLC	[___]
J.P. Morgan Securities Inc	[___]
[___]	[___]
[___]	[___]
Total	[___]

EXHIBIT A

The final opinion(s) in draft form shall be attached as Exhibit A at the time this Agreement is executed.

Opinion of counsel for the Company to be delivered pursuant to Section 5(d) of the Underwriting Agreement.

References to the Prospectus in this Exhibit A include any supplements thereto at the Closing Date.

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware.

(ii) The Company has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus and to enter into and perform its obligations under the Underwriting Agreement.

(iii) The authorized, issued and outstanding capital stock of the Company (including the Common Stock) conform to the descriptions thereof set forth in the Prospectus. All of the outstanding shares of Common Stock have been duly authorized and validly issued, are fully paid and nonassessable and, to the best of such counsel's knowledge, have been issued in compliance with the registration and qualification requirements of federal and state securities laws. The form of certificate used to evidence the Common Stock is in due and proper form and complies with all applicable requirements of the charter and by-laws of the Company and the General Corporation Law of the State of Delaware. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted and exercised thereunder, set forth in the Prospectus accurately and fairly presents the information required to be shown with respect to such plans, arrangements, options and rights.

(iv) Except as described in the Prospectus, there are no preemptive or similar rights to subscribe for or purchase shares of Common Stock in the Company's amended and restated certificate of incorporation or by-laws, each as in effect on the date of this letter, or in any agreement or other outstanding instrument known to us to which the Company is a party, or under the General Corporation Law of the State of Delaware.

(v) The Underwriting Agreement has been duly authorized, executed and delivered by the Company.

(vi) The Common Shares to be purchased by the Underwriters from the Company have been duly authorized for issuance and sale pursuant to the Underwriting Agreement and, when issued and delivered by the Company pursuant to the Underwriting Agreement against payment of the consideration set forth therein, will be validly issued, fully paid and nonassessable.

(vii) Each of The Registration Statement and the Rule 462(b) Registration Statement, if any, has been declared effective by the Commission under the Securities Act. To the best knowledge of such counsel, no stop order suspending the effectiveness of either of the

Registration Statement or the Rule 462(b) Registration Statement, if any, has been issued under the Securities Act and no proceedings for such purpose have been instituted or are pending or are contemplated or threatened by the Commission. Any required filing of the Prospectus and any supplement thereto pursuant to Rule 424(b) under the Securities Act has been made in the manner and within the time period required by such Rule 424(b).

(viii) The Registration Statement, including any Rule 462(b) Registration Statement, the Prospectus, and each amendment or supplement to the Registration Statement and the Prospectus, as of their respective effective or issue dates (other than the financial statements and supporting schedules included therein or in exhibits to or excluded from the Registration Statement, as to which no opinion need be rendered) comply as to form in all material respects with the applicable requirements of the Securities Act.

(ix) The Common Shares have been approved for listing on the New York Stock Exchange.

(x) The statements (i) in the Prospectus under the captions "Risk Factors -- You will incur immediate and substantial dilution of the book value of your investment . . .; and -- A large number of our shares are or will be eligible for future sale . . .", "Description of Capital Stock", "Management's Discussion and Analysis and Results of Operations -- Liquidity and Capital Resources", "Related Party Transactions" and "Shares Eligible for Future Sale" and (ii) in Item 14 and Item 15 of the Registration Statement, insofar as such statements constitute matters of law, summaries of legal matters, the Company's amended and restated certificate of incorporation or by-law provisions, documents or legal proceedings, or legal conclusions, has been reviewed by such counsel and fairly present and summarize, in all material respects, the matters referred to therein.

(xi) To the best knowledge of such counsel, there are no legal or governmental actions, suits or proceedings pending or threatened which are required to be disclosed in the Registration Statement, other than those disclosed therein.

(xii) To the best knowledge of such counsel, there are no Existing Instruments required to be described or referred to in the Registration Statement or to be filed as exhibits thereto other than those described or referred to therein or filed or incorporated by reference as exhibits thereto; and the descriptions thereof and references thereto are correct in all material respects.

(xiii) No consent, approval, authorization or other order of, or registration or filing with, any court or other governmental authority or agency, is required for the Company's execution, delivery and performance of the Underwriting Agreement and consummation of the transactions contemplated thereby and by the Prospectus, except as required under the Securities Act, applicable state securities or blue sky laws and from the NASD.

(xiv) The execution and delivery of the Underwriting Agreement by the Company and the performance by the Company of its obligations thereunder (other than performance by the Company of its obligations under the indemnification section of the Underwriting Agreement, as to which no opinion need be rendered) (i) have been duly

authorized by all necessary corporate action on the part of the Company; (ii) will not result in any violation of the provisions of the charter or by-laws of the Company or any subsidiary; (iii) will not constitute a breach of, or Default [or a Debt Repayment Triggering Event] under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, (A) the Company's Revolving Credit Facility with [___], as lender, or (B) to the best knowledge of such counsel, any other material Existing Instrument; or (iv) to the best knowledge of such counsel, will not result in any violation of any law, administrative regulation or administrative or court decree applicable to the Company or any subsidiary.

(xv) The Company is not, and after receipt of payment for the Common Shares will not be, an "investment company" within the meaning of Investment Company Act.

(xvi) Except as disclosed in the Prospectus, to the best knowledge of such counsel, there are no persons with registration or other similar rights to have any equity or debt securities registered for sale under the Registration Statement or included in the offering contemplated by the Underwriting Agreement, except for such rights as have been duly waived.

In addition, such counsel shall state that they have participated in conferences with officers and other representatives of the Company, representatives of the independent public or certified public accountants for the Company and with representatives of the Underwriters at which the contents of the Registration Statement and the Prospectus, and any supplements or amendments thereto, and related matters were discussed and, although such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus (other than as specified above), and any supplements or amendments thereto, on the basis of the foregoing, nothing has come to their attention which would lead them to believe that either the Registration Statement or any amendments thereto, at the time the Registration Statement or such amendments became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus, as of its date or at the First Closing Date or the Second Closing Date, as the case may be, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (it being understood that such counsel need express no belief as to the financial statements or schedules or other financial or statistical data derived therefrom, included in the Registration Statement or the Prospectus or any amendments or supplements thereto).

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws of any jurisdiction other than the General Corporation Law of the State of Delaware, the New York Corporation Law or the federal law of the United States, to the extent they deem proper and specified in such opinion, upon the opinion (which shall be dated the First Closing Date or the Second Closing Date, as the case may be, shall be satisfactory in form and substance to the Underwriters, shall expressly state that the Underwriters may rely on such opinion as if it were addressed to them and shall be furnished to the Representatives) of other counsel of good standing whom they believe to be reliable and who are satisfactory to counsel for the Underwriters; provided, however, that such counsel shall further state that they believe

that they and the Underwriters are justified in relying upon such opinion of other counsel, and (B) as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Company and public officials.

EXHIBIT B

The final opinion(s) in draft form shall be attached as Exhibit B at the time this Agreement is executed.

Opinion of in-house counsel for the Company to be delivered pursuant to Section 5(d) of the Underwriting Agreement.

(i) The Company is duly qualified as a foreign corporation to transact business and is in good standing in the State of California and in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except for such jurisdictions (other than the State of California) where the failure to so qualify or to be in good standing would not, individually or in the aggregate, result in a Material Adverse Change.

(ii) Each significant subsidiary of the Company (as defined in Rule 405 under the Securities Act) has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus and, to the best knowledge of such counsel, is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or to be in good standing would not, individually or in the aggregate, result in a Material Adverse Change.

(iii) All of the issued and outstanding capital stock of each such significant subsidiary of the Company has been duly authorized and validly issued, is fully paid and non-assessable and is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance or, to the knowledge of such counsel, any pending or threatened claim.

(iv) The statements in the Prospectus under the captions "Risk Factors -- We operate in a regulated industry . . ." and "Business -- Government Regulation", insofar as such statements constitute matters of law, summaries of legal matters, the Company's charter or by-law provisions, documents or legal proceedings, or legal conclusions, has been reviewed by such counsel and fairly present and summarize, in all material respects, the matters referred to therein.

(v) To the best knowledge of such counsel, neither the Company nor any subsidiary is in violation of its amended and restated certificate of incorporation or by-laws or any law, administrative regulation or administrative or court decree applicable to the Company or any subsidiary or is in Default in the performance or observance of any obligation, agreement, covenant or condition contained in any material Existing Instrument, except in each such case for such violations or Defaults as would not, individually or in the aggregate, result in a Material Adverse Change.

EXHIBIT C

LOCK UP AGREEMENT

Banc of America Securities LLC
UBS Warburg LLC
J.P. Morgan Securities Inc.
As Representatives of the Several Underwriters
c/o Banc of America Securities LLC
600 Montgomery Street
San Francisco, California 94111

Re: AMN Healthcare Services, Inc. (the "Company")

Ladies and Gentlemen:

The undersigned is an owner of record or beneficially of certain shares of Common Stock of the Company ("Common Stock") or securities convertible into or exchangeable or exercisable for Common Stock. The Company proposes to carry out a public offering of Common Stock (the "Offering") for which you will act as the representatives (the "Representatives") of the underwriters. The undersigned recognizes that the Offering will be of benefit to the undersigned and will benefit the Company by, among other things, raising additional capital for its operations. The undersigned acknowledges that you and the other underwriters are relying on the representations and agreements of the undersigned contained in this letter in carrying out the Offering and in entering into underwriting arrangements with the Company with respect to the Offering.

In consideration of the foregoing, the undersigned hereby agrees that the undersigned will not, without the prior written consent of Banc of America Securities LLC (which consent may be withheld in its sole discretion), directly or indirectly, sell, offer, contract or grant any option to sell (including without limitation any short sale) pledge, transfer, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Securities Exchange Act of 1934, as amended, or otherwise dispose of any shares of Common Stock, options or warrants to acquire shares of Common Stock, or securities exchangeable or exercisable for or convertible into shares of Common Stock currently or hereafter owned either of record or beneficially (as defined in Rule 13d-3 under Securities Exchange Act of 1934, as amended) by the undersigned, or publicly announce the undersigned's intention to do any of the foregoing, for a period commencing on the date hereof and continuing to a date 180 days after the first date any of the Common Stock to be sold in the Offering is released by you for sale to the public. The foregoing restrictions shall not apply to (A) the exercise or conversion of any outstanding warrants or options held by BancAmerica Capital Investors SBIC I, L.P. or William F. Miller III, (B) transfers by way of testate or intestate succession or by operation of law, (C) transfers to members of the immediate family of the undersigned or to a trust, partnership,

limited liability company or other entity, all of the beneficial interests of which are held by the undersigned or by a member of the undersigned's immediate family, (D) transfers to charitable organizations and (E) if the undersigned is a corporation, partnership, limited liability company or similar entity, transfers to the stockholders, partners, members or similar persons of the undersigned; provided that in each case of a transfer pursuant to clauses (A) - (E) of this sentence, the transferee shall have agreed to be bound by the restrictions on transfer contained in this letter. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of shares of Common Stock or securities convertible into or exchangeable or exercisable for Common Stock held by the undersigned except in compliance with the foregoing restrictions.

This agreement is irrevocable and will be binding on the undersigned and the respective successors, heirs, personal representatives, and assigns of the undersigned.

Dated:

Printed Name of Holder

By:

Signature

Printed Name of Person Signing

Capacity of Person Signing if Signing as
Custodian, Trustee, or on Behalf of an Entity

Exhibit 3.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

of

AMN HEALTHCARE SERVICES, INC.

AMN Healthcare Services, Inc., a corporation duly incorporated under the laws of the State of Delaware, hereby certifies as follows:

FIRST: The present name of the corporation is AMN Healthcare Services, Inc. (the "Corporation"). The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on the 10th day of November, 1997, under the name AMN Holdings, Inc.

SECOND: This Amended and Restated Certificate of Incorporation has been duly adopted in accordance with Sections 228, 242 and 245 of the Delaware General Corporation Law (the "General Corporation Law").

THIRD: This Amended and Restated Certificate of Incorporation restates, integrates and further amends the Certificate of Incorporation of the Corporation as follows:

1. Name. The name of the corporation is "AMN Healthcare Services, Inc."

2. Address; Registered Office and Agent. The address of the Corporation's registered office is Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of Newcastle, State of Delaware, and the name of its registered agent at such address is The Corporation Trust Company.

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3. Purposes. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

4. Number of Shares. The total number of shares of stock that the Corporation shall have authority to issue is: two hundred and ten million (210,000,000), divided as follows: ten million (10,000,000) shares of Preferred Stock, of the par value of $0.01 per share (the "Preferred Stock"), and two hundred million (200,000,000) shares of Common Stock, of the par value of $0.01 per share (the "Common Stock").

Upon this Amended and Restated Certificate of Incorporation becoming effective pursuant to the General Corporation Law (the "Effective Time"), each share of Common Stock issued and outstanding immediately prior to the Effective Time (the "Old Common Stock") shall, without any action on the part of the holder thereof, be automatically reclassified as and converted into [ ] shares of Common Stock (the "New Common Stock").

The number of authorized shares, the number of shares of treasury stock and the par value of the Common Stock shall not be affected. Each stock certificate that immediately prior to the Effective Time represented shares of Old Common Stock shall, from and after the Effective Time, automatically and without the necessity of presenting the same for exchange, represent the number of shares of New Common Stock as equals the product obtained by multiplying the number of shares of Old Common Stock represented by such certificate immediately prior to the Effective Time by [ ].

4.1 The designation, relative rights, preferences and limitations of the shares of each class are as follows:

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4.1.1 The shares of Preferred Stock may be issued from time to time in one or more series of any number of shares, provided that the aggregate number of shares issued and not cancelled of any and all such series shall not exceed the total number of shares of Preferred Stock hereinabove authorized, and with such powers, including voting powers, if any, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, all as shall hereafter be stated and expressed in the resolution or resolutions providing for the designation and issue of such shares of Preferred Stock from time to time adopted by the Board of Directors (the "Board") pursuant to authority so to do which is hereby expressly vested in the Board. The powers, including voting powers, if any, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. Each series of shares of Preferred Stock: (a) may have such voting rights or powers, full or limited, if any; (b) may be subject to redemption at such time or times and at such prices, if any; (c) may be entitled to receive dividends (which may be cumulative or non-cumulative) at such rate or rates, on such conditions and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or series of stock, if any; (d) may have such rights upon the voluntary or involuntary liquidation, winding up or dissolution of, or upon any distribution of the assets of, the Corporation, if any; (e) may be made convertible into or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation (or any other securities of the Corporation or any other person) at such price or prices or at such

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rates of exchange and with such adjustments, if any; (f) may be entitled to the benefit of a sinking fund to be applied to the purchase or redemption of shares of such series in such amount or amounts, if any; (g) may be entitled to the benefit of conditions and restrictions upon the creation of indebtedness of the Corporation or any subsidiary, upon the issue of any additional shares (including additional shares of such series or of any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Corporation or any subsidiary of, any outstanding shares of the Corporation, if any; and (h) may have such other relative, participating, optional or other special rights, qualifications, limitations or restrictions thereof, if any; all as shall be stated in said resolution or resolutions of the Board providing for the designation and issue of such shares of Preferred Stock. Any of the voting powers, designations, preferences, rights and any qualifications, limitations or restrictions of any such series of Preferred Stock may be made dependent upon facts ascertainable outside of the resolution or resolutions providing for the issue of such Preferred Stock adopted by the Board pursuant to the authority vested in it by this Section 4.1.1, provided that the manner in which such facts shall operate upon the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of such series of Preferred Stock is clearly and expressly set forth in the resolution or resolutions providing for the issue of such Preferred Stock. The term "facts" as used in the preceding sentence shall have the meaning set forth in Section 151(a) of the General Corporation Law.

4.1.2 Except as otherwise provided by law or by this Certificate of Incorporation and subject to the express terms of any series of shares of

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Preferred Stock, the holders of outstanding shares of Common Stock shall exclusively possess voting power for the election of Directors and for all other purposes, each holder of record of shares of Common Stock being entitled to one vote for each share of Common Stock standing in his or her name on the books of the Corporation. Except as otherwise provided by law or by this Certificate of Incorporation and subject to the express terms of any series of shares of Preferred Stock, the holders of shares of Common Stock shall be entitled, to the exclusion of the holders of shares of Preferred Stock of any and all series, to receive such dividends as from time to time may be declared by the Board. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the holders of shares of Common Stock shall be entitled to share ratably according to the number of shares of Common Stock held by them in all remaining assets of the Corporation available for distribution to its stockholders.

4.1.3 Subject to the provisions of this Certificate of Incorporation and the express terms of any series of Preferred Stock and except as otherwise provided by law, the stock of the Corporation, regardless of class, may be issued for such consideration and for such corporate purposes as the Board may from time to time determine.

5. Election of Directors. Unless and except to the extent that the By-laws of the Corporation (the "By-laws") shall so require, the election of the directors of the Corporation need not be by written ballot.

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6. Limitation of Liability. No Director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, provided that this provision shall not eliminate or limit the liability of a Director (a) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under section 174 of the General Corporation Law or (d) for any transaction from which the Director derived any improper personal benefits. If the General Corporation Law is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended.

Any repeal or modification of the foregoing provision shall not adversely affect any right or protection of a Director of the Corporation existing at the time of such repeal or modification.

7. Indemnification.

7.1 To the extent not prohibited by applicable law, the Corporation shall indemnify any person (a "Covered Person") who is or was made, or threatened to be made, a party to any threatened, pending or completed action, suit or proceeding (a "Proceeding"), whether civil, criminal, administrative or investigative, including, without limitation, an action by or in the right of the Corporation to procure a judgment in its favor, by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a Director or officer of the Corporation, or, while a Director or officer of the Corporation, is or was serving at the request of the

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Corporation as a director or officer of any other corporation or in a capacity with comparable authority or responsibilities for any partnership, joint venture, trust, employee benefit plan or other enterprise (an "Other Entity"), against expenses (including attorneys' fees) in the event of an action by or in the right of the Corporation and against judgments, fines, and amounts paid in settlement and expenses (including attorneys' fees), in the event of any other proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal proceeding, had no reason to believe the person's conduct was unlawful; and except that no indemnification shall be made, in the event of an action by or in the right of the Corporation, if prohibited by the General Corporation Law. Persons who are not Directors or officers of the Corporation (or otherwise entitled to indemnification pursuant to the preceding sentence) may be similarly indemnified in respect of service to the Corporation or to an Other Entity at the request of the Corporation to the extent the Board at any time specifies that such persons are entitled to the benefits of this Section 7.

7.2 The Corporation shall, from time to time, reimburse or advance to any Covered Person the funds necessary for payment of expenses, including attorneys' fees and disbursements, incurred in connection with any Proceeding, in advance of the final disposition of such Proceeding; provided, however, that, if required by the General Corporation Law, such payment of expenses in advance of the final disposition of a Proceeding shall be made only upon receipt by the Corporation of an undertaking, by the Covered Person, to repay any such amount so advanced if it shall

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ultimately be determined that such Covered Person is not entitled to be indemnified for such expenses.

7.3 The rights to indemnification or advancement of expenses provided by, or granted pursuant to, this Section 7 shall not be deemed exclusive of any other rights to which a person seeking indemnification or reimbursement or advancement of expenses may have or hereafter be entitled under applicable law, this Certificate of Incorporation, the By-laws, any agreement, any vote of stockholders or disinterested Directors or otherwise.

7.4 The rights to indemnification or advancement of expenses provided by, or granted pursuant to, this Section 7 shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the executors, administrators, legatees and distributees of such person.

7.5 The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of an Other Entity, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Section 7, the By-laws or under Section 145 of the General Corporation Law or any other provision of law.

7.6 Any repeal or modification of the provisions of this Section 7 shall not adversely affect any right or protection hereunder of any Covered

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Person in respect of any act or omission occurring prior to the time of such repeal or modification.

7.7 The rights to indemnification or advancement of expenses provided by, or granted pursuant to, this Section 7 shall be enforceable by any Covered Person in the Court of Chancery of the State of Delaware. The burden of proving that such indemnification or advancement of expenses is not appropriate shall be on the Corporation. Neither the failure of the Corporation (including its Board, its independent legal counsel and its stockholders) to have made a determination prior to the commencement of such action that such indemnification or reimbursement or advancement of expenses is proper in the circumstances nor an actual determination by the Corporation (including its Board, its independent legal counsel and its stockholders) that such person is not entitled to such indemnification or reimbursement or advancement of expenses shall constitute a defense to the action or create a presumption that such person is not so entitled. Such a person shall also be indemnified for any expenses incurred in connection with successfully establishing his or her right to such indemnification or advancement of expenses, in whole or in part, in any such proceeding.

7.8 The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at the Corporation's request as a director, officer, employee or agent of any Other Entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such Other Entity.

7.9 This Section 7 shall not limit the right of the Corporation, to the extent and in the manner permitted by applicable law, to indemnify and advance

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expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

8. Section 203. The Corporation hereby expressly elects not to be governed by the provisions of Section 203 of the General Corporation Law (or any successor provision thereof), and the restrictions and limitations set forth therein.

9. Adoption, Amendment and/or Repeal of By-Laws. The Board may from time to time adopt, amend or repeal the By-laws; provided, however, that any By-laws adopted or amended by the Board may be amended or repealed, and any By-laws may be adopted, by the stockholders of the Corporation by vote of the holders of stock of the Corporation entitled to vote in the election of Directors of the Corporation and representing a majority of the voting power.

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IN WITNESS WHEREOF, the undersigned has executed this Restated Certification of Incorporation this ___ day of _____, 2001.

AMN Healthcare Services, Inc.

By: _____
Name:
Title:

Exhibit 3.2

AMENDED AND RESTATED

BY-LAWS

of

AMN HEALTHCARE SERVICES, INC.
(A Delaware Corporation)

ARTICLE 1

DEFINITIONS

As used in these By-laws, unless the context otherwise requires, the term:

1.1 "Assistant Secretary" means an Assistant Secretary of the Corporation.

1.2 "Assistant Treasurer" means an Assistant Treasurer of the Corporation.

1.3 "Board" means the Board of Directors of the Corporation.

1.4 "Business Day" means any day that is not a Saturday, a Sunday or a day on which banks are authorized to close in the City of New York, State of New York.

1.5 "By-laws" means the by-laws of the Corporation, as amended from time to time.

1.6 "Certificate of Incorporation" means the certificate of incorporation of the Corporation, as amended, supplemented or restated from time to time.

1.7 "Chairman" means the Chairman of the Board.

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1.8 "Corporation" means AMN Healthcare Services, Inc.

1.9 "Directors" means directors of the Corporation.

1.10 "Entire Board" means all Directors of the Corporation then in office, whether or not present at a meeting of the Board, but disregarding vacancies.

1.11 "General Corporation Law" means the General Corporation Law of the State of Delaware, as amended from time to time.

1.12 "Office of the Corporation" means the principal place of business of the Corporation, anything in Section 131 of the General Corporation Law to the contrary notwithstanding.

1.13 "President" means the President of the Corporation.

1.14 "Secretary" means the Secretary of the Corporation.

1.15 "Stockholders" means stockholders of the Corporation.

1.16 "Treasurer" means the Treasurer of the Corporation.

1.17 "Vice President" means a Vice President of the Corporation.

ARTICLE 2

STOCKHOLDERS

2.1 Place of Meetings. Every meeting of Stockholders shall be held at a place, within or without the State of Delaware, as may be designated by resolution of the Board from time to time.

2.2 Annual Meeting. If required by applicable law, a meeting of Stockholders shall be held annually for the election of Directors and the transaction of other business at such hour and on such Business Day as may be designated by resolution of the Board from time to time.

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2.3 Other Special Meetings. Unless otherwise prescribed by applicable law, special meetings of Stockholders may be called at any time by only the Board or the Chairman and may not be called by any other person or persons. Business transacted at any special meeting of Stockholders shall be limited to the purpose stated in the notice.

2.4 Fixing Record Date. For the purpose of (a) determining the Stockholders entitled (i) to notice of or to vote at any meeting of Stockholders or any adjournment thereof, (ii) unless otherwise provided in the Certificate of Incorporation to express consent to corporate action in writing without a meeting or (iii) to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock; or (b) any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date was adopted by the Board and which record date shall not be (x) in the case of clause (a)(i) above, unless otherwise required by applicable law, more than sixty nor less than ten days before the date of such meeting, (y) in the case of clause (a)(ii) above, more than ten days after the date upon which the resolution fixing the record date was adopted by the Board and (z) in the case of clause (a)(iii) or (b) above, more than sixty days prior to such action. If no such record date is fixed:

2.4.1 the record date for determining Stockholders entitled to notice of or to vote at a meeting of Stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived,

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at the close of business on the day next preceding the day on which the meeting is held;

2.4.2 the record date for determining Stockholders entitled to express consent to corporate action in writing without a meeting (unless otherwise provided in the Certificate of Incorporation), when no prior action by the Board is required by applicable law, shall be the first day on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of Stockholders are recorded; and when prior action by the Board is required by applicable law, the record date for determining Stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board adopts the resolution taking such prior action; and

2.4.3 the record date for determining Stockholders for any purpose other than those specified in Sections 2.4.1 and 2.4.2 hereof shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

When a determination of Stockholders entitled to notice of or to vote at any meeting of Stockholders has been made as provided in this Section 2.4, such determination shall apply to any adjournment thereof unless the Board fixes a new record date for the adjourned meeting. Delivery made to the Corporation's registered office in accordance

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with Section 2.4.2 shall be by hand or by certified or registered mail, return receipt requested.

2.5 Notice of Meetings of Stockholders. Whenever under the provisions of applicable law, the Certificate of Incorporation or these By-laws, Stockholders are required or permitted to take any action at a meeting, written notice shall be given stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which Stockholders and proxyholders may be deemed to be present in person and vote at such meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by applicable law, the Certificate of Incorporation or these By-laws, the notice of any meeting shall be given, not less than ten nor more than sixty days before the date of the meeting, to each Stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, with postage prepaid, directed to the Stockholder at his or her address as it appears on the records of the Corporation. An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or other agent of the Corporation that the notice required by this Section 2.5 has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time, place, if any, and the means of remote communications, if any, by which Stockholders and proxyholders may be deemed to be present in person and vote at such meeting are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted at the meeting as originally called. If, however, the

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adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Stockholder of record entitled to vote at the meeting.

2.6 Waivers of Notice. Whenever the giving of any notice to Stockholders is required by applicable law, the Certificate of Incorporation or these By-laws, a waiver thereof, in writing, signed by the person entitled to said notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance by a Stockholder at a meeting shall constitute a waiver of notice of such meeting except when the Stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by applicable law, the Certificate of Incorporation or these By-laws.

2.7 List of Stockholders. The Secretary shall prepare and make, at least ten days before every meeting of Stockholders, a complete list of the Stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each Stockholder and the number of shares registered in the name of each Stockholder. Such list shall be open to the examination of any Stockholder, the Stockholder's agent or attorney, at the Stockholder's expense, for any purpose germane to the meeting for a period of at least ten days prior to the meeting, either on a reasonably accessible electronic network as permitted by applicable law (provided that the information required

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to gain access to the list is provided with the notice of the meeting) or during ordinary business hours at the Office of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to Stockholders of the Corporation. If the meeting is to be held at a place, the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any Stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Upon the willful neglect or refusal of the Directors to produce such a list at any meeting for the election of Directors held at a place, or to open such a list to examination on a reasonably accessible electronic network during any meeting for the election of Directors held solely by means of remote communication, they shall be ineligible for election to any office at such meeting. The stock ledger shall be the only evidence as to who are the Stockholders entitled to examine the stock ledger, the list of Stockholders or the books of the Corporation, or to vote in person or by proxy at any meeting of Stockholders.

2.8 Quorum of Stockholders; Adjournment. Except as otherwise provided by applicable law, the Certificate of Incorporation or these By-laws, at each meeting of Stockholders, the presence in person or by proxy of the holders of a majority of all outstanding shares of stock entitled to vote at the meeting of Stockholders shall constitute a quorum for the transaction of any business at such meeting, except that,

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where a separate vote by a class or series or classes or series is required, a quorum shall consist of no less than a majority of the shares of such class or series or classes or series. When a quorum is present to organize a meeting of Stockholders and for purposes of voting on any matter, the quorum for such meeting or matter is not broken by the subsequent withdrawal of any Stockholders. In the absence of a quorum, the holders of a majority of the shares of stock present in person or represented by proxy at any meeting of Stockholders, including an adjourned meeting, whether or not a quorum is present, may adjourn such meeting to another time and place. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of Directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

2.9 Voting; Proxies. Unless otherwise provided in the Certificate of Incorporation, every Stockholder entitled to vote at any meeting of Stockholders shall be entitled to one vote for each share of stock held by such Stockholders which has voting power upon the matter in question. If the Certificate of Incorporation provides for more or less than one vote for any share on any matter, each reference in the By-laws or the General Corporation Law to a majority or other proportion of stock shall refer to such majority or other proportion of the votes of such stock. The provisions of Sections 212 and 217 of the General Corporation Law shall apply in determining whether any shares of stock may be voted and the persons, if any, entitled to vote such shares; but the Corporation shall be protected in assuming that the persons in whose names shares of

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stock stand on the stock ledger of the Corporation are entitled to vote such shares. At any meeting of Stockholders (at which a quorum was present to organize the meeting), all matters, except as otherwise provided by applicable law, pursuant to any regulation applicable to the Corporation or its securities or by the Certificate of Incorporation or by these By-laws, shall be decided by the affirmative vote of a majority in voting power of shares present in person or represented by proxy and entitled to vote thereon. At all meetings of Stockholders for the election of Directors, a plurality of the votes cast shall be sufficient to elect. Except as otherwise provided by the Certificate of Incorporation, each Stockholder entitled to vote at a meeting of Stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such Stockholder by proxy. The validity and enforceability of any proxy shall be determined in accordance with Section 212 of the General Corporation Law. A Stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary.

2.10 Voting Procedures and Inspectors of Election at Meetings of Stockholders. The Board, in advance of any meeting of Stockholders, may, and shall, if required by applicable law, appoint one or more inspectors to act at the meeting and make a written report thereof. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If required by applicable law, if no inspector or alternate is able to act at a meeting, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering

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upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the Stockholders will vote at a meeting shall be determined by the person presiding at the meeting and shall be announced at the meeting. No ballot, proxies or votes, or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware upon application by a Stockholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of Stockholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election.

2.11 Conduct of Meetings. (a) The Board may adopt by resolution such rules and regulations for the conduct of the meeting of Stockholders as it shall deem appropriate. At each meeting of Stockholders, the Chairman, or in the absence of the Chairman or if one shall not have been appointed, the President, or if the President is

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absent, a Vice President, and in case more than one Vice President shall be present, that Vice President designated by the Board (or in the absence of any such designation, the most senior Vice President, based on age, present), shall act as chairman of the meeting. Except to the extent inconsistent with any rules and regulations for the conduct of the meeting of Stockholders adopted by the Board, the chairman of the meeting shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules and regulations for the conduct of the meeting and to do such acts as, in the judgment of the chairman of the meeting, are appropriate for the proper conduct of the meeting. The Secretary, or in his or her absence, one of the Assistant Secretaries, shall act as secretary of the meeting. In the absence of the Secretary or one of the Assistant Secretaries, the chairman of the meeting shall appoint a person to act as secretary of the meeting. In case none of the officers above designated to act as chairman or secretary of the meeting, respectively, shall be present, a chairman or a secretary of the meeting, as the case may be, shall be chosen by resolution of the Board, and in case the Board has not so acted, by a majority of the votes cast at such meeting by the holders of shares of stock present in person or represented by proxy and entitled to vote at the meeting.

(b) Only persons who are nominated in accordance with the following procedures shall be eligible for election as Directors. Nominations of persons for election to the Board may be made at an annual meeting or special meeting of Stockholders only (i) by or at the direction of the Board, (ii) by any nominating committee designated by the Board or (iii) by any Stockholder of the Corporation who was a Stockholder of record of the Corporation at the time the notice provided for in this Section 2.11 is delivered to the Secretary, who is entitled to vote for the election of

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Directors at the meeting and who complies with the applicable provisions of Section 2.11(d) hereof (persons nominated in accordance with (iii) above are referred to herein as "Stockholder nominees").

(c) At any annual meeting of Stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting of Stockholders, (i) business must be specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the meeting by or at the direction of the Board or (iii) otherwise properly brought before the meeting by a Stockholder who was a Stockholder of record of the Corporation at the time the notice provided for in this Section 2.11 is delivered to the Secretary, who is entitled to vote at the meeting and who complies with the applicable provisions of Section 2.11(d) hereof (business brought before the meeting in accordance with (iii) above is referred to as "Stockholder business").

(d) In addition to any other applicable requirements, (i) all nominations of Stockholder nominees must be made by timely written notice given by or on behalf of a Stockholder of record of the Corporation (the "Notice of Nomination") and (ii) all proposals of Stockholder business must be made by timely written notice given by or on behalf of a Stockholder of record of the Corporation (the "Notice of Business"). To be timely, the Notice of Nomination or the Notice of Business, as the case may be, must be delivered personally to, or mailed to, and received at the Office of the Corporation, addressed to the attention of the Secretary, (i) in the case of the nomination of a person for election to the Board, or business to be conducted, at an annual meeting of

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Stockholders, not less than sixty days nor more than one hundred and thirty days prior to the first anniversary of the date on which the Corporation first mailed its proxy materials for the prior year's annual meeting of Stockholders, except in the case of the Corporation's first annual meeting of Stockholders as a public corporation, in which case a Notice of Nomination or Notice of Business, as the case may be, shall be delivered not less than seventy nor more than one hundred and thirty days prior to , 2002, or (ii) in the case of the nomination of a person for election to the Board at a special meeting of Stockholders, not less than the later of (a) ninety nor more than one hundred and thirty days prior to such special meeting or (b) the tenth day following the day on which the notice of such special meeting was made by mail or Public Disclosure; provided, however, that in the event that the annual meeting of Stockholders is advanced or delayed by more than thirty days from the first anniversary of the prior year's annual meeting of Stockholders or if no annual meeting was held during the prior year, notice by the Stockholder to be timely must be received (i) no earlier than one hundred and thirty days prior to such annual meeting and no later than ninety days prior to such annual meeting or (ii) no later than ten days following the day the notice of such annual meeting was made by mail or Public Disclosure. In no event shall the public disclosure of an adjournment or postponement of an annual or special meeting commence a new time period (or extend any time period) for the giving of the Notice of Nomination or Notice of Business, as applicable.

The Notice of Nomination shall set forth (i) the name and record address of the Stockholder and/or beneficial owner proposing to make nominations, as they appear on the Corporation's books, (ii) the class and number of shares of stock held of

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record and beneficially by such Stockholder and/or such beneficial owner, (iii) a representation that the Stockholder is a holder of record of stock of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such nomination, (iv) all information regarding each Stockholder nominee that would be required to be set forth in a definitive proxy statement filed with the Securities and Exchange Commission pursuant to Section 14 of the Securities Exchange Act of 1934, as amended, or any successor statute thereto (the "Exchange Act"), and the written consent of each such Stockholder nominee to being named in a proxy statement as a nominee and to serve if elected and (v) all other information that would be required to be filed with the Securities and Exchange Commission if the person proposing such nominations were a participant in a solicitation subject to Section 14 of the Exchange Act or any successor statute thereto. The Corporation may require any Stockholder nominee to furnish such other information as it may reasonably require to determine the eligibility of such Stockholder nominee to serve as a Director of the Corporation. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that any proposed nomination of a Stockholder nominee was not made in accordance with the foregoing procedures and, if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

The Notice of Business shall set forth (i) the name and record address of the Stockholder and/or beneficial owner proposing such Stockholder business, as they appear on the Corporation's books, (ii) the class and number of shares of stock held of record and beneficially by such Stockholder and/or such beneficial owner, (iii) a representation that the Stockholder is a holder of record of stock of the Corporation

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entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such business, (iv) a brief description of the Stockholder business desired to be brought before the annual meeting, the text of the proposal (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the By-laws, the language of the proposed amendment, and the reasons for conducting such Stockholder business at the annual meeting, (v) any material interest of the Stockholder and/or beneficial owner in such Stockholder business and (vi) all other information that would be required to be filed with the Securities and Exchange Commission if the person proposing such Stockholder business were a participant in a solicitation subject to Section 14 of the Exchange Act. Notwithstanding anything in these By-laws to the contrary, no business shall be conducted at the annual meeting of Stockholders except in accordance with the procedures set forth in this Section 2.11(d), provided, however, that nothing in this Section 2.11(d) shall be deemed to preclude discussion by any Stockholder of any business properly brought before the annual meeting in accordance with said procedure. Nevertheless, it is understood that Stockholder business may be excluded if the exclusion of such Stockholder business is permitted by the applicable regulations of the Securities and Exchange Commission. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting, that business was not properly brought before the meeting in accordance with the foregoing procedures and, if he should so determine, he shall declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

Notwithstanding the foregoing provisions of this Section 2.11, if the Stockholder (or a qualified representative of the Stockholder) does not appear at the

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annual or special meeting of Stockholders to present the Stockholder nomination or the Stockholder business, as applicable, such nomination shall be disregarded and such business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

For purposes of this Section 2.11, "Public Disclosure" shall be deemed to be first made when disclosure of such date of the annual or special meeting of Stockholders, as the case may be, is first made in a press release reported by the Dow Jones News Services, Associated Press or comparable national news service, or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act or any successor statute thereto.

Notwithstanding the foregoing, a Stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.11. Nothing in this Section 2.11 shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation pursuant to any applicable provision of the Certificate of Incorporation.

2.12 Order of Business. The order of business at all meetings of Stockholders shall be as determined by the chairman of the meeting.

2.13 Written Consent of Stockholders Without a Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required by the General Corporation Law to be taken at any annual or special meeting of Stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding

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stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered (by hand or by certified or registered mail, return receipt requested) to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of Stockholders are recorded. Every written consent shall bear the date of signature of each Stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered in the manner required by this Section 2.13, written consents signed by a sufficient number of holders to take action are delivered to the Corporation as aforesaid. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by applicable law, be given to those Stockholders who have not consented in writing and who, if the action had been taken at a meeting, had been Stockholders the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation. Written consent may take the form of a cablegram, telegram or other electronic transmission to the extent such written consent complies with the applicable provisions of the General Corporation Law.

In the event of the delivery to the Corporation of a written consent, the Secretary shall provide for the safe-keeping of such written consent and shall promptly conduct such ministerial review of the sufficiency of the written consent and of the validity of the action to be taken by written consent as he deems necessary or appropriate, including, without limitation, whether the holders of a number of shares having the

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requisite voting power to authorize or take the action specified in the written consent have given consent; provided, however, that if the corporate action to which the written consent relates is the removal or replacement of one or more members of the Board, the Secretary shall promptly designate two persons, who shall not be members of the Board, to serve as inspectors with respect to such written consent and such inspectors shall discharge the functions of the Secretary under this Section 2.13. If after such investigation the Secretary or the inspectors, as the case may be, shall determine that the written consent is valid and that the action therein specified has been validly authorized, that fact shall forthwith be certified on the records of the Corporation kept for the purpose of recording the proceedings of meetings of Stockholders, and the written consent shall be filed in such records, at which time the written consent shall become effective as Stockholder action. In conducting the investigation required by this Section 2.13, the Secretary or the inspectors, as the case may be, may, at the expense of the Corporation, retain special legal counsel and any other necessary or appropriate professional advisors, and such other personnel as they may deem necessary or appropriate to assist them, and shall be fully protected in relying in good faith upon the opinion of such counsel or advisors.

The record date for determining Stockholders entitled to express consent to corporate action in writing without a meeting shall be as fixed by the Board or as otherwise established under this Section 2.13. Any person seeking to have the Stockholders authorize or take corporate action by written consent without a meeting shall, by written notice addressed to the Secretary and delivered to the Corporation, request that a record date be fixed for such purpose. The Board may fix a record date for

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such purpose which shall be no more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board and shall not precede the date such resolution is adopted. If the Board fails, within 10 days after the Corporation receives such notice, to fix a record date for such purpose, the record date shall be the day on which the first written consent is delivered to the Corporation in the manner described above unless prior action by the Board is required under the General Corporation Law, in which event the record date shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

ARTICLE 3

DIRECTORS

3.1 General Powers. Except as otherwise provided in the Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board. The Board may adopt such rules and regulations, not inconsistent with the Certificate of Incorporation or these By-laws or applicable law, as it may deem proper for the conduct of its meetings and the management of the Corporation.

3.2 Number; Qualification; Term of Office. The Board shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board. Directors need not be Stockholders. Each Director shall hold office until a successor is duly elected and qualified or until the Director's death, resignation or removal.

3.3 Election. Directors shall, except as otherwise required by applicable law or by the Certificate of Incorporation, be elected by a plurality of the votes

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cast at a meeting of Stockholders by the holders of shares present in person or represented by proxy at the meeting and entitled to vote in the election.

3.4 Newly Created Directorships and Vacancies. Unless otherwise provided by applicable law or the Certificate of Incorporation and subject to the rights of the holders of any series of Preferred Stock then outstanding, any newly created Directorships resulting from any increase in the authorized number of Directors or any vacancies in the Board resulting from death, resignation, retirement, disqualification, removal from office or other cause may be filled by a majority vote of the remaining Directors then in office although less than a quorum, or by a sole remaining Director, and Directors so chosen shall hold office until the expiration of the term of office of the Director whom he or she has replaced or until his or her successor is duly elected and qualified. No decrease in the number of Directors constituting the Board shall shorten the term of any incumbent Director. When any Director shall give notice of resignation effective at a future date, the Board may fill such vacancy to take effect when such resignation shall become effective in accordance with the General Corporation Law.

3.5 Resignation. Any Director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect at the time therein specified, and, unless otherwise specified in such resignation, the acceptance of such resignation shall not be necessary to make it effective.

3.6 Removal. Subject to the provisions of Section 141(k) of the General Corporation Law, any or all of the Directors may be removed with or without cause by vote of the holders of a majority of the shares then entitled to vote at an election of Directors.

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3.7 Compensation. Each Director, in consideration of his or her service as such, shall be entitled to receive from the Corporation such amount per annum or such fees for attendance at Directors' meetings, or both, as the Board may from time to time determine, together with reimbursement for the reasonable out-of-pocket expenses, if any, incurred by such Director in connection with the performance of his or her duties. Each Director who shall serve as a member of any committee of Directors in consideration of serving as such shall be entitled to such additional amount per annum or such fees for attendance at committee meetings, or both, as the Board may from time to time determine, together with reimbursement for the reasonable out-of-pocket expenses, if any, incurred by such Director in the performance of his or her duties. Nothing contained in this Section 3.7 shall preclude any Director from serving the Corporation or its subsidiaries in any other capacity and receiving proper compensation therefor.

3.8 Regular Meetings. Regular meetings of the Board may be held without notice at such times and at such places within or without the State of Delaware as shall from time to time be determined by the Board.

3.9 Special Meetings. Special meetings of the Board may be held at any time or place, within or without the State of Delaware, whenever called by the Chairman, the President or the Secretary or by any two or more Directors then serving as Directors on at least twenty-four hours' notice to each Director given by one of the means specified in Section 3.12 hereof other than by mail, or on at least three days' notice if given by mail. Special meetings shall be called by the Chairman, President or Secretary in like manner and on like notice on the written request of any two or more of the Directors then serving as Directors.

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3.10 Telephone Meetings. Directors or members of any committee designated by the Board may participate in a meeting of the Board or of such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 3.10 shall constitute presence in person at such meeting.

3.11 Adjourned Meetings. A majority of the Directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn such meeting to another time and place. At least one day's notice of any adjourned meeting of the Board shall be given to each Director whether or not present at the time of the adjournment, if such notice shall be given by one of the means specified in Section 3.12 hereof other than by mail, or at least three days' notice if by mail. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

3.12 Notice Procedure. Subject to Sections 3.9 and 3.15 hereof, whenever, under the provisions of applicable law, the Certificate of Incorporation or these By-laws, notice is required to be given to any Director, such notice shall be deemed given effectively if given in person or by telephone, by mail addressed to such Director at such Director's address as it appears on the records of the Corporation, with postage thereon prepaid, or by telegram, telex, telecopy or other means of electronic transmission.

3.13 Waiver of Notice. Whenever the giving of any notice to Directors is required by applicable law, the Certificate of Incorporation or these By-laws, a waiver thereof, in writing, signed by the person or persons entitled to said notice, whether before or after the event as to which such notice is required, shall be deemed equivalent to

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notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except when the Director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Directors or a committee of Directors need be specified in any written waiver of notice unless so required by applicable law, the Certificate of Incorporation or these By-laws.

3.14 Organization. At each meeting of the Board, the Chairman, or in the absence of the Chairman, the President, or in the absence of the President, a chairman chosen by a majority of the Directors present, shall preside. The Secretary shall act as secretary at each meeting of the Board. In case the Secretary shall be absent from any meeting of the Board, an Assistant Secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Secretary and all Assistant Secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

3.15 Quorum of Directors. The presence in person of a majority of the Entire Board shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board.

3.16 Action by Majority Vote. Except as otherwise expressly required by applicable law, the Certificate of Incorporation or these By-laws, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

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3.17 Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these By-laws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all Directors or members of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

ARTICLE 4

COMMITTEES OF THE BOARD

The Board may designate one or more committees, each committee to consist of one or more of the Directors. The Board may remove any Director from any committee at any time, with or without cause. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present and not disqualified from voting, whether or not such member or members constitute a quorum, may, by a unanimous vote, appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board passed as aforesaid, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be impressed on all papers that may require it, but

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no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the Stockholders, any action or matter expressly required by the General Corporation Law to be submitted to Stockholders for approval or (ii) adopting, amending or repealing the By-laws. Unless the Board provides otherwise, at all meetings of such committee a majority of the total number of members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board provides otherwise, each committee designated by the Board may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article 3 of these By-laws.

ARTICLE 5

OFFICERS

5.1 Positions. The officers of the Corporation shall be a President, a Secretary, a Treasurer and such other officers as the Board may appoint, including a Chairman, one or more Vice Presidents and one or more Assistant Secretaries and Assistant Treasurers, who shall exercise such powers and perform such duties as shall be determined from time to time by the Board. The Board may designate one or more Vice Presidents as Executive Vice Presidents and may use descriptive words or phrases to designate the standing, seniority or areas of special competence of the Vice Presidents elected or appointed by it. Any number of offices may be held by the same person unless the Certificate of Incorporation or these By-laws otherwise provide.

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5.2 Appointment. The officers of the Corporation shall be chosen by the Board at its annual meeting or at such other time or times as the Board shall determine.

5.3 Compensation. The compensation of all officers of the Corporation shall be fixed by the Board. No officer shall be prevented from receiving a salary or other compensation by reason of the fact that the officer is also a Director.

5.4 Term of Office. Each officer of the Corporation shall hold office for the term for which he or she is elected and until such officer's successor is chosen and qualifies or until such officer's earlier death, resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Such resignation shall take effect at the date of receipt of such notice or at such later time as is therein specified, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective. The resignation of an officer shall be without prejudice to the contract rights of the Corporation, if any. Any officer elected or appointed by the Board may be removed at any time, with or without cause, by the Board. Any vacancy occurring in any office of the Corporation shall be filled by the Board. The removal of an officer without cause shall be without prejudice to the officer's contract rights, if any. The election or appointment of an officer shall not of itself create contract rights.

5.5 Fidelity Bonds. The Corporation may secure the fidelity of any or all of its officers or agents by bond or otherwise.

5.6 Chairman. The Chairman, if one shall have been appointed, shall preside at all meetings of the Board and Stockholders and shall exercise such powers and perform such other duties as shall be determined from time to time by the Board.

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5.7 President. The President shall be the Chief Executive Officer of the Corporation and shall have general supervision over the business of the Corporation, subject, however, to the control of the Board and of any duly authorized committee of Directors. The President shall preside at all meetings of Stockholders and the Board at which the Chairman (if there be one) is not present. The President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these By-laws to some other officer or agent of the Corporation or shall be required by applicable law otherwise to be signed or executed and, in general, the President shall perform all duties incident to the office of President of a corporation and such other duties as may from time to time be assigned to the President by the Board.

5.8 Vice Presidents. At the request of the President, or, in the President's absence, at the request of the Board, the Vice Presidents shall (in such order as may be designated by the Board or, in the absence of any such designation, in order of seniority based on age) perform all of the duties of the President and, in so performing, shall have all the powers of, and be subject to all restrictions upon, the President. Any Vice President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these By-laws to some other officer or agent of the Corporation, or shall be required by applicable law otherwise to be signed or executed, and each Vice President shall perform such other duties as from time to time may be assigned to such Vice President by the Board or by the President.

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5.9 Secretary. The Secretary shall attend all meetings of the Board and of the Stockholders and shall record all the proceedings of the meetings of the Board and of the Stockholders in a book to be kept for that purpose, and shall perform like duties for committees of the Board, when required. The Secretary shall give, or cause to be given, notice of all special meetings of the Board and of the Stockholders and shall perform such other duties as may be prescribed by the Board or by the President, under whose supervision the Secretary shall be. The Secretary shall have custody of the corporate seal of the Corporation, and the Secretary, or an Assistant Secretary, shall have authority to impress the same on any instrument requiring it, and when so impressed the seal may be attested by the signature of the Secretary or by the signature of such Assistant Secretary. The Board may give general authority to any other officer to impress the seal of the Corporation and to attest the same by such officer's signature. The Secretary or an Assistant Secretary may also attest all instruments signed by the President or any Vice President. The Secretary shall have charge of all the books, records and papers of the Corporation relating to its organization and management, shall see that the reports, statements and other documents required by applicable law are properly kept and filed and, in general, shall perform all duties incident to the office of Secretary of a corporation and such other duties as may from time to time be assigned to the Secretary by the Board or by the President.

5.10 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds, securities and notes of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any sources whatsoever; deposit all such moneys and valuable effects in the name and to the credit of the

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Corporation in such depositories as may be designated by the Board; against proper vouchers, cause such funds to be disbursed by checks or drafts on the authorized depositaries of the Corporation signed in such manner as shall be determined by the Board and be responsible for the accuracy of the amounts of all moneys so disbursed; regularly enter or cause to be entered in books or other records maintained for the purpose full and adequate account of all moneys received or paid for the account of the Corporation; have the right to require from time to time reports or statements giving such information as the Treasurer may desire with respect to any and all financial transactions of the Corporation from the officers or agents transacting the same; render to the President or the Board, whenever the President or the Board shall require the Treasurer so to do, an account of the financial condition of the Corporation and of all financial transactions of the Corporation; exhibit at all reasonable times the records and books of account to any of the Directors upon application at the Office of the Corporation where such records and books are kept; disburse the funds of the Corporation as ordered by the Board; and, in general, perform all duties incident to the office of Treasurer of a corporation and such other duties as may from time to time be assigned to the Treasurer by the Board or the President.

5.11 Assistant Secretaries and Assistant Treasurers. Assistant Secretaries and Assistant Treasurers shall perform such duties as shall be assigned to them by the Secretary or by the Treasurer, respectively, or by the Board or by the President.

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ARTICLE 6

CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

6.1 Execution of Contracts. The Board, except as otherwise provided in these By-laws, may prospectively or retroactively authorize any officer or officers, employee or employees or agent or agents, in the name and on behalf of the Corporation, to enter into any contract or execute and deliver any instrument, and any such authority may be general or confined to specific instances, or otherwise limited.

6.2 Loans. The Board may prospectively or retroactively authorize the President or any other officer, employee or agent of the Corporation to effect loans and advances at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances the person so authorized may make, execute and deliver promissory notes, bonds or other certificates or evidences of indebtedness of the Corporation, and, when authorized by the Board so to do, may pledge and hypothecate or transfer any securities or other property of the Corporation as security for any such loans or advances. Such authority conferred by the Board may be general or confined to specific instances, or otherwise limited.

6.3 Checks, Drafts, Etc. All checks, drafts and other orders for the payment of money out of the funds of the Corporation and all evidences of indebtedness of the Corporation shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by resolution of the Board.

6.4 Deposits. The funds of the Corporation not otherwise employed shall be deposited from time to time to the order of the Corporation with such banks, trust companies, investment banking firms, financial institutions or other depositaries as the

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Board may select or as may be selected by an officer, employee or agent of the Corporation to whom such power to select may from time to time be delegated by the Board.

ARTICLE 7

STOCK AND DIVIDENDS

7.1 Certificates Representing Shares. The shares of stock of the Corporation shall be represented by certificates in such form (consistent with the provisions of Section 158 of the General Corporation Law) as shall be approved by the Board. Such certificates shall be signed by the Chairman, the President or a Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and may be impressed with the seal of the Corporation or a facsimile thereof. The signatures of the officers upon a certificate may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon any certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may, unless otherwise ordered by the Board, be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

7.2 Transfer of Shares. Transfers of shares of stock of the Corporation shall be made only on the books of the Corporation by the holder thereof or by the holder's duly authorized attorney appointed by a power of attorney duly executed and filed with the Secretary, an Assistant Secretary or a transfer agent of the Corporation, and on surrender of the certificate or certificates representing such shares of stock properly endorsed for transfer and upon payment of all necessary transfer taxes. Every certificate

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exchanged, returned or surrendered to the Corporation shall be marked "Cancelled," with the date of cancellation, by the Secretary or an Assistant Secretary or the transfer agent of the Corporation. A person in whose name shares of stock shall stand on the books of the Corporation shall be deemed the owner thereof to receive dividends, to vote as such owner and for all other purposes as respects the Corporation. No transfer of shares of stock shall be valid as against the Corporation, its Stockholders and creditors for any purpose, except to render the transferee liable for the debts of the Corporation to the extent provided by applicable law, until such transfer shall have been entered on the books of the Corporation by an entry showing from and to whom transferred.

7.3 Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agents and registry offices or agents at such place or places as may be determined from time to time by the Board.

7.4 Lost, Destroyed and Stolen Certificates. The holder of any shares of stock of the Corporation shall notify the Corporation of any loss, destruction or theft of the certificate representing such shares, and the Corporation may issue a new certificate to replace the certificate alleged to have been lost, destroyed or stolen. The Board may, in its discretion, as a condition to the issue of any such new certificate, require the owner of the lost, destroyed or stolen certificate, or his or her legal representatives, to make proof satisfactory to the Board of such loss, destruction or theft and to advertise such fact in such manner as the Board may require, and to give the Corporation a bond in such form, in such sums and with such surety or sureties as the Board may direct, sufficient to indemnify the Corporation against any claim that may be made against it on account of

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the alleged loss, theft or destruction of any such certificate and the issuance of such new certificate.

7.5 Rules and Regulations. The Board may make such rules and regulations as it may deem expedient, not inconsistent with applicable law, these By-laws or with the Certificate of Incorporation, concerning the issue, transfer and registration of certificates representing shares of its stock.

7.6 Restriction on Transfer of Stock. A written restriction or restrictions on the transfer or registration of transfer of stock of the Corporation, or on the amount of the Corporation's stock that may be owned by any person or group of persons, if permitted by Section 202 of the General Corporation Law and noted conspicuously on the certificate or certificates representing such stock, may be enforced against the holder of the restricted stock or any successor or transferee of the holder, including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder. Unless noted conspicuously on the certificate or certificates representing such stock, a restriction, even though permitted by Section 202 of the General Corporation Law, shall be ineffective except against a person with actual knowledge of the restriction. A restriction on the transfer or registration of transfer of stock of the Corporation, or on the amount of the Corporation's stock that may be owned by any person or group of persons, may be imposed either by the Certificate of Incorporation or these By-laws or by an agreement among any number of Stockholders or among such Stockholders and the Corporation. No restrictions so imposed shall be binding with respect to stock issued prior to the adoption of the restriction unless the holders of such stock are parties to an agreement or voted in favor of the restriction.

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7.7 Dividends, Surplus, Etc. Subject to the provisions of the Certificate of Incorporation and of applicable law, the Board:

7.7.1 may declare and pay dividends or make other distributions on the outstanding shares of stock in such amounts and at such time or times as it, in its discretion, shall deem advisable;

7.7.2 may use and apply, in its discretion, any of the surplus of the Corporation in purchasing or acquiring any shares of stock of the Corporation, or purchase warrants therefor, in accordance with law, or any of its bonds, debentures, notes, scrip or other securities or evidences of indebtedness; and

7.7.3 may set aside from time to time out of such surplus or net profits such sum or sums as, in its discretion, it may think proper, as a reserve fund to meet contingencies, or for equalizing dividends or for the purpose of maintaining or increasing the property or business of the Corporation, or for any purpose it may think conducive to the best interests of the Corporation.

ARTICLE 8

INDEMNIFICATION

8.1 Indemnity Undertaking. To the extent not prohibited by applicable law, the Corporation shall indemnify any person (a "Covered Person") who is or was made, or threatened to be made, a party to any threatened, pending or completed action, suit or proceeding (a "Proceeding"), whether civil, criminal, administrative or investigative, including, without limitation, an action by or in the right of the Corporation to procure a judgment in its favor, by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a Director or officer of the Corporation, or, while a Director or officer of the

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Corporation, is or was serving at the request of the Corporation as a director or officer of any other corporation or in a capacity with comparable authority or responsibilities for any partnership, joint venture, trust, employee benefit plan or other enterprise (an "Other Entity"), against expenses (including attorneys' fees) in the event of an action by or in the right of the Corporation and against judgments, fines, and amounts paid in settlement and expenses (including attorneys' fees), in the event of any other proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal proceeding, had no reason to believe the person's conduct was unlawful; and except that no indemnification shall be made, in the event of an action by or in the right of the Corporation, if prohibited by the General Corporation Law. Persons who are not Directors or officers of the Corporation (or otherwise entitled to indemnification pursuant to the preceding sentence) may be similarly indemnified in respect of service to the Corporation or to an Other Entity at the request of the Corporation to the extent the Board at any time specifies that such persons are entitled to the benefits of this Article 8.

8.2 Advancement of Expenses. The Corporation shall, from time to time, reimburse or advance to any Covered Person the funds necessary for payment of expenses, including attorneys' fees and disbursements, incurred in connection with any Proceeding, in advance of the final disposition of such Proceeding; provided, however, that, if required by the General Corporation Law, such payment of expenses in advance of the final disposition of a Proceeding shall be made only upon receipt by the Corporation of an undertaking, by the Covered Person, to repay any such amount so

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advanced if it shall ultimately be determined that such Covered Person is not entitled to be indemnified for such expenses.

8.3 Rights Not Exclusive. The rights to indemnification or advancement of expenses provided by, or granted pursuant to, this Article 8 shall not be deemed exclusive of any other rights to which a person seeking indemnification or reimbursement or advancement of expenses may have or hereafter be entitled under applicable law, the Certificate of Incorporation, these By-laws, any agreement, any vote of Stockholders or disinterested Directors or otherwise.

8.4 Continuation of Benefits. The rights to indemnification or advancement of expenses provided by, or granted pursuant to, this Article 8 shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the executors, administrators, legatees and distributees of such person.

8.5 Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of an Other Entity, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article 8, the Certificate of Incorporation or under Section 145 of the General Corporation Law or any other provision of law.

8.6 Binding Effect. Any repeal or modification of the provisions of this Article 8 shall not adversely affect any right or protection hereunder of any Covered

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Person in respect of any act or omission occurring prior to the time of such repeal or modification.

8.7 Procedural Rights. The rights to indemnification or advancement of expenses provided by, or granted pursuant to, this Article 8 shall be enforceable by any Covered Person in the Court of Chancery of the State of Delaware. The burden of proving that such indemnification or advancement of expenses is not appropriate shall be on the Corporation. Neither the failure of the Corporation (including its Board, its independent legal counsel and its Stockholders) to have made a determination prior to the commencement of such action that such indemnification or reimbursement or advancement of expenses is proper in the circumstances nor an actual determination by the Corporation (including its Board, its independent legal counsel and its Stockholders) that such person is not entitled to such indemnification or reimbursement or advancement of expenses shall constitute a defense to the action or create a presumption that such person is not so entitled. Such a person shall also be indemnified for any expenses incurred in connection with successfully establishing his or her right to such indemnification or advancement of expenses, in whole or in part, in any such proceeding.

8.8 Contribution. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at the Corporation's request as a director, officer, employee or agent of any Other Entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such Other Entity.

8.9 Indemnification of Others. This Article 8 shall not limit the right of the Corporation, to the extent and in the manner permitted by applicable law, to

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indemnify and advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

ARTICLE 9

BOOKS AND RECORDS

9.1 Books and Records. There shall be kept at the principal Office of the Corporation correct and complete records and books of account recording the financial transactions of the Corporation and minutes of the proceedings of the Stockholders, the Board and any committee of the Board. The Corporation shall keep at its principal office, or at the office of the transfer agent or registrar of the Corporation, a record containing the names and addresses of all Stockholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof.

9.2 Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device or method, provided that the records so kept can be converted into clearly legible paper form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to any provision of the General Corporation Law.

9.3 Inspection of Books and Records. Except as otherwise provided by applicable law, the Board shall determine whether, and, if allowed, when and under

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what conditions and regulations, the accounts, books, minutes and other records of the Corporation, or any of them, shall be open to the Stockholders for inspection.

ARTICLE 10

SEAL

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

ARTICLE 11

FISCAL YEAR

The fiscal year of the Corporation shall be determined by resolution of the Board.

ARTICLE 12

PROXIES AND CONSENTS

Unless otherwise provided by resolution of the Board, the Chairman, the President, any Vice President, the Secretary or the Treasurer, or any one of them, may execute and deliver on behalf of the Corporation proxies respecting any and all shares or other ownership interests of any Other Entity owned by the Corporation appointing such person or persons as the officer executing the same shall deem proper to represent and vote the shares or other ownership interests so owned at any and all meetings of holders of shares or other ownership interests, whether general or special, and/or to execute and deliver written consents respecting such shares or other ownership interests; or any of the aforesaid officers may attend any meeting of the holders of shares or other ownership

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interests of such Other Entity and thereat vote or exercise any or all other powers of the Corporation as the holder of such shares or other ownership interests.

ARTICLE 13

AMENDMENTS

These By-laws may be altered, amended or repealed and new By-laws may be adopted by a vote of the Stockholders or by the Board. Any By-laws altered, adopted or amended by the Board may be altered, amended or repealed by the Stockholders.

EXHIBIT 4.2

REGISTRATION RIGHTS AGREEMENT

among

AMN HEALTHCARE SERVICES, INC.,

HWH CAPITAL PARTNERS, L.P.,

HWH NIGHTINGALE PARTNERS, L.P.,

HWP NIGHTINGALE PARTNERS II, L.P.,

HWP CAPITAL PARTNERS II, L.P.,

STEVEN FRANCIS,

THE FRANCIS FAMILY TRUST DATED MAY 24, 1996

and

BANCAMERICA CAPITAL INVESTORS SBIC I, L.P.

Dated: [ ], 2001

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REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (the "Agreement"), dated [ ], 2001, among AMN Healthcare Services, Inc., a Delaware corporation (formerly known as AMN Holdings, Inc.) (the "Company"), HWH Capital Partners, L.P., a Delaware limited partnership ("HWH Capital Partners"), HWH Nightingale Partners, L.P., a Delaware limited partnership ("HWH Nightingale"), HWP Capital Partners II, L.P., a Delaware limited partnership ("HWP Capital Partners II"), HWP Nightingale Partners II, L.P., a Delaware limited partnership ("HWP Nightingale II" and together with HWH Capital Partners, HWH Nightingale and HWP Capital Partners II, the "HWP Stockholders"), Steven Francis and Gayle Francis, as Trustees of the Francis Family Trust dated May 24, 1996 (the "Trust"), Steven Francis ("Francis" and together with the Trust, the "Francis Stockholders") and BancAmerica Capital Investors SBIC I, L.P. ("BancAmerica").

WHEREAS, the Company intends to consummate an Initial Public Offering (as hereinafter defined);

WHEREAS, the parties hereto desire to provide for, among other things, the grant of registration rights with respect to the Registrable Securities (as hereinafter defined) in contemplation of such Initial Public Offering (as hereinafter defined).

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Affiliate" shall mean any Person who is an "affiliate" as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

"Agreement" means this Agreement as the same may be amended, supplemented or modified in accordance with the terms hereof.

"Approved Underwriter" has the meaning set forth in Section 3(f) of this Agreement.

"BancAmerica" has the meaning set forth in the preamble to this Agreement.

"Board of Directors" means the Board of Directors of the Company.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the State of New York are authorized or required by law or executive order to close.

"Closing Price" means, with respect to the Registrable Securities, as of the date of determination, (a) if the Registrable Securities are listed on a national securities exchange, the closing price per share of a Registrable Security on such date published in The Wall Street Journal (National Edition) or, if no such closing price on such date is published in The Wall Street Journal (National Edition), the average of the closing bid and asked prices on such date, as officially reported on the principal national securities exchange on which the Registrable Securities are then listed or admitted to trading; or (b) if the Registrable Securities are not then listed or admitted to trading on any national securities exchange but are designated as national market system securities by the NASD, the last trading price per share of a Registrable Security on such date; or (c) if there shall have been no trading on such date or if the Registrable Securities are not designated as national market system securities by the NASD, the average of the reported closing bid and asked prices of the Registrable Securities on such date as shown by The Nasdaq Stock Market, Inc. (or its successor) and reported by any member firm of The New York Stock Exchange, Inc. selected by the Company; or (d) if none of (a), (b) or (c) is applicable, a market price per share determined in good faith by the Board of Directors or, if such determination is not satisfactory to the Designated Holder for whom such determination is being made, by a nationally recognized investment banking firm selected by the Company and such Designated Holder, the expenses for which shall be borne equally by the Company and such Designated Holder. If trading is conducted on a continuous basis on any exchange, then the closing price shall be at 4:00 P.M. New York City time.

"Commission" means the Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.

"Common Stock" means the Common Stock, par value $0.01 per share, of the Company or any other capital stock of the Company into which such stock is reclassified or reconstituted and any other common stock of the Company.

"Company" has the meaning set forth in the preamble to this Agreement.

"Company Underwriter" has the meaning set forth in Section 4(a) of this Agreement.

"Demand Registration" has the meaning set forth in Section 3(a) of this Agreement.

"Designated Holder" means each of the HWP Stockholders, the Francis Stockholders and BancAmerica and any transferee of any of them to whom Registrable Securities have been transferred in accordance with Section 10(f) of this Agreement, other than a transferee to whom Registrable Securities have been transferred pursuant to a Registration Statement under the Securities Act or Rule 144 or Regulation S under the Securities Act (or any successor rule thereto).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder.

"Francis" has the meaning set forth in the preamble to this Agreement.

"Francis Stockholders" has the meaning set forth in the preamble to this Agreement.

"Holders' Counsel" has the meaning set forth in Section 7(a)(i) of this Agreement.

"HWH Capital Partners" has the meaning set forth in the preamble to this Agreement.

"HWP Capital Partners II" has the meaning set forth in the preamble to this Agreement.

"HWH Nightingale" has the meaning set forth in the preamble to this Agreement.

"HWP Nightingale II" has the meaning set forth in the preamble to this Agreement.

"HWP Stockholders" has the meaning set forth in the preamble to this Agreement.

"Incidental Registration" has the meaning set forth in Section 4(a) of this Agreement.

"Indemnified Party" has the meaning set forth in Section 8(c) of this Agreement.

"Indemnifying Party" has the meaning set forth in Section 8(c) of this Agreement.

"Initial Public Offering" means the initial public offering of the shares of Common Stock of the Company pursuant to an effective Registration Statement filed under the Securities Act.

"Initiating Holders" has the meaning set forth in Section 3(a) of this Agreement.

"Inspector" has the meaning set forth in Section 7(a)(vii) of this Agreement.

"IPO Effectiveness Date" means the date upon which the Company consummates the Initial Public Offering.

"Liability" has the meaning set forth in Section 8(a) of this Agreement.

"Market Price" means, on any date of determination, the average of the daily Closing Price of the Registrable Securities for the immediately preceding thirty (30) days on which the national securities exchanges are open for trading; provided, however, that if the Closing Price is determined pursuant to clause (d) of the definition of Closing Price, the "Market Price" means such Closing Price on the date of determination.

"NASD" means the National Association of Securities Dealers, Inc.

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, government (or an agency or political subdivision thereof) or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

"Records" has the meaning set forth in Section 7(a)(vii) of this Agreement.

"Registrable Securities" means each of the following: (a) any and all shares of Common Stock now or hereafter owned by the Designated Holders or issued or issuable upon conversion of any convertible securities or exercise of any warrants or options held by any of the Designated Holders and (b) any shares of Common Stock issued or issuable to any of the Designated Holders with respect to the Registrable Securities by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise and any shares of Common Stock or voting common stock issuable upon conversion, exercise or exchange thereof.

"Registration Expenses" has the meaning set forth in Section 7(d) of this Agreement.

"Registration Statement" means a Registration Statement filed pursuant to the Securities Act.

"Rights Agreement" has the meaning set forth in Section 10(l) of this Agreement.

"S-3 Initiating Holders" has the meaning set forth in Section 5(a) of this Agreement.

"S-3 Registration" has the meaning set forth in Section 5(a) of this Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Stockholders Agreement" has the meaning set forth in Section 10(l) of this Agreement.

"Trust" has the meaning set forth in the preamble to this Agreement.

"Valid Business Reason" has the meaning set forth in Section 3(a) of this Agreement.

2. General; Securities Subject to this Agreement.

(a) Grant of Rights. The Company hereby grants registration rights to the Designated Holders upon the terms and conditions set forth in this Agreement.

(b) Registrable Securities. For the purposes of this Agreement, Registrable Securities held by any Designated Holder will cease to be Registrable Securities, when (i) a Registration Statement covering such Registrable Securities has been declared effective under the Securities Act by the Commission and such Registrable Securities have been disposed of pursuant to such effective Registration Statement, (ii) (x) the entire amount of the Registrable Securities held by any Designated Holder may be sold in a single sale, in the opinion of counsel satisfactory to the Company and such Designated Holder, each in their reasonable judgment, without any limitation as to volume pursuant to Rule 144 (or any successor provision then in effect) under the Securities Act and (y) such Designated Holder owns less than one percent (1%) of the outstanding shares of Common Stock on a fully diluted basis or (iii) the Registrable Securities are proposed to be sold or distributed by a Person not entitled to the registration rights granted by this Agreement.

(c) Holders of Registrable Securities. A Person is deemed to be a holder of Registrable Securities whenever such Person owns of record Registrable Securities, or holds an option to purchase, or a security convertible into or exercisable or exchangeable for, Registrable Securities whether or not such acquisition or conversion has actually been effected. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company may act upon the basis of the instructions, notice or election received from the registered owner of such Registrable Securities. Registrable Securities issuable upon exercise of an option or upon conversion of another security shall be deemed outstanding for the purposes of this Agreement.

3. Demand Registration.

(a) Request for Demand Registration. The HWP Stockholders as a group, acting through HWH Capital Partners or its written designee, or BancAmerica may make a written request to the Company to register (the party making such request, the "Initiating Holders"), and the Company shall register, under the Securities Act (other than pursuant to a Registration Statement on Form S-4 or S-8 or any successor thereto) (a "Demand Registration"), the number of Registrable Securities stated in such request; provided, however, that the Company shall not be obligated to effect (x) more than five such Demand Registrations requested by the HWP Stockholders and more than one such Demand Registration requested by BancAmerica, (y) a Demand Registration if the

Initiating Holders, together with the Designated Holders (other than the Initiating Holders) which have requested to register securities in such registration pursuant to Section 3(b), propose to sell their Registrable Securities at an aggregate price (calculated based upon the Market Price of the Registrable Securities on the date of filing of the Registration Statement with respect to such Registrable Securities) to the public of less than $5,000,000 and (z)(i) in the case of a Demand Registration requested by the HWP Stockholders, any such Demand Registration commencing prior to 180 days after the IPO Effectiveness Date or (ii) in the case of a Demand Registration requested by BancAmerica, any such Demand Registration commencing prior to one year after the IPO Effectiveness Date. For purposes of the preceding sentence, two or more Registration Statements filed in response to one demand shall be counted as one Demand Registration. If the Board of Directors, in its good faith judgment, determines that any registration of Registrable Securities should not be made or continued because it would materially interfere with any material financing, acquisition, corporate reorganization or merger or other material transaction involving the Company (a "Valid Business Reason"), the Company may (x) postpone filing a Registration Statement relating to a Demand Registration until such Valid Business Reason no longer exists, but in no event for more than (i) forty-five (45) days in the case of a Demand Registration requested by the HWP Stockholders and (ii) nine (9) months in the case of a Demand Registration requested by BancAmerica, and (y) in case a Registration Statement has been filed relating to a Demand Registration, the Company, upon the approval of a majority of the Board of Directors, may cause such Registration Statement to be withdrawn and its effectiveness terminated or may postpone amending or supplementing such Registration Statement (in which case, if the Valid Business Reason no longer exists or if more forty-five (45) days (in the case of a Demand Registration requested by the HWP Stockholders) or nine (9) months (in the case of a Demand Registration requested by BancAmerica) have passed since such withdrawal or postponement, the Initiating Holders may request a new Demand Registration). The Company shall give written notice of its determination to postpone or withdraw a Registration Statement and of the fact that the Valid Business Reason for such postponement or withdrawal no longer exists, in each case, promptly after the occurrence thereof. Notwithstanding anything to the contrary contained herein, the Company may not postpone or withdraw a filing under this Section 3(a) more than once in any eighteen (18) month period. Each request for a Demand Registration by the Initiating Holders shall state the amount of the Registrable Securities proposed to be sold and the intended method of disposition thereof.

(b) Incidental or "Piggy-Back" Rights with Respect to a Demand Registration. Each of the Designated Holders (other than Initiating Holders which have requested a registration under Section 3(a)) may offer its or his Registrable Securities under any Demand Registration pursuant to this Section 3. Within five (5) days after the receipt of a request for a Demand Registration from an Initiating Holder, the Company shall (i) give written notice thereof to all of the Designated Holders (other than Initiating Holders which have requested a registration under Section 3(a)) and (ii) subject to Section 3(e), include in such registration all of the Registrable Securities held by such Designated Holders from whom the Company has received a written request for inclusion therein within ten (10) days of the receipt by such Designated Holders of such written notice referred to in clause (i) above. Each such request by such Designated

Holder shall specify the number of Registrable Securities proposed to be registered. The failure of any Designated Holder to respond within such 10-day period referred to in clause (ii) above shall be deemed to be a waiver of such Designated Holder's rights under this Section 3(b) with respect to such Demand Registration. Any Designated Holder may waive its rights under this Section 3(b) prior to the expiration of such 10-day period by giving written notice to the Company, with a copy to the Initiating Holders. If a Designated Holder sends the Company a written request for inclusion of part or all of such Designated Holder's Registrable Securities in a registration, such Designated Holder shall not be entitled to withdraw or revoke such request without the prior written consent of the Company in its sole discretion unless, (i) as a result of facts or circumstances arising after the date on which such request was made relating to the Company or to market conditions, such Designated Holder reasonably determines that participation in such registration would have a material adverse effect on such Designated Holder or (ii) if the Closing Price declines by more than forty percent (40%) from the date the Initiating Holders requested such Demand Registration.

(c) Effective Demand Registration. The Company shall use its commercially reasonable efforts to cause any such Demand Registration to become and remain effective not later than sixty (60) days after it receives a request under Section 3(a) hereof. A registration shall not constitute a Demand Registration until it has become effective and remains continuously effective for the lesser of (i) the period during which all Registrable Securities registered in the Demand Registration are sold or (ii) 120 days; provided, however, that a registration shall not constitute a Demand Registration if (x) after such Demand Registration has become effective, such registration or the related offer, sale or distribution of Registrable Securities thereunder is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason not attributable to the Initiating Holders and such interference is not thereafter eliminated or (y) the conditions specified in the underwriting agreement, if any, entered into in connection with such Demand Registration are not satisfied or waived, other than by reason of a failure by the Initiating Holder.

(d) Expenses. The Company shall pay all Registration Expenses in connection with a Demand Registration, whether or not such Demand Registration becomes effective.

(e) Underwriting Procedures. If the Company or the Initiating Holders so elect, the Company shall use its commercially reasonable efforts to cause such Demand Registration to be in the form of a firm commitment underwritten offering and the managing underwriter or underwriters selected for such offering shall be the Approved Underwriter selected in accordance with Section 3(f). In connection with any Demand Registration under this Section 3 involving an underwritten offering, none of the Registrable Securities held by any Designated Holder making a request for inclusion of such Registrable Securities pursuant to Section 3(b) hereof shall be included in such underwritten offering unless such Designated Holder accepts the terms of the offering as agreed upon by the Company, the Initiating Holders and the Approved Underwriter, and then only in such quantity as set forth below. If the Approved Underwriter advises the

Company that the aggregate amount of such Registrable Securities requested to be included in such offering is sufficiently large to have a material adverse effect on the success of such offering, then the Company shall include in such registration, to the extent of the amount that the Approved Underwriter believes may be sold without causing such material adverse effect, first, such number of Registrable Securities of the Initiating Holders and any Designated Holder participating in the offering pursuant to the terms of Section 3(b), which Registrable Securities shall be allocated pro rata among such Initiating Holders and Designated Holders, based on the number of Registrable Securities held by each such Initiating Holder or Designated Holder, as the case may be, second, any other securities of the Company requested by holders thereof to be included in such registration, which such securities shall be allocated pro rata among such stockholders, based on the number of the Company's securities held by each such stockholder, and third, securities offered by the Company for its own account.

(f) Selection of Underwriters. If any Demand Registration or S-3 Registration, as the case may be, of Registrable Securities is in the form of an underwritten offering, the Company shall select and obtain an investment banking firm of national reputation to act as the managing underwriter of the offering (the "Approved Underwriter"); provided, however, that the Approved Underwriter shall, in any case, also be approved by the Initiating Holders or S-3 Initiating Holders, as the case may be, such approval not to be unreasonably withheld.

4. Incidental or "Piggy-Back" Registration.

(a) Request for Incidental Registration. At any time after the IPO Effectiveness Date, if the Company proposes to file a Registration Statement under the Securities Act with respect to an offering by the Company for its own account (other than a Registration Statement on Form S-4 or S-8 or any successor thereto) or for the account of any stockholder of the Company other than the Designated Holders, then the Company shall give written notice of such proposed filing to each of the Designated Holders at least twenty (20) days before the anticipated filing date, and such notice shall describe the proposed registration and distribution and offer such Designated Holders the opportunity to register the number of Registrable Securities as each such Designated Holder may request (an "Incidental Registration"). The Company shall use its commercially reasonable efforts (within twenty (20) days of the notice provided for in the preceding sentence) to cause the managing underwriter or underwriters in the case of a proposed underwritten offering (the "Company Underwriter") to permit each of the Designated Holders who have requested in writing to participate in the Incidental Registration to include its or his Registrable Securities in such offering on the same terms and conditions as the securities of the Company or the account of such other stockholder, as the case may be, included therein. In connection with any Incidental Registration under this Section 4(a) involving an underwritten offering, the Company shall not be required to include any Registrable Securities in such underwritten offering unless the Designated Holders thereof accept the terms of the underwritten offering as agreed upon between the Company, such other stockholders, if any, and the Company Underwriter, and then only in such quantity as set forth below. If the Company Underwriter determines that the registration of all or part of the securities that have been requested to

be included would materially adversely affect the success of such offering, then the Company shall be required to include in such Incidental Registration, to the extent of the amount that the Company Underwriter believes may be sold without causing such material adverse effect, first, all of the securities to be offered for the account of the Company and second, any other securities of the Company requested by stockholders to be included in such offering (including the Designated Holders), which such securities shall be allocated pro rata among the stockholders participating in the offering based on the number of the Company's securities held by each such stockholder.

(b) Expenses. The Company shall bear all Registration Expenses in connection with any Incidental Registration pursuant to this Section 4, whether or not such Incidental Registration becomes effective.

5. Form S-3 Registration.

(a) Request for a Form S-3 Registration. The Company will use its commercially reasonable efforts to file all required reports under the Exchange Act in order to qualify for the use of Form S-3 under the Securities Act; provided, that this covenant shall not require the Company to remain a reporting company under the Exchange Act if the Company shall have determined to enter into a merger, acquisition, going private transaction or similar transaction. Upon the Company becoming eligible for use of Form S-3 (or any successor form thereto) under the Securities Act in connection with a public offering of its securities, in the event that the Company shall receive from one or more of the HWP Stockholders, acting through HWH Capital Partners or its written designee (the "S-3 Initiating Holders"), a written request that the Company register, under the Securities Act on Form S-3 (or any successor form then in effect) (an "S-3 Registration"), all or a portion of the Registrable Securities owned by such S-3 Initiating Holders, the Company shall give written notice of such request to all of the Designated Holders (other than S-3 Initiating Holders which have requested an S-3 Registration under this Section 5(a)) at least ten (10) days before the anticipated filing date of such Form S-3, and such notice shall describe the proposed registration and offer such Designated Holders the opportunity to register the number of Registrable Securities as each such Designated Holder may request in writing to the Company, given within ten (10) days after their receipt from the Company of the written notice of such registration. With respect to each S-3 Registration, the Company shall, subject to Section 5(b), (i) include in such offering the Registrable Securities of the S-3 Initiating Holders and the Designated Holders (who have requested in writing to participate in such registration on the same terms and conditions as the Registrable Securities of the S-3 Initiating Holders included therein) and (ii) use its commercially reasonable efforts to cause such registration pursuant to this Section 5(a) to become and remain effective as soon as practicable.

(b) Form S-3 Underwriting Procedures. If the S-3 Initiating Holders so elect, the Company shall use its commercially reasonable efforts to cause such S-3 Registration pursuant to this Section 5 to be in the form of a firm commitment underwritten offering and the managing underwriter or underwriters selected for such offering shall be the Approved Underwriter selected in accordance with Section 3(f).

In connection with any S-3 Registration under Section 5(a) involving an underwritten offering, the Company shall not be required to include any Registrable Securities in such underwritten offering unless the Designated Holders thereof accept the terms of the underwritten offering as agreed upon between the Company, the Approved Underwriter and the S-3 Initiating Holders, and then only in such quantity as set forth below. If the Approved Underwriter believes that the registration of all or part of the Registrable Securities which the S-3 Initiating Holders and the other Designated Holders have requested to be included would materially adversely affect the success of such public offering, then the Company shall be required to include in the underwritten offering, to the extent of the amount that the Approved Underwriter believes may be sold without causing such material adverse effect, first, such number of Registrable Securities of the S-3 Initiating Holders and any Designated Holder participating in the offering pursuant to the terms of Section 5(a) hereof, which such Registrable Securities shall be allocated pro rata among such S-3 Initiating Holders and Designated Holders, based on the number of Registrable Securities held by each such S-3 Initiating Holder or Designated Holder, as the case may be, second, any other securities of the Company requested by holders thereof to be included in such registration, which such securities shall be allocated pro rata among such stockholders, based on the number of the Company's securities held by each such stockholder, and third, securities offered by the Company for its own account.

(c) Limitations on Form S-3 Registrations. If the Board of Directors has a Valid Business Reason, the Company may (x) postpone filing a Registration Statement relating to a S-3 Registration until such Valid Business Reason no longer exists, but in no event for more than forty-five (45) days following the request and (y) in case a Registration Statement has been filed relating to a S-3 Registration, the Company, upon the approval of a majority of the Board of Directors, may cause such Registration Statement to be withdrawn and its effectiveness terminated or may postpone amending or supplementing such Registration Statement (in which case, if the Valid Business Reason no longer exists or if more than forty-five (45) days have passed since such withdrawal or postponement, the S-3 Initiating Holder may request the prompt amendment or supplement of such Registration Statement or a new S-3 Registration). The Company shall give written notice of its determination to postpone or withdraw a Registration Statement and of the fact that the Valid Business Reason for such postponement or withdrawal no longer exists, in each case, promptly after the occurrence thereof. Notwithstanding anything to the contrary contained herein, the Company may not postpone or withdraw a filing, under either this Section or Section 3(a), due to a Valid Business Reason more than once in any twelve (12) month period. In addition, the Company shall not be required to effect any registration pursuant to Section 5(a), (i) within ninety (90) days after the effective date of any other Registration Statement of the Company (other than a Registration Statement on Form S-4 or S-8 or any successor thereto), (ii) if Form S-3 is not available for such offering by the S-3 Initiating Holders or (iii) if the S-3 Initiating Holders, together with the Designated Holders (other than S-3 Initiating Holders which have requested an S-3 Registration under Section 5(a)) registering Registrable Securities in such registration, propose to sell their Registrable Securities at an aggregate price (calculated based upon the Market Price of the Registrable Securities on the date of filing of the Form S-3 with respect to such Registrable Securities) to the public of less than $5,000,000.

(d) Expenses. The Company shall bear all Registration Expenses in connection with any S-3 Registration pursuant to this Section 5, whether or not such S-3 Registration become effective.

(e) No Demand Registration. No registration requested by any Designated Holder pursuant to this Section 5 shall be deemed a Demand Registration pursuant to Section 3.

6. Holdback Agreements.

(a) Restrictions on Public Sale by Designated Holders. Any Designated Holder selling Registrable Securities pursuant to a Registration Statement under Sections 3, 4 or 5 of this Agreement, to the extent (i) requested (A) by the Company, the Initiating Holders or the S-3 Initiating Holders, as the case may be, in the case of a non-underwritten public offering and (B) by the Approved Underwriter or the Company Underwriter, as the case may be, in the case of an underwritten public offering and (ii) all of the Company's executive officers, directors and holders in excess of one percent (1%) of its outstanding capital stock execute agreements identical to those referred to in this Section 6(a), agrees (x) not to effect any public sale or distribution of any Registrable Securities or of any securities convertible into or exchangeable or exercisable for such Registrable Securities, including a sale pursuant to Rule 144 under the Securities Act, or offer to sell, contract to sell (including without limitation any short sale), grant any option to purchase or enter into any hedging or similar transaction with the same economic effect as a sale any Registrable Securities and (y) not to make any request for a Demand Registration or S-3 Registration under this Agreement, during the period beginning on the fifteenth (15th) day prior to the expected effective date (as determined by the Company, which shall notify the Designated Holders of such date in writing) of such Registration Statement and ending on the ninetieth (90th) day following the actual effective date of such Registration Statement, or such shorter period, if any, mutually agreed upon by such Designated Holder and the requesting party (except as part of such registration). No Designated Holder of Registrable Securities subject to the foregoing restrictions shall be released from any obligation under any agreement, arrangement or understanding entered into pursuant to this Section 6(a) unless all other Designated Holders of Registrable Securities subject to the same obligation are also released. Further, to the extent that any Designated Holder is subject to any trading restriction policy, or other similar policy, adopted by the Board of Directors, such Designated Holder shall comply with the applicable restrictions of such policy.

(b) Restrictions on Public Sale by the Company. The Company agrees not to effect any public sale or distribution of any of its securities, or any securities convertible into or exchangeable or exercisable for such securities (except pursuant to registrations on Form S-4 or S-8 or any successor thereto), during the period beginning on the fifteenth (15th) day prior to the expected effective date (as determined by the Company) of any Registration Statement in which the Designated Holders of Registrable Securities are participating and ending on the earlier of (i) the date on which all Registrable Securities registered on such Registration Statement are sold and

(ii) 90 days after the actual effective date of such Registration Statement (except as part of such registration).

7. Registration Procedures.

(a) Obligations of the Company. Whenever registration of Registrable Securities has been requested pursuant to Section 3, Section 4 or Section 5 of this Agreement, the Company shall use its commercially reasonable efforts to effect the registration and sale of such Registrable Securities in accordance with the intended method of distribution thereof as quickly as practicable, and in connection with any such request, the Company shall, as expeditiously as possible:

(i) prepare and file with the Commission (as promptly as practicable, but in any event not later than sixty (60) days after receipt of a request to file a Registration Statement with respect to Registrable Securities) a Registration Statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of such Registrable Securities in accordance with the intended method of distribution thereof, and cause such Registration Statement to become effective; provided, however, that (x) before filing a Registration Statement or prospectus or any amendments or supplements thereto, the Company shall provide counsel selected by the Designated Holders holding a majority of the Registrable Securities being registered in such registration ("Holders' Counsel") and any other Inspector (as hereinafter defined) with an opportunity to review and comment on such Registration Statement and each prospectus included therein (and each amendment or supplement thereto) to be filed with the Commission, subject to such documents being under the Company's control, and (y) the Company shall notify the Holders' Counsel and each seller of Registrable Securities of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered;

(ii) prepare and file with the Commission such amendments and supplements to such Registration Statement and the prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for the lesser of (x) 120 days (except in the case of a registration filed pursuant to Rule 415 of the Securities Act or any successor rule or regulation) and (y) such shorter period which will terminate when all Registrable Securities covered by such Registration Statement have been sold, and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement;

(iii) furnish to each seller of Registrable Securities such number of copies of such Registration Statement, each amendment and supplement thereto (in each case including all exhibits thereto), and the prospectus included in such Registration Statement (including each preliminary prospectus) and any prospectus filed under Rule 424 under the Securities Act as each such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(iv) register or qualify such Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as any seller of Registrable Securities may reasonably request, and to continue such qualification in effect in such jurisdiction for as long as permissible pursuant to the laws of such jurisdiction, or for as long as any such seller requests or until all of such Registrable Securities are sold, whichever is shortest, and do any and all other acts and things which may be reasonably necessary or advisable to enable any such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller; provided, however, that the Company shall not be required to (x) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 7(a)(iv), (y) subject itself to taxation in any such jurisdiction or (z) consent to general service of process in any such jurisdiction;

(v) notify each seller of Registrable Securities at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such Registration Statement contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and the Company shall promptly prepare a supplement or amendment to such prospectus and furnish to each seller of Registrable Securities a reasonable number of copies of such supplement to or an amendment of such prospectus as may be necessary so that, after delivery to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vi) enter into and perform customary agreements (including an underwriting agreement in customary form with the Approved Underwriter or Company Underwriter, if any, selected as provided in Section 3, Section 4 or Section 5, as the case may be) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities, including causing its officers to participate in "road shows" and other information meetings organized by the Approved Underwriter or Company Underwriter;

(vii) make available at reasonable times for inspection by any seller of Registrable Securities, any managing underwriter participating in any disposition of such Registrable Securities pursuant to a Registration Statement, Holders' Counsel and any attorney or accountant retained by any such seller or any managing underwriter (each, an "Inspector" and collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's and its subsidiaries' officers, directors and employees, and the independent public accountants of the Company, to supply all information reasonably requested by any such Inspector in connection with such Registration Statement. Records that the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall

not be disclosed by the Inspectors (and the Inspectors shall confirm their agreement in writing in advance to the Company if the Company shall so request) unless (x) the disclosure of such Records is necessary, in the Company's judgment, to avoid or correct a misstatement or omission in the Registration Statement, (y) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction after exhaustion of all appeals therefrom or (z) the information in such Records was known to the Inspectors on a non-confidential basis prior to its disclosure by the Company or has been made generally available to the public. Each seller of Registrable Securities agrees that it shall, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential;

(viii) if such sale is pursuant to an underwritten offering, obtain a "cold comfort" letters dated the effective date of the Registration Statement and the date of the closing under the underwriting agreement from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by "cold comfort" letters as the managing underwriter reasonably requests;

(ix) furnish, at the request of any seller of Registrable Securities on the date such securities are delivered to the underwriters for sale pursuant to such registration or, if such securities are not being sold through underwriters, on the date the Registration Statement with respect to such securities becomes effective, an opinion, dated such date, of counsel representing the Company for the purposes of such registration, addressed to the underwriters, if any, and to the seller making such request, covering such legal matters with respect to the registration in respect of which such opinion is being given as the underwriters, if any, and such seller may reasonably request and are customarily included in such opinions;

(x) comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable but no later than fifteen (15) months after the effective date of the Registration Statement, an earnings statement covering a period of twelve (12) months beginning after the effective date of the Registration Statement, in a manner which satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(xi) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed, provided that the applicable listing requirements are satisfied;

(xii) cooperate with each seller of Registrable Securities and each underwriter participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the NASD;

(xiii) use its commercially reasonable efforts to cause the Registrable Securities covered by such Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be reasonably necessary by virtue of the business and operations of the Company to enable the seller or sellers of Registrable Securities to consummate the disposition of such Registrable Securities;

(xiv) keep each seller of Registrable Securities advised as to all material developments of any registration under Sections 3, 4 or 5 hereunder;

(xv) provide officers' certificates and other customary closing documents; and

(xvi) take all other steps reasonably necessary to effect the registration of the Registrable Securities contemplated hereby and reasonably cooperate with the holders of such Registrable Securities to facilitate the disposition of such Registrable Securities pursuant thereto.

(b) Seller Information. The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish, and such seller shall furnish, to the Company such information required to be included in such Registration Statement by applicable securities laws or otherwise necessary or desirable in connection with the disposition of such Registrable Securities as the Company may from time to time reasonably request in writing. If any seller of Registrable Securities fails to provide such information required to be included in such Registration Statement by applicable securities laws or otherwise necessary or desirable in connection with the disposition of such Registrable Securities in a timely manner after written request therefor, the Company may exclude such seller's Registrable Securities from a registration under Sections 3, 4 or 5 hereof.

(c) Notice to Discontinue. Each Designated Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 7(a)(v), such Designated Holder shall forthwith discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until such Designated Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 7(a)(v) and, if so directed by the Company, such Designated Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Designated Holder's possession, of the prospectus covering such Registrable Securities which is current at the time of receipt of such notice. If the Company shall give any such notice, the Company shall extend the period during which such Registration Statement shall be maintained effective pursuant to this Agreement (including, without limitation, the period referred to in Section 7(a)(ii)) by the number of days during the period from and including the date of the giving of such notice pursuant to Section 7(a)(v) to and including the date when sellers of such Registrable Securities under such Registration Statement shall have received the copies of the supplemented or amended prospectus contemplated by and meeting the requirements of Section 7(a)(v).

(d) Registration Expenses. The Company shall pay all expenses arising from or incident to its performance of, or compliance with, this Agreement, including, without limitation, (i) Commission, stock exchange and NASD registration and filing fees, (ii) all fees and expenses incurred in complying with securities or "blue sky" laws (including reasonable fees, charges and disbursements of counsel to any underwriter incurred in connection with "blue sky" qualifications of the Registrable Securities as may be set forth in any underwriting agreement), (iii) all printing, messenger and delivery expenses and (iv) the fees, charges and expenses of counsel to the Company and of its independent public accountants and any other accounting fees, charges and expenses incurred by the Company (including, without limitation, any expenses arising from any "cold comfort" letters or any special audits incident to or required by any registration or qualification), regardless of whether such Registration Statement is declared effective. All of the expenses described in the preceding sentence of this Section 7(d) are referred to herein as "Registration Expenses." The Designated Holders of Registrable Securities sold pursuant to a Registration Statement shall bear the expense of any broker's commission or underwriter's discount or commission relating to registration and sale of such Designated Holders' Registrable Securities and shall bear the fees and expenses of their own counsel.

8. Indemnification; Contribution.

(a) Indemnification by the Company. The Company agrees to indemnify and hold harmless each Designated Holder, its partners, directors, officers, affiliates, members, employees and each Person who controls (within the meaning of Section 15 of the Securities Act) such Designated Holder from and against any and all losses, claims, damages, liabilities and expenses (including, but not limited to, reasonable costs and expenses of legal counsel or otherwise arising from any investigation, action or proceeding, whether commenced or threatened, in respect to any of the foregoing) (each, a "Liability" and collectively, "Liabilities"), arising out of or based upon any untrue, or allegedly untrue, statement of a material fact contained in any Registration Statement, prospectus or preliminary prospectus or notification or offering circular (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading under the circumstances such statements were made, except insofar as such Liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission contained in such Registration Statement, preliminary prospectus or final prospectus in reliance and in conformity with information concerning such Designated Holder furnished in writing to the Company by such Designated Holder expressly for use therein, including, without limitation, the information furnished to the Company pursuant to Section 8(b). The Company shall also provide customary indemnities to any underwriters of the Registrable Securities, their officers, directors and employees and each Person who controls such underwriters (within the meaning of Section 15 of the Securities Act) to the same extent as provided above with respect to the indemnification of the Designated Holders of Registrable Securities.

(b) Indemnification by Designated Holders. In connection with any Registration Statement in which a Designated Holder is participating pursuant to Section 3, Section 4 or Section 5 hereof, each such Designated Holder shall promptly furnish to the Company in writing such information with respect to such Designated Holder as the Company may reasonably request or as may be required by law for use in connection with any such Registration Statement or prospectus and all information required to be disclosed in order to make the information previously furnished to the Company by such Designated Holder not materially misleading or necessary to cause such Registration Statement not to omit a material fact with respect to such Designated Holder necessary in order to make the statements therein not misleading. Each Designated Holder agrees severally to indemnify and hold harmless the Company, the other Designated Holders who participate in the Registration Statement, any underwriter retained by the Company and each Person who controls the Company, the other Designated Holders who participate in the Registration Statement or such underwriter (within the meaning of Section 15 of the Securities Act) to the same extent as the foregoing indemnity from the Company to the Designated Holders (including indemnification of their respective partners, directors, officers, members and employees), but only to the extent that Liabilities arise out of or are based upon a statement or alleged statement or an omission or alleged omission that was made in reliance upon and in conformity with information with respect to such Designated Holder furnished in writing to the Company by such Designated Holder expressly for use in such Registration Statement or prospectus, including, without limitation, the information furnished to the Company pursuant to this Section 8(b); provided, however, that the total amount to be indemnified by such Designated Holder pursuant to this Section 8(b) shall be limited to the net proceeds received by such Designated Holder in the offering to which the Registration Statement or prospectus relates.

(c) Conduct of Indemnification Proceedings. Any Person entitled to indemnification or contribution hereunder (the "Indemnified Party") agrees to give prompt written notice to the indemnifying party (the "Indemnifying Party") after the receipt by the Indemnified Party of any written notice of the commencement of any action, suit, proceeding or investigation or threat thereof made in writing for which the Indemnified Party intends to claim indemnification or contribution pursuant to this Agreement; provided, however, that the failure so to notify the Indemnifying Party shall not relieve the Indemnifying Party of any Liability that it may have to the Indemnified Party hereunder (except to the extent that the Indemnifying Party is materially prejudiced or otherwise forfeits substantive rights or defenses by reason of such failure). If notice of commencement of any such action is given to the Indemnifying Party as above provided, the Indemnifying Party shall be entitled to participate in and, to the extent it may wish, jointly with any other Indemnifying Party similarly notified, to assume the defense of such action at its own expense, with counsel chosen by it and reasonably satisfactory to such Indemnified Party. Each Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be paid by the Indemnified Party unless (i) the Indemnifying Party agrees to pay the same, (ii) the Indemnifying Party fails to assume the defense of such action with counsel reasonably satisfactory to the Indemnified Party or (iii) the named parties to any such action (including any impleaded parties) include

both the Indemnifying Party and the Indemnified Party and such parties have been advised by such counsel that either (x) representation of such Indemnified Party and the Indemnifying Party by the same counsel would be inappropriate under applicable standards of professional conduct or (y) there may be one or more legal defenses available to the Indemnified Party which are different from or additional to those available to the Indemnifying Party. In any of such cases, the Indemnifying Party shall not have the right to assume the defense of such action on behalf of such Indemnified Party, it being understood, however, that the Indemnifying Party shall not be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all Indemnified Parties and all such expenses shall be reimbursed as incurred. No Indemnifying Party shall be liable for any settlement entered into without its written consent, which consent shall not be unreasonably withheld. No Indemnifying Party shall, without the consent of such Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which such Indemnified Party is a party and indemnity has been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability for claims that are the subject matter of such proceeding. Notwithstanding the foregoing, if at any time an Indemnified Party shall have requested the Indemnifying Party to reimburse the Indemnified Party for fees and expenses of counsel as contemplated by this Section 8, the Indemnifying Party agrees that it shall be liable for any settlement of any proceeding effected without the Indemnifying Party's written consent if (i) such settlement is entered into more than thirty (30) business days after receipt by the Indemnifying Party of the aforesaid request and (ii) the Indemnifying Party shall not have reimbursed the Indemnified Party in accordance with such request or contested the reasonableness of such fees and expenses prior to the date of such settlement.

(d) Contribution. If the indemnification provided for in this Section 8 from the Indemnifying Party is unavailable to an Indemnified Party hereunder or insufficient to hold harmless an Indemnified Party in respect of any Liabilities referred to herein, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions which resulted in such Liabilities, as well as any other relevant equitable considerations. The relative faults of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the Liabilities referred to above shall be deemed to include, subject to the limitations set forth in Sections 8(a), 8(b) and 8(c), any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding; provided that the total amount to be contributed by any Designated Holder shall be limited to the net proceeds received by such Designated Holder in the offering.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

9. Rule 144. The Company covenants that from and after the IPO Effectiveness Date it shall (a) file any reports required to be filed by it under the Exchange Act and (b) take such further action as each Designated Holder may reasonably request (including providing any information necessary to comply with Rule 144 under the Securities Act), all to the extent required from time to time to enable such Designated Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such rule may be amended from time to time, or Regulation S under the Securities Act or (ii) any similar rules or regulations hereafter adopted by the Commission. The Company shall, upon the request of any Designated Holder, deliver to such Designated Holder a written statement as to whether it has complied with such requirements.

10. Miscellaneous.

(a) Recapitalizations, Exchanges, etc. The provisions of this Agreement shall apply to the full extent set forth herein with respect to (i) the shares of Common Stock, (ii) any and all shares of voting common stock of the Company into which the shares of Common Stock are converted, exchanged or substituted in any recapitalization or other capital reorganization by the Company and (iii) any and all equity securities of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in conversion of, in exchange for or in substitution of, the shares of Common Stock and shall be appropriately adjusted for any stock dividends, splits, reverse splits, combinations, recapitalizations and the like occurring after the date hereof. The Company shall cause any successor or assign (whether by merger, consolidation, sale of assets or otherwise) to enter into a new registration rights agreement with the Designated Holders on terms substantially the same as this Agreement as a condition of any such transaction.

(b) No Inconsistent Agreements. The Company hereby represents and warrants that it has not previously entered into any agreement granting registration rights to any Person with respect to any securities of the Company except as set forth in the Rights Agreement and the Stockholders Agreement. The Company shall not enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Designated Holders in this Agreement or grant any additional registration rights to any Person or with respect to any securities that are not Registrable Securities that provides for the priority in registration of such securities over the Registrable Securities held by the Designated Holders or which rights are otherwise inconsistent with the rights granted in this Agreement.

(c) Remedies. The Designated Holders, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of their rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive in any action for specific performance the defense that a remedy at law would be adequate.

(d) Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless consented to in writing by the Company and Designated Holders holding more than 50% of the Registrable Securities; provided, however, that (i) no amendment, modification, supplement, waiver or consent to depart from the provisions hereof shall be effective if such amendment, modification, supplement, waiver or consent to depart from the provisions hereof materially and adversely affects the substantive rights or obligations of one Designated Holder, or group of Designated Holders, without a similar and proportionate effect on the substantive rights or obligations of all Designated Holders, unless each such disproportionately affected Designated Holder consents in writing thereto; (ii) any amendment with respect to Sections 6(a), 10(d) or 10(f) hereof shall require the written consent of each Designated Holder; (iii) to the extent that it in any way affects the Demand Registration rights of BancAmerica, any amendment to Section 3(a) shall require the written consent of BancAmerica; and (iv) to the extent that it in any way affects the Incidental Registration rights of the Francis Stockholders, any amendment to Section 3(b) (but not including an amendment, waiver or consent to any other provision of Section 3 that may affect the rights provided in Section 3(b)) and the first and second sentence of Section 4(a) shall require the written consent of the Francis Stockholders.

(e) Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be made by registered or certified first-class mail, return receipt requested, telecopier, courier service or personal delivery:

(i) if to the Company:

AMN Healthcare Services, Inc.
12235 El Camino Real, Suite 200
San Diego, CA 92130
Telecopy: (877) 282-0384
Attention: Susan R. Nowakowski

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, NY 10019-6064
Telecopy: (212) 757-3990
Attention: John C. Kennedy, Esq.

(ii) if to the HWP Stockholders:

c/o Haas Wheat & Partners, L.P.
300 Crescent Court
Suite 1700
Dallas, TX 75201
Telecopy: (214) 871-8317
Attention: Douglas D. Wheat

(iii) if to BancAmerica:

BancAmerica Capital Investors SBIC I, L.P.
Bank of America Corporate Center
100 North Tryon Street, 25th Floor
Charlotte, NC 28255
Telecopy: (704) 386-6432
Attention: Walker L. Poole

with a copy to:

Kennedy Covington Lobdell & Hickman, L.L.P.
100 North Tryon Street
Suite 4200
Charlotte, NC 28202
Telecopy: (704) 331-7598
Attention: Henry W. Flint, Esq.

(iv) if to the Francis Stockholders:

[ ]
Telecopy: [ ]
Attention: Steven C. Francis

All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; one (1) Business Day after delivered by courier, if delivered by commercial courier service; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; and one (1) Business Day after receipt is mechanically acknowledged, if telecopied. Any party may by notice given in accordance with this Section 10(e) designate another address or Person for receipt of notices hereunder.

(f) Successors and Assigns; Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto as hereinafter provided. The Demand Registration rights, incidental registration rights and the S-3 Registration rights and the other rights of the HWP Stockholders hereunder may be (i) with respect to any Registrable Security that is transferred to an Affiliate of the HWP Stockholders (or if any of the HWP Stockholders is a partnership, limited liability company or corporation, to any such partner, member or stockholder thereof), transferred to such Affiliate (or such partner, member or

stockholder) and (ii) with respect to any Registrable Security that is transferred in all cases to a non-Affiliate of the HWP Stockholders, transferred only if the transferee receives in one transaction or series of related transactions Registrable Securities representing at least five percent (5%) of the Common Stock outstanding on the date of such transaction (or the first transaction in a series of transactions). The Demand Registration rights and incidental registration rights and the other rights of BancAmerica hereunder may be (i) with respect to any Registrable Security that is transferred to an Affiliate of BancAmerica (or if BancAmerica is a partnership, limited liability company or corporation, to any such partner, member or stockholder thereof), transferred to such Affiliate (or such partner, member or stockholder) and (ii) with respect to any Registrable Security that is transferred in all cases to a non-Affiliate of BancAmerica, transferred only if the transferee receives in one transaction or series of related transactions Registrable Securities representing at least five percent (5%) of the Common Stock outstanding on the date of such transaction (or the first transaction in a series of transactions). The incidental or "piggy-back" registration rights of the Francis Stockholders contained in Sections 3, 4 and 5 hereof and the other rights of the Francis Stockholders hereunder may be (i) with respect to any Registrable Security that is transferred to the estate of Francis or an Affiliate of the Francis Stockholders (or if any of the Francis Stockholders is a partnership, limited liability company or corporation, to any such partner, member or stockholder thereof), transferred to such estate or Affiliate (or such partner, member or stockholder) and (ii) with respect to any Registrable Security that is transferred in all cases to a non-Affiliate of the Francis Stockholder, transferred only if the transferee receives in one transaction or series of related transactions Registrable Securities representing at least five percent (5%) of the Common Stock outstanding on the date of such transaction (or the first transaction in a series of transactions). All of the obligations of the Company hereunder shall survive any such transfer. Except as provided in Section 8, no Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF.

(j) Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of

any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired.

(k) Rules of Construction. Unless the context otherwise requires, references to sections or subsections refer to sections or subsections of this Agreement.

(l) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties or undertakings, other than those set forth or referred to herein. This Agreement supersedes all prior agreements and understandings among the parties with respect to such subject matter. This Agreement supersedes and replaces the Rights Agreement, dated as of November 19, 1999, among the Company, the HWP Stockholders and BancAmerica (the "Rights Agreement") and Section 4 of the Stockholders Agreement, dated as of November 19, 1999, among the Company, the HWP Stockholders and the Francis Stockholders (the "Stockholders Agreement"). The Rights Agreement and Section 4 of the Stockholders Agreement are hereby terminated and have no further force and effect.

(m) Further Assurances. Each of the parties shall execute such documents and perform such further acts as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

(n) Other Agreements. Nothing contained in this Agreement shall be deemed to be a waiver of, or release from, any obligations any party hereto may have under, or any restrictions on the transfer of Registrable Securities or other securities of the Company imposed by, any other agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Registration Rights Agreement on the date first written above.

AMN HEALTHCARE SERVICES, INC.

By: _____
Name:
Title:

HWH CAPITAL PARTNERS, L.P.

By: HWH, L.P., its General Partner

By: HWH Incorporated, its General Partner

By: _____
Name: Douglas D. Wheat
Title: President

HWH NIGHTINGALE PARTNERS, L.P.

By: HWH NIGHTINGALE, L.P.,
its General Partner

By: HWH NIGHTINGALE, L.L.C., its General Partner

By: _____
Name: Douglas D. Wheat
Title: Managing Member

HWP CAPITAL PARTNERS II, L.P.

By: HWP II, L.P., its General Partner

By: HWP II, LLC, its General Partner

By: _____
Name: Douglas D. Wheat
Title: Managing Member

HWP NIGHTINGALE PARTNERS II, L.P.

By: HWP Nightingale II, L.P., its General Partner

By: HWP Nightingale II, LLC., its General Partner

By: _____
Name: Douglas D. Wheat
Title: Managing Member

BANCAMERICA CAPITAL INVESTORS
SBIC I, L.P.

By: BANCAMERICA CAPITAL
MANAGEMENT SBIC I, LLC, its General Partner

By: BancAmerica Capital Management I L.P., its
sole member

By: BACM I GP, LLC, its General Partner

By: _____
Name:
Title:

_____
Steven Francis, as Trustee of the Francis
Family Trust dated May 24, 1996

_____
Gayle Francis, as Trustee of the Francis
Family Trust dated May 24, 1996

_____
Steven Francis

Final/Executed

Exhibit 10.5

AMN HOLDINGS, INC.
1999 PERFORMANCE STOCK OPTION PLAN

TABLE OF CONTENTS

AMN HOLDINGS, INC.
1999 PERFORMANCE STOCK OPTION PLAN

SECTION 1. Purpose.

The purpose of this Plan is to promote the interests of AMN Holdings, Inc. (the "Company") and its Affiliates, by (a) attracting, motivating and retaining executive personnel of outstanding ability; (b) focusing the attention of executive management on achievement of sustained long term results; (c) fostering management's attention on overall corporate performance and thereby promoting cooperation and teamwork among management of the operating units; and (d) providing executives with a direct economic interest in the attainment of demanding long term business objectives.

SECTION 2. Administration.

2.1 The Plan shall be administered by a committee (the "Committee") appointed by the Board of Directors of the Company (the "Board"), which Committee shall consist of two or more directors. The directors appointed to serve on the Committee shall be "non-employee directors" (within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (the "Act") and "outside directors" (within the meaning of section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code")) to the extent Rule 16b-3 and Code section 162(m), respectively, are applicable; however, the mere fact that a Committee member shall fail to qualify under either of the foregoing requirements shall not invalidate any award made by the Committee which award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of, the Board.

2.2 The Committee shall have the authority (a) to exercise all of the powers granted to it under the Plan, (b) to construe, interpret and implement the Plan and any Stock Option Agreements executed pursuant to the Plan, (c) to prescribe, amend and rescind rules relating to the Plan, (d) to make any determination necessary or advisable in administering the Plan, (e) to correct any defect, supply any omission and reconcile any inconsistency in the Plan, (f) to determine performance targets and make adjustments thereto as it deems appropriate in order to reflect acquisitions, divestitures and other corporate transactions occurring during a Fiscal Year (after consultation with the Company's Chief Executive Officer), (g) to determine and adjust allocations of future option grants as it deems appropriate in general (after consultation with the Company's Chief Executive Officer), (h) to determine the terms and conditions of any options and (i) generally, to make any and all adjustments it deems appropriate to reflect the intent and purposes of the Plan.

2.3 The determination of the Committee on all matters relating to the Plan or any Stock Option Agreement shall be conclusive.

2.4 No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted hereunder.

2.5 Notwithstanding anything to the contrary contained herein: (a) until the Board shall appoint the members of the Committee, the Plan shall be administered by the Board, and (b) the Board may, in its sole discretion, at any time and from time to time, resolve to administer the Plan. In either of the foregoing events, the term Committee as used herein shall mean the Board.

2.6 Notwithstanding the foregoing or any other provision of this Plan, (i) the Board may at any time or from time to time resolve to administer the Plan and, in such case, references herein to the Committee shall mean the Board when so acting as the Committee, and (ii) when the Committee is acting and not the Board, all of the Committee's decisions under this Plan will be subject to approval by the Board.

SECTION 3. Eligibility.

Options under the Plan may be granted to such members of senior management (including employees, officers and directors) of the Company and its Affiliates ("Eligible Employees") as the Committee shall from time to time in its sole discretion select. The Committee may, but shall not be required to, consult with such executives of the Company and its Affiliates as it deems appropriate prior to making such grants, provided, that the Committee shall consult with the Company's Chief Executive Officer prior to making any such grants.

SECTION 4. Shares of Stock Subject to the Plan.

4.1 Reserved Shares. Subject to Section 11 (relating to adjustments upon changes in capitalization), the aggregate number of shares of Stock (as defined in Section 6) that may be acquired under the Plan by all Eligible Employees pursuant to options granted hereunder shall not exceed 85,565.9 shares of Stock. Shares of Stock covered by options granted under the Plan, which options expire, terminate or are canceled for any reason (other than an option, or part thereof, that is canceled by the Committee and for which cash is paid in respect thereof or an option which has expired because performance goals were not met) shall again become available for award under the Plan.

4.2 Type of Shares. Shares of Stock that shall be subject to issuance pursuant to the Plan shall be authorized and unissued shares or treasury shares.

4.3 Initial Grants. Of the total number of shares of Stock reserved for issuance under this Plan, 50% of the initial grants shall be granted to the Chief Executive Officer, and 40% shall be granted to other existing senior managers. The remaining 10% of the shares of Stock shall be held in reserve for additional incentives for other existing senior managers and new hires, to be granted over a two-to-three year period, in the discretion of the Board, after prior consultation with the Chief Executive Officer.

SECTION 5. Stock Options.

5.1 Grant and Type of Stock Options.

(a) General. Subject to the terms of the Plan, the Committee may grant options to purchase shares of Stock in such amounts and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine, provided, that the Committee shall consult with the Company's Chief Executive Officer prior to making any such grants.

(b) Types of Options Under Plan.

(i) Options granted under the Plan may be either (A) "nonqualified" stock options, or (B) options intended to qualify for incentive stock option treatment described in section 422 of the Code; provided, however, that incentive stock options may only be granted to employees of the Company or its "Parent Corporation" or "Subsidiary Corporation" in accordance with Code section 424.

(ii) All options when granted are intended to be nonqualified stock options, unless the applicable Stock Option Agreement explicitly states that the option is intended to be an incentive stock option. If an option is intended to be an incentive stock option, and if for any reason such option (or any portion thereof) shall not qualify as an incentive stock option, then, to the extent of such nonqualification, such option (or portion) shall be regarded as a nonqualified stock option appropriately granted under the Plan, provided that such option (or portion) otherwise meets the Plan's requirements relating to nonqualified stock options.

5.2 Agreements Evidencing Options.

(a) General. Options granted under the Plan shall be evidenced by written agreements, which shall (i) contain such provisions not inconsistent with the terms of the Plan as the Committee may in its sole discretion deem necessary or desirable and (ii) be referred to herein as "Stock Option Agreements." If the grantee is party to an employment or consulting agreement the terms of which relate to stock options and which are inconsistent with the terms of any such Stock Option Agreement, the terms of such Stock Option Agreement shall govern.

(b) Certain Terms. Each Stock Option Agreement shall set forth the number of shares of Stock subject to the option granted thereby and the amount (the "option exercise price") payable by the grantee to the Company in connection with the exercise of the option evidenced thereby. Subject to Section 5.6 hereof, the exercise price per share shall be the Initial Founders' Price, in the case of options granted at or within 120 days following the closing of the transaction described in the Acquisition Agreement, dated October 1, 1999, by and among the

Company, AMN Healthcare, Inc. ("AMN"), AMN Acquisition Corp., ("Acquisition") and certain other Sellers (the "Acquisition Agreement"), or not less than the Fair Market Value of a share of Stock on the date the option is granted in the case of any subsequent grants made hereunder. Each Stock Option Agreement shall set forth conditions subject to which the option evidenced thereby shall become exercisable.

5.3 Exercisability of Options.

(a) Exercise Provisions. Each option granted hereunder shall become exercisable in accordance with the terms and conditions set forth in the applicable Stock Option Agreement.

(b) Notice of Exercise; Exercise Date.

(i) An option shall be exercisable by the filing of a written notice of exercise with the Company, on such form and in such manner as the Committee shall in its sole discretion prescribe, and by payment in accordance with Section 5.4.

(ii) For purposes of the Plan, the "option exercise date" shall be deemed to be the first business day immediately following the date written notice of exercise is received by the Company.

5.4 Payment of Option Price.

(a) Tender Due Upon Notice of Exercise. Unless the applicable Stock Option Agreement otherwise provides or the Committee in its sole discretion otherwise determines, (i) any written notice of exercise of an option shall be accompanied by payment of the full purchase price for the shares being purchased and (ii) the grantee shall have no right to receive shares of Stock with respect to an option exercise prior to the option exercise date.

(b) Manner of Payment. Payment of the option exercise price shall be made in any combination of the following:

(i) by certified or official bank check payable to the Company (or the equivalent thereof acceptable to the Committee);

(ii) with the consent of the Committee in its sole discretion, by personal check (subject to collection); and

(iii) if and to the extent provided in the applicable Stock Option Agreement or otherwise permitted by the Committee, by delivery of previously acquired shares of Stock owned by the grantee for at least six months having a Fair Market Value (determined as of the option exercise date) equal to the portion of the option exercise price being paid thereby, provided

that the Committee may require the grantee to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Act and does not require any Consent (as defined in Section 8.2).

(c) Issuance of Shares. As soon as practicable (but in no event more than five business days) after receipt of full payment, the Company shall, subject to the provisions of Section 8, deliver to the grantee one or more certificates for the shares of Stock so purchased, which certificates may bear such legends as the Company may deem appropriate concerning restrictions on the disposition of the shares in accordance with applicable securities laws, rules and regulations or otherwise.

5.5 Termination of Employment.

(a) General Rule. Unless otherwise provided in the applicable Stock Option Agreement, all options granted to a grantee shall terminate and no longer be exercisable upon such grantee's termination of employment for any reason, except to the extent post-employment exercise of the exercisable portion of an option is permitted in accordance with this Section 5.5.

(b) Death and Disability. Unless otherwise provided in the applicable Stock Option Agreement, if a grantee's employment with the Company and its subsidiaries terminates by reason of death or Disability (as defined in a grantee's employment agreement, if applicable, or if not applicable, as defined in section 22(e)(3) of the Code), the portion, if any, of options granted to such grantee which were exercisable immediately prior to such termination of employment may be exercised by such grantee or, as the case may be, by such grantee's court-appointed legal representative or, in the case of the grantee's death, by the person or persons to whom such options pass under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (i) one year after the grantee's termination by reason of death or Disability, and (ii) the date on which such options terminate or expire in accordance with the other provisions of the Plan and the Stock Option Agreement.

(c) Regular Termination; Leaves of Absence. Unless otherwise provided in the applicable Stock Option Agreement, if the grantee's employment terminates for reasons other than as provided in Section 5.5(b), the portion, if any, of options granted to such grantee which were exercisable immediately prior to such termination of employment may be exercised by such grantee until the earlier of (i) 90 days after the grantee's date of termination, and (ii) the date on which such options terminate or expire in accordance with the other provisions of the Plan and the Stock Option Agreement. The Committee may in its discretion determine (x) whether any leave of absence (including short-term or long-term disability or medical leave) shall constitute a termination of employment for purposes of the Plan and (y) the impact, if any, of any such leave on outstanding options under the Plan.

5.6 Special ISO Requirements.

(a) Term. No incentive stock option may have a term in excess of ten years.

(b) 10% Owner. If an option granted under the Plan is intended to be an incentive stock option and if the grantee, at the time of grant, owns stock possessing 10% or more of the total combined voting power of all classes of stock of the grantee's employer corporation or of its parent or subsidiary corporation, then (a) the option exercise price per share shall in no event be less than 110% of the Fair Market Value of the Stock on the date of such grant and (b) such option shall not be exercisable after the expiration of five years after the date such option is granted.

SECTION 6. Certain Definitions.

6.1 "Affiliate" shall mean, any person or entity which, at the time of reference, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Company.

6.2 "Change of Control" shall mean the occurrence of any of the following events: (a) any "person," (other than HWH Capital Partners, L.P. or any of its Affiliates) as "person" is currently used in Section 13(d) of the Securities Exchange Act of 1934 (the "1934 Act"), becomes a "beneficial owner," as such term is currently used in Rule 13d-3 promulgated under the 1934 Act, of more than 50% of the voting securities of the Company; (b) a majority of the Board consists of individuals other than the Incumbent Directors, which term means the members of the Board on the Closing Date; provided that any individual becoming a director subsequent to such date whose election or nomination for election was supported by (i) two-thirds of the directors who then comprised the Incumbent Directors or (ii) HWH Capital Partners, L.P. or any of its Affiliates, shall be considered to be an Incumbent Director; (c) all or substantially all of the assets or business of the Company is disposed of pursuant to a merger, consolidation or other transaction or series of transactions (unless the shareholders of the Company immediately prior to such merger, consolidation or other transaction or series of transactions beneficially own, directly or indirectly, in substantially the same proportion as they owned the Voting Stock of the Company, more than 50% of the voting securities or other ownership interests of the entity or entities, if any, that succeed to the business of the Company); or (d) the Company combines with another company and is the surviving corporation but, immediately after the combination, the shareholders of the Company immediately prior to the combination hold, directly or indirectly, less than 50% of the voting securities of the combined company.

6.3 "EBITDA" shall mean the Company's operating income before income taxes, interest expense and amortization and depreciation expense, all determined in accordance with generally accepted accounting principles, adjusted to exclude the impact of all items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the

disposal of a segment of a business or related to a change in accounting principles, all as determined in accordance with standards established by Opinion No. 30 of the Accounting Principles Board but shall not include any transaction fees or annual monitoring fees paid to Haas Wheat & Partners, L.P. or any Affiliates thereof.

6.4 "Effective Date" shall mean that date as determined in Section 20.1.

6.5 "Fair Market Value" shall mean as of any date in respect of any share of Stock traded on a national securities exchange, the closing price of a share of Stock as reported on the exchange on which such shares primarily trade on such date. If Stock is not traded on a national exchange on such date, Fair Market Value shall be determined by the Committee in its sole discretion.

6.6 "Fiscal Year" shall mean the one-year period ending on each December 31st.

6.7 "Initial Founders' Price" shall mean $163.9743 per share of Stock, which the Committee has determined represents the Fair Market Value of the Stock on the Effective Date.

6.8 "Plan" shall mean the AMN Holdings, Inc. 1999 Performance Stock Option Plan.

6.9 "Stock" shall mean common stock, par value $.01 per share, of the Company as constituted on the Effective Date and any other shares into which such common stock shall thereafter be changed by reason of a recapitalization, merger, consolidation, split-up, combination, exchange of shares or the like.

6.10 "Stock Option Agreement" shall mean any stock option agreement executed in connection with any options awarded under the terms of this Plan.

SECTION 7. Amendment of the Plan; Modification of Options.

7.1 Plan Amendments. The Board may at any time and from time to time suspend, discontinue or amend the Plan in any respect whatsoever, except that (i) no such amendment or action shall adversely impair any rights under any option theretofore granted under the Plan without obtaining the consent of the grantee of such option and (ii) no such amendment for which shareholder approval would be required under any law (including Code section 162(m) and Rule 16b-3, to the extent applicable) or the rules of any securities exchange or other regulatory organization shall be effective without such shareholder approval.

7.2 Option Modifications. With the consent of the grantee and subject to the terms and conditions of the Plan (including Section 7.1), the Committee may amend outstanding Stock Option Agreements with such grantee, including,

without limitation, any amendment that would (i) accelerate the time or times at which an option may become exercisable and/or (ii) extend the scheduled termination or expiration date of the option.

SECTION 8. Restrictions.

8.1 Consent Requirements. If the Committee shall at any time determine that any Consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of any option under the Plan, the acquisition, issuance or purchase of shares or other rights hereunder or the taking of any other action hereunder (each such action, a "Plan Action"), then such Plan Action shall not be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Committee.

8.2 Consent Defined. The term "Consent" as used herein with respect to any Plan Action means (a) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or other regulatory organization or under any federal, state or local law, rule or regulation, (b) the expiration, elimination or satisfaction of any prohibitions, restrictions or limitations under any federal, state or local law, rule or regulation or the rules of any securities exchange or other regulatory organization, (c) any and all written agreements and representations by the grantee with respect to the disposition of shares, or with respect to any other matter which the Committee shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made, and (d) any and all consents, waivers, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies or any parties to any loan agreements or other contractual obligations of the Company or any of its subsidiaries.

SECTION 9. Nontransferability.

No option granted to any grantee shall be assignable or transferable by the grantee other than by will or by the laws of descent and distribution. During the lifetime of the grantee, all rights with respect to any option granted to the grantee shall be exercisable only by the grantee or the grantee's court-appointed legal representative. Notwithstanding the foregoing, the Committee may provide in an applicable Stock Option Agreement that an option may be transferred for estate planning purposes, to a family trust or family partnership for the benefit of immediate members of the optionee's family.

SECTION 10. Withholding Taxes.

10.1 General. Whenever under the Plan shares of Stock are to be delivered pursuant to an option, the Committee may require as a condition of delivery that the grantee remit an amount sufficient to satisfy all federal, state and other governmental withholding tax requirements related thereto.

10.2 Use of Shares. Subject to the Committee's consent, a grantee may elect to satisfy all or part of the foregoing withholding requirements by delivery of unrestricted shares of Stock owned by the grantee for at least six months (or such other period as the Committee may determine) having a Fair Market Value (determined as of the date of such delivery by the grantee) equal to all or part of the amount to be so withheld, provided that the Committee may require, as a condition of accepting any such delivery, the grantee to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Act or any other federal or state securities laws, rules or regulations.

SECTION 11. Adjustments.

11.1 Upon Changes in Capitalization. To the extent specified by the Committee, the number of shares of Stock that may be issued pursuant to options under the Plan, the number of shares of Stock subject to options, and the exercise price of options theretofore granted under the Plan shall be appropriately adjusted (as the Committee may determine) for any change in the number of issued shares of Stock resulting from the subdivision or combination of shares of Stock or other capital adjustments, or the payment of a stock dividend after the effective date of the Plan, or other change in such shares of Stock effected without receipt of consideration by the Company. Adjustments under this Section 11 shall be made by the Committee, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

11.2 Other. In the event of any acquisition, divestiture or any other corporate transaction of any kind involving the Company or its subsidiaries which the Committee, in its discretion, determines to be of such a kind or nature as to make appropriate an amendment or adjustment to the Plan in order to effectuate the intent and purposes of the Plan, the Committee, in its discretion, may make such amendment or adjustment. Without limiting the generality of the foregoing, the Committee, in its discretion (after consultation with the Company's Chief Executive Officer) may, in connection with any such corporate transaction, adjust the number and kind of shares of Stock subject to outstanding options and the exercise price thereof, the number and kind of shares of Stock available for issuance under the Plan, and any of the performance targets previously established under the Plan or in any Stock Option Agreement, as it deems appropriate to effectuate the intent and purposes of the Plan and any individual Stock Option Agreements.

SECTION 12. Right of Discharge Reserved.

Nothing in the Plan or in any Stock Option Agreement shall confer upon any person the right to continue in the service of the Company or any Affiliate or affect or restrict any right which the Company or any Affiliate may have to terminate the service of such person.

SECTION 13. No Rights as a Shareholder.

No grantee or other person shall have any of the rights of a shareholder of the Company with respect to shares of Stock subject to an option until the issuance of a stock certificate to such grantee for such shares of Stock. Except as otherwise provided in Section 11, no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate is issued.

SECTION 14. Nature of Payments.

14.1 Consideration. All options, shares or payments hereunder shall be granted, issued, delivered or paid, as the case may be, in consideration of services performed for the Company or for its subsidiaries by the grantee.

14.2 Other Plans. No options, shares or payments hereunder shall, unless otherwise determined by the Committee, be taken into account in computing the grantee's salary or compensation for the purposes of determining any benefits under (a) any pension, retirement, life insurance or other benefit plan of the Company or any subsidiary or (b) any agreement between the Company or any subsidiary and the grantee.

14.3 Entire Agreement. Except as expressly set forth in an individual Stock Option Agreement, the Plan contains the entire agreement of the Company and each grantee with respect to options granted hereunder, the terms and conditions of which shall not be modified or altered except as permitted by this Plan or by a written instrument properly executed by both the Company and the grantee.

SECTION 15. Non-Uniform Determinations.

The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, options under the Plan (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Stock Option Agreements, as to (a) the persons to receive options under the Plan, (b) the terms and provisions of options under the Plan and (c) the treatment of leaves of absence pursuant to Section 5.5(c).

SECTION 16. Other Payments or Options.

Nothing contained in the Plan shall be deemed in any way to limit or restrict the Company, any Affiliate or the Committee from making any option, award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect; provided, however, that the Stock Option Agreement may contain (but shall not be required to contain) such provisions as the

Committee deems appropriate to insure that the penalty provisions of Code section 4999 will not apply with respect to any option granted under the Plan.

SECTION 17. Change of Control.

In the event of a Change of Control of the Company after the date of the adoption of this Plan or in the event that the Board shall propose that the Company enter into a transaction which would result in a Change of Control, then the Committee may in its discretion, by written notice to a grantee, provide that such grantee's options will be terminated unless exercised within 30 days (or such longer period as the Committee shall determine in its sole discretion) after the date of such notice. The Committee also may in its discretion by written notice to a grantee provide that the grantee's options shall be fully exercisable as to all or some of the shares of Stock covered thereby or that all or some of the restrictions on any of his options may lapse in the event of a Change of Control upon such terms and conditions as the Committee may determine. Whenever deemed appropriate by the Committee, the actions referred to in this Section 17 may be varied from grantee to grantee or in any particular Stock Option Agreement and may be made conditional upon the consummation of the applicable Change of Control.

SECTION 18. Governing Law.

The Plan shall be governed by the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State.

SECTION 19. Headings.

The Section headings contained herein are for convenience only and are not intended to define or limit the contents of said Sections.

SECTION 20. Effective Date; Term.

20.1 Effective Date. The Plan shall be deemed adopted and become effective upon the approval thereof by the Board or on such other date as the Board shall determine; provided that, notwithstanding any other provision of the Plan, no options shall be granted under the Plan prior to the approval by the express consent of shareholders holding at least a majority of the Company's voting stock voting in person or by proxy at a duly held shareholders' meeting (or by written consent in lieu of meeting), which shall have been received as of the Effective Date.

20.2 Term. The Plan shall terminate ten years after the earlier of the date on which it becomes effective or is approved by shareholders, and no options shall thereafter be granted under the Plan. Notwithstanding the foregoing, all options granted under the Plan prior to such termination date shall remain in effect until such options have been exercised or terminated in accordance with the terms and provisions of the Plan and the applicable Stock Option Agreement.

Final/Executed
Exhibit 10.6

AMN HOLDINGS, INC.
1999 SUPER-PERFORMANCE STOCK OPTION PLAN

TABLE OF CONTENTS

AMN HOLDINGS, INC.
1999 SUPER-PERFORMANCE STOCK OPTION PLAN

SECTION 1. Purpose.

The purpose of this Plan is to promote the interests of AMN Holdings, Inc. (the "Company") and its Affiliates, by (a) attracting, motivating and retaining executive personnel of outstanding ability; (b) focusing the attention of executive management on achievement of sustained long term results; (c) fostering management's attention on overall corporate performance and thereby promoting cooperation and teamwork among management of the operating units; and (d) providing executives with a direct economic interest in the attainment of demanding long term business objectives.

SECTION 2. Administration.

2.1 The Plan shall be administered by a committee (the "Committee") appointed by the Board of Directors of the Company (the "Board"), which Committee shall consist of two or more directors. The directors appointed to serve on the Committee shall be "non-employee directors" (within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (the "Act") and "outside directors" (within the meaning of section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code")) to the extent Rule 16b-3 and Code section 162(m), respectively, are applicable; however, the mere fact that a Committee member shall fail to qualify under either of the foregoing requirements shall not invalidate any award made by the Committee which award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of, the Board.

2.2 The Committee shall have the authority (a) to exercise all of the powers granted to it under the Plan, (b) to construe, interpret and implement the Plan and any Stock Option Agreements executed pursuant to the Plan, (c) to prescribe, amend and rescind rules relating to the Plan, (d) to make any determination necessary or advisable in administering the Plan, (e) to correct any defect, supply any omission and reconcile any inconsistency in the Plan, (f) to determine performance targets and make adjustments thereto as it deems appropriate in order to reflect acquisitions, divestitures and other corporate transactions occurring during a Fiscal Year (after consultation with the Company's Chief Executive Officer), (g) to determine and adjust allocations of future option grants as it deems appropriate in general (after consultation with the Company's Chief Executive Officer), and (h) to determine the terms and conditions of any options and (i) generally, to make any and all adjustments it deems appropriate to reflect the intent and purposes of the Plan.

2.3 The determination of the Committee on all matters relating to the Plan or any Stock Option Agreement shall be conclusive.

2.4 No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted hereunder.

2.5 Notwithstanding anything to the contrary contained herein: (a) until the Board shall appoint the members of the Committee, the Plan shall be administered by the Board, and (b) the Board may, in its sole discretion, at any time and from time to time, resolve to administer the Plan. In either of the foregoing events, the term Committee as used herein shall mean the Board.

2.6 Notwithstanding the foregoing or any other provision of this Plan, (i) the Board may at any time or from time to time resolve to administer the Plan and, in such case, references herein to the Committee shall mean the Board when so acting as the Committee, and (ii) when the Committee is acting and not the Board, all of the Committee's decisions under this Plan will be subject to approval by the Board.

SECTION 3. Eligibility.

Options under the Plan may be granted to such members of senior management (including employees, officers and directors) of the Company and its Affiliates ("Eligible Employees") as the Committee shall from time to time in its sole discretion select. The Committee may, but shall not be required to, consult with such executives of the Company and its Affiliates as it deems appropriate prior to making such grants; provided, that the Committee shall consult with the Company's Chief Executive Officer prior to making any such grants.

SECTION 4. Shares of Stock Subject to the Plan.

4.1 Reserved Shares. Subject to Section 11 (relating to adjustments upon changes in capitalization), the aggregate number of shares of Stock (as defined in Section 6) that may be acquired under the Plan by all Eligible Employees pursuant to options granted hereunder shall not exceed 42,782.9 shares of Stock. Shares of Stock covered by options granted under the Plan, which options expire, terminate or are canceled for any reason (other than an option, or part thereof that is canceled by the Committee and for which cash is paid in respect thereof or an option which has expired because performance goals were not met) shall again become available for award under the Plan.

4.2 Type of Shares. Shares of Stock that shall be subject to issuance pursuant to the Plan shall be authorized and unissued shares or treasury shares.

4.3 Initial Grants. Of the total number of shares of Stock reserved for issuance under this Plan, 50% of the initial grants shall be granted to the Chief Executive Officer, and 40% shall be granted to other existing senior managers. The remaining 10% of the shares of Stock shall be held in reserve for additional incentives for other existing senior managers and new hires, to be granted over a two-to-three year period, in the discretion of the Board, after prior consultation with the Chief Executive Officer.

SECTION 5. Stock Options.

5.1 Grant and Type of Stock Options.

(a) General. Subject to the terms of the Plan, the Committee may grant options to purchase shares of Stock in such amounts and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine; provided, that the Committee shall consult with the Company's Chief Executive Officer prior to making any such grants.

(b) Types of Options Under Plan.

(i) Options granted under the Plan may be either (A) "nonqualified" stock options, or (B) options intended to qualify for incentive stock option treatment described in section 422 of the Code; provided, however, that incentive stock options may only be granted to employees of the Company or its "Parent Corporation" or "Subsidiary Corporation" in accordance with Code section 424.

(ii) All options when granted are intended to be nonqualified stock options, unless the applicable Stock Option Agreement explicitly states that the option is intended to be an incentive stock option. If an option is intended to be an incentive stock option, and if for any reason such option (or any portion thereof) shall not qualify as an incentive stock option, then, to the extent of such nonqualification, such option (or portion) shall be regarded as a nonqualified stock option appropriately granted under the Plan, provided that such option (or portion) otherwise meets the Plan's requirements relating to nonqualified stock options.

5.2 Agreements Evidencing Options.

(a) General. Options granted under the Plan shall be evidenced by written agreements, which shall (i) contain such provisions not inconsistent with the terms of the Plan as the Committee may in its sole discretion deem necessary or desirable and (ii) be referred to herein as "Stock Option Agreements." If the grantee is party to an employment or consulting agreement the terms of which relate to stock options and which are inconsistent with the terms of any such Stock Option Agreement, the terms of such Stock Option Agreement shall govern.

(b) Certain Terms. Each Stock Option Agreement shall set forth the number of shares of Stock subject to the option granted thereby and the amount (the "option exercise price") payable by the grantee to the Company in connection with the exercise of the option evidenced thereby. Subject to Section 5.6 hereof, the exercise price per share shall be the Initial Founders' Price, in the case of options granted at or within 120 days following the closing of the transaction described in the Acquisition Agreement, dated October 1, 1999, by and among the

Company, AMN Healthcare, Inc. ("AMN"), AMN Acquisition Corp., ("Acquisition") and certain other Sellers (the "Acquisition Agreement"), or not less than the Fair Market Value of a share of Stock on the date the option is granted in the case of any subsequent grants made hereunder. Each Stock Option Agreement shall set forth conditions subject to which the option evidenced thereby shall become exercisable.

5.3 Exercisability of Options.

(a) Exercise Provisions. Each option granted hereunder shall become exercisable in accordance with the terms and conditions set forth in the applicable Stock Option Agreement.

(b) Notice of Exercise; Exercise Date.

(i) An option shall be exercisable by the filing of a written notice of exercise with the Company, on such form and in such manner as the Committee shall in its sole discretion prescribe, and by payment in accordance with Section 5.4.

(ii) For purposes of the Plan, the "option exercise date" shall be deemed to be the first business day immediately following the date written notice of exercise is received by the Company.

5.4 Payment of Option Price.

(a) Tender Due Upon Notice of Exercise. Unless the applicable Stock Option Agreement otherwise provides or the Committee in its sole discretion otherwise determines, (i) any written notice of exercise of an option shall be accompanied by payment of the full purchase price for the shares being purchased and (ii) the grantee shall have no right to receive shares of Stock with respect to an option exercise prior to the option exercise date.

(b) Manner of Payment. Payment of the option exercise price shall be made in any combination of the following:

(i) by certified or official bank check payable to the Company (or the equivalent thereof acceptable to the Committee);

(ii) with the consent of the Committee in its sole discretion, by personal check (subject to collection); and

(iii) if and to the extent provided in the applicable Stock Option Agreement or otherwise permitted by the Committee, by delivery of previously acquired shares of Stock owned by the grantee for at least six months having a Fair Market Value (determined as of the option exercise date) equal to the portion of the option exercise price being paid thereby, provided that the Committee may require the grantee to furnish an opinion of counsel

acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Act and does not require any Consent (as defined in Section 8.2).

(c) Issuance of Shares. As soon as practicable (but in no event more than five business days) after receipt of full payment, the Company shall, subject to the provisions of Section 8, deliver to the grantee one or more certificates for the shares of Stock so purchased, which certificates may bear such legends as the Company may deem appropriate concerning restrictions on the disposition of the shares in accordance with applicable securities laws, rules and regulations or otherwise.

5.5 Termination of Employment.

(a) General Rule. Unless otherwise provided in the applicable Stock Option Agreement, all options granted to a grantee shall terminate and no longer be exercisable upon such grantee's termination of employment for any reason, except to the extent post-employment exercise of the exercisable portion of an option is permitted in accordance with this Section 5.5.

(b) Death and Disability. Unless otherwise provided in the applicable Stock Option Agreement, if a grantee's employment with the Company and its subsidiaries terminates by reason of death or Disability (as defined in a grantee's employment agreement, if applicable, or if not applicable, as defined in section 22(e)(3) of the Code), the portion, if any, of options granted to such grantee which were exercisable immediately prior to such termination of employment may be exercised by such grantee or, as the case may be, by such grantee's court-appointed legal representative or, in the case of the grantee's death, by the person or persons to whom such options pass under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (i) one year after the grantee's termination by reason of death or Disability, and (ii) the date on which such options terminate or expire in accordance with the other provisions of the Plan and the Stock Option Agreement.

(c) Regular Termination; Leaves of Absence. Unless otherwise provided in the applicable Stock Option Agreement, if the grantee's employment terminates for reasons other than as provided in Section 5.5(b), the portion, if any, of options granted to such grantee which were exercisable immediately prior to such termination of employment may be exercised by such grantee until the earlier of (i) 90 days after the grantee's date of termination, and (ii) the date on which such options terminate or expire in accordance with the other provisions of the Plan and the Stock Option Agreement. The Committee may in its discretion determine (x) whether any leave of absence (including short-term or long-term disability or medical leave) shall constitute a termination of employment for purposes of the Plan and (y) the impact, if any, of any such leave on outstanding options under the Plan.

5.6 Special ISO Requirements.

(a) Term. No incentive stock option may have a term in excess of ten years.

(b) 10% Owner. If an option granted under the Plan is intended to be an incentive stock option and if the grantee, at the time of grant, owns stock possessing 10% or more of the total combined voting power of all classes of stock of the grantee's employer corporation or of its parent or subsidiary corporation, then (a) the option exercise price per share shall in no event be less than 110% of the Fair Market Value of the Stock on the date of such grant and (b) such option shall not be exercisable after the expiration of five years after the date such option is granted.

SECTION 6. Certain Definitions.

6.1 "Affiliate" shall mean, any person or entity which, at the time of reference, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Company.

6.2 "Change of Control" shall mean the occurrence of any of the following events: (a) any "person," (other than HWH Capital Partners, L.P. or any of its Affiliates) as "person" is currently used in Section 13(d) of the Securities Exchange Act of 1934 (the "1934 Act"), becomes a "beneficial owner," as such term is currently used in Rule 13d-3 promulgated under the 1934 Act, of more than 50% of the voting securities of the Company; (b) a majority of the Board consists of individuals other than Incumbent Directors, which term means the members of the Board on the Closing Date; provided that any individual becoming a director subsequent to such date whose election or nomination for election was supported by (i) two-thirds of the directors who then comprised the Incumbent Directors or (ii) HWH Capital Partners, L.P. or any of its Affiliates, shall be considered to be an Incumbent Director; (c) all or substantially all of the assets or business of the Company is disposed of pursuant to a merger, consolidation or other transaction or series of transactions (unless the shareholders of the Company immediately prior to such merger, consolidation or other transaction or series of transactions beneficially own, directly or indirectly, in substantially the same proportion as they owned the Voting Stock of the Company, more than 50% of the voting securities or other ownership interests of the entity or entities, if any, that succeed to the business of the Company); or (d) the Company combines with another company and is the surviving corporation but, immediately after the combination, the shareholders of the Company immediately prior to the combination hold, directly or indirectly, less than 50% of the voting securities of the combined company.

6.3 "EBITDA" shall mean the Company's operating income before income taxes, interest expense and amortization and depreciation expense, all determined in accordance with generally accepted accounting principles, adjusted to exclude the impact of all items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the

disposal of a segment of a business or related to a change in accounting principles, all as determined in accordance with standards established by Opinion No. 30 of the Accounting Principles Board, but shall not include any transaction fees or annual monitoring fees paid to Haas Wheat & Partners, L.P. or any Affiliates thereof.

6.4 "Effective Date" shall mean that date as determined in Section 20.1.

6.5 "Fair Market Value" shall mean as of any date in respect of any share of Stock traded on a national securities exchange, the closing price of a share of Stock as reported on the exchange on which such shares primarily trade on such date. If Stock is not traded on a national exchange on such date, Fair Market Value shall be determined by the Committee in its sole discretion.

6.6 "Fiscal Year" shall mean the one-year period ending on each December 31st.

6.7 "Initial Founders' Price" shall mean $163.9743 per share of Stock, which the Committee has determined represents the Fair Market Value of the Stock on the Effective Date.

6.8 "Plan" shall mean the AMN Holdings, Inc. 1999 Super-Performance Stock Option Plan.

6.9 "Stock" shall mean common stock, par value $.01 per share, of the Company as constituted on the Effective Date, and any other shares into which such common stock shall thereafter be changed by reason of a recapitalization, merger, consolidation, split-up, combination, exchange of shares or the like.

6.10 "Stock Option Agreement" shall mean any stock option agreement executed in connection with any options awarded under the terms of the Plan.

SECTION 7. Amendment of the Plan; Modification of Options.

7.1 Plan Amendments. The Board may at any time and from time to time suspend, discontinue or amend the Plan in any respect whatsoever, except that (i) no such amendment or action shall adversely impair any rights under any option theretofore granted under the Plan without obtaining the consent of the grantee of such option and (ii) no such amendment for which shareholder approval would be required under any law (including Code section 162(m) and Rule 16b-3, to the extent applicable) or the rules of any securities exchange or other regulatory organization shall be effective without such shareholder approval.

7.2 Option Modifications. With the consent of the grantee and subject to the terms and conditions of the Plan (including Section 7.1), the Committee may amend outstanding Stock Option Agreements with such grantee, including,

without limitation, any amendment that would (i) accelerate the time or times at which an option may become exercisable and/or (ii) extend the scheduled termination or expiration date of the option.

SECTION 8. Restrictions.

8.1 Consent Requirements. If the Committee shall at any time determine that any Consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of any option under the Plan, the acquisition, issuance or purchase of shares or other rights hereunder or the taking of any other action hereunder (each such action, a "Plan Action"), then such Plan Action shall not be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Committee.

8.2 Consent Defined. The term "Consent" as used herein with respect to any Plan Action means (a) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or other regulatory organization or under any federal, state or local law, rule or regulation, (b) the expiration, elimination or satisfaction of any prohibitions, restrictions or limitations under any federal, state or local law, rule or regulation or the rules of any securities exchange or other regulatory organization, (c) any and all written agreements and representations by the grantee with respect to the disposition of shares, or with respect to any other matter which the Committee shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made, and (d) any and all consents, waivers, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies or any parties to any loan agreements or other contractual obligations of the Company or any of its subsidiaries.

SECTION 9. Nontransferability.

No option granted to any grantee shall be assignable or transferable by the grantee other than by will or by the laws of descent and distribution. During the lifetime of the grantee, all rights with respect to any option granted to the grantee shall be exercisable only by the grantee or the grantee's court-appointed legal representative. Notwithstanding the foregoing, the Committee may provide in an applicable Stock Option Agreement that an option may be transferred for estate planning purposes, to a family trust or family partnership for the benefit of immediate members of the optionee's family.

SECTION 10. Withholding Taxes.

10.1 General. Whenever under the Plan shares of Stock are to be delivered pursuant to an option, the Committee may require as a condition of delivery that the grantee remit an amount sufficient to satisfy all federal, state and other governmental withholding tax requirements related thereto.

10.2 Use of Shares. Subject to the Committee's consent, a grantee may elect to satisfy all or part of the foregoing withholding requirements by delivery of unrestricted shares of Stock owned by the grantee for at least six months (or such other period as the Committee may determine) having a Fair Market Value (determined as of the date of such delivery by the grantee) equal to all or part of the amount to be so withheld, provided that the Committee may require, as a condition of accepting any such delivery, the grantee to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Act or any other federal or state securities laws, rules or regulations.

SECTION 11. Adjustments.

11.1 Upon Changes in Capitalization. To the extent specified by the Committee, the number of shares of Stock that may be issued pursuant to options under the Plan, the number of shares of Stock subject to options, and the exercise price of options theretofore granted under the Plan shall be appropriately adjusted (as the Committee may determine) for any change in the number of issued shares of Stock resulting from the subdivision or combination of shares of Stock or other capital adjustments, or the payment of a stock dividend after the effective date of the Plan, or other change in such shares of Stock effected without receipt of consideration by the Company. Adjustments under this Section 11 shall be made by the Committee, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

11.2 Other. In the event of any acquisition, divestiture or any other corporate transaction of any kind involving the Company or its subsidiaries which the Committee, in its discretion, determines to be of such a kind or nature as to make appropriate an amendment or adjustment to the Plan in order to effectuate the intent and purposes of the Plan, the Committee, in its discretion, may make such amendment or adjustment. Without limiting the generality of the foregoing, the Committee, in its discretion (after consultation with the Company's Chief Executive Officer), may, in connection with any such corporate transaction, adjust the number and kind of shares of Stock subject to outstanding options and the exercise price thereof, the number and kind of shares of Stock available for issuance under the Plan, and any of the performance targets previously established under the Plan or in any Stock Option Agreement, as it deems appropriate to effectuate the intent and purposes of the Plan and any individual Stock Option Agreements.

SECTION 12. Right of Discharge Reserved.

Nothing in the Plan or in any Stock Option Agreement shall confer upon any person the right to continue in the service of the Company or any Affiliate or affect or restrict any right which the Company or any Affiliate may have to terminate the service of such person.

SECTION 13. No Rights as a Shareholder.

No grantee or other person shall have any of the rights of a shareholder of the Company with respect to shares of Stock subject to an option until the issuance of a stock certificate to such grantee for such shares of Stock. Except as otherwise provided in Section 11, no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate is issued.

SECTION 14. Nature of Payments.

14.1 Consideration. All options, shares or payments hereunder shall be granted, issued, delivered or paid, as the case may be, in consideration of services performed for the Company or for its subsidiaries by the grantee.

14.2 Other Plans. No options, shares or payments hereunder shall, unless otherwise determined by the Committee, be taken into account in computing the grantee's salary or compensation for the purposes of determining any benefits under (a) any pension, retirement, life insurance or other benefit plan of the Company or any subsidiary or (b) any agreement between the Company or any subsidiary and the grantee.

14.3 Entire Agreement. Except as expressly set forth in an individual Stock Option Agreement, the Plan contains the entire agreement of the Company and each grantee with respect to the options granted hereunder, the terms and conditions of which shall not be modified or altered except as permitted by this Plan or by a written instrument properly executed by both the Company and the grantee.

SECTION 15. Non-Uniform Determinations.

The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, options under the Plan (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Stock Option Agreements, as to (a) the persons to receive options under the Plan, (b) the terms and provisions of options under the Plan and (c) the treatment of leaves of absence pursuant to Section 5.5(c).

SECTION 16. Other Payments or Options.

Nothing contained in the Plan shall be deemed in any way to limit or restrict the Company, any Affiliate or the Committee from making any option, award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect; provided, however, that the Stock Option

Agreement may contain (but shall not be required to contain) such provisions as the Committee deems appropriate to insure that the penalty provisions of Code section 4999 will not apply with respect to any option granted under the Plan.

SECTION 17. Change of Control.

In the event of a Change of Control of the Company after the date of the adoption of this Plan or in the event that the Board shall propose that the Company enter into a transaction which would result in a Change of Control, then the Committee may in its discretion, by written notice to a grantee, provide that such grantee's options will be terminated unless exercised within 30 days (or such longer period as the Committee shall determine in its sole discretion) after the date of such notice. The Committee also may in its discretion by written notice to a grantee provide that the grantee's options shall be fully exercisable as to all or some of the shares of Stock covered thereby or that all or some of the restrictions on any of his options may lapse in the event of a Change of Control upon such terms and conditions as the Committee may determine. Whenever deemed appropriate by the Committee, the actions referred to in this Section 17 may be varied from grantee to grantee or in any particular Stock Option Agreement and may be made conditional upon the consummation of the applicable Change of Control.

SECTION 18. Governing Law.

The Plan shall be governed by the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State.

SECTION 19. Headings.

The Section headings contained herein are for convenience only and are not intended to define or limit the contents of said Sections.

SECTION 20. Effective Date; Term.

20.1 Effective Date. The Plan shall be deemed adopted and become effective upon the approval thereof by the Board or on such other date as the Board shall determine; provided that, notwithstanding any other provision of the Plan, no options shall be granted under the Plan prior to the approval by the express consent of shareholders holding at least a majority of the Company's voting stock voting in person or by proxy at a duly held shareholders' meeting (or by written consent in lieu of meeting), which shall have been received as of the Effective Date.

20.2 Term. The Plan shall terminate ten years after the earlier of the date on which it becomes effective or is approved by shareholders, and no options shall thereafter be granted under the Plan. Notwithstanding the foregoing, all options granted under the Plan prior to such termination date shall remain in effect until such options have been exercised or terminated in accordance with the terms and provisions of the Plan and the applicable Stock Option Agreement.

Exhibit 10.7

AMN HEALTHCARE SERVICES, INC.

2001 STOCK OPTION PLAN

(EFFECTIVE AS OF JULY 24, 2001)

1. PURPOSE

The purpose of the Plan is to provide a means through which the Company and its Affiliates may attract able persons to enter and remain in the employ of the Company and Affiliates and to provide a means whereby employees, directors and consultants of the Company and its Affiliates can acquire and maintain Common Stock ownership, thereby strengthening their commitment to the welfare of the Company and Affiliates and promoting an identity of interest between stockholders and these employees.

The Plan provides for granting Nonqualified Stock Options.

2. DEFINITIONS

The following definitions shall be applicable throughout the Plan.

(a) "Affiliate" means (i) any entity that directly or indirectly is controlled by, or is under common control with the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee.

(b) "Board" means the Board of Directors of the Company.

(c) "Cause" means the Company or an Affiliate having "cause" to terminate a Participant's employment or service, as defined in any existing employment, consulting or any other agreement between the Participant and the Company or a Subsidiary or Affiliate or, in the absence of such an employment, consulting or other agreement, upon (i) the determination by the Committee that the Participant has ceased to perform his duties to the Company or an Affiliate (other than as a result of his incapacity due to physical or mental illness or injury), which failure amounts to an intentional and extended neglect of his duties to such party, (ii) the Committee's determination that the Participant has engaged or is about to engage in conduct materially injurious to the Company or an Affiliate, (iii) the Participant having been convicted of, or pleaded guilty or no contest to, a felony or a crime involving moral turpitude or (iv) the failure of the Participant to follow the lawful instructions of the Board or his direct superiors; provided, however, that in the instances of classes (i), (ii) and (iv), the Company or an Affiliate, as applicable, must give the Optionee twenty (20) days' prior written notice of the defaults constituting "cause" hereunder.

(d) "Change in Control" shall, unless in the case of a particular Option the applicable Stock Option Agreement states otherwise or contains a different definition of "Change in Control," be deemed to occur upon:

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(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") (other than any of the following (each an "Excluded Person"): HWH Capital Partners, L.P., HWP Capital Partners II, L.P., HWH Nightingale Partners, L.P., HWP Nightingale Partners II, L.P., Haas Wheat & Partners, L.P., any Affiliate of any of the foregoing, or any such group of which any of the foregoing is a member) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of a majority of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, or the acquisition by a Person other than an Excluded Person of at least thirty percent (30%) of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, if at such time the Excluded Persons in the aggregate own a lesser percentage of such securities than the Person making such acquisition of such securities;

(ii) the dissolution or liquidation of the Company;

(iii) the sale of all or substantially all of the business or assets of the Company; or

(iv) the consummation of a merger, consolidation or similar form of corporate transaction involving the Company that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in the transaction (a "Business Combination"), if immediately following such Business Combination: (x) a Person (other than an Excluded Person), is or becomes the beneficial owner, directly or indirectly, of a majority of the combined voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), or (y) the Company's shareholders cease to beneficially own, directly or indirectly, in substantially the same proportion as they owned the then outstanding voting securities immediately prior to the Business Combination, a majority of the combined voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation). "Surviving Corporation" shall mean the corporation resulting from a Business Combination, and "Parent Corporation" shall mean the ultimate parent corporation that directly or indirectly has beneficial ownership of a majority of the combined voting power of the then outstanding voting securities of the Surviving Corporation entitled to vote generally in the election of directors.

(e) "Code" means the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section.

(f) "Committee" means a committee of at least two people as the Board may appoint to administer the Plan or, if no such committee has been appointed by the Board, the Board. Unless the Board is acting as the Committee or the Board specifically determines otherwise, each member of the Committee shall, at the

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time he takes any action with respect to an Option under the Plan, be an Eligible Director, however the mere fact that a Committee member shall fail to qualify as an Eligible Director shall not invalidate any Option granted by the Committee which Option is otherwise validly made under the Plan.

(g) "Common Stock" means the common stock, par value $0.01 per share, of the Company.

(h) "Company" means AMN Healthcare Services, Inc.

(i) "Date of Grant" means the date on which the granting of an Option is authorized, or such other date as may be specified in such authorization or, if there is no such date, the date indicated on the applicable Stock Option Agreement.

(j) "Disability" means, unless in the case of a particular Option, the applicable Option Agreement states otherwise, a condition entitling a person to receive benefits under the long-term disability plan of the Company, a Subsidiary or Affiliate, as may be applicable to the Participant in question, or, in the absence of such a plan, the complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which a Participant was employed or served when such disability commenced or, as determined by the Committee based upon medical evidence acceptable to it.

(k) "Effective Date" means July 24, 2001.

(l) "Eligible Director" means a person who is (i) a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act, or a person meeting any similar requirement under any successor rule or regulation and (ii) an "outside director" within the meaning of Section 162(m) of the Code, and the Treasury Regulations promulgated thereunder; provided, however, that clause (ii) shall apply only with respect to grants of Options with respect to which the Company's tax deduction could be limited by Section 162(m) of the Code if such clause did not apply.

(m) "Eligible Person" means any (i) individual regularly employed by the Company, a Subsidiary or Affiliate who satisfies all of the requirements of Section 6; provided, however, that no such employee covered by a collective bargaining agreement shall be an Eligible Person unless and to the extent that such eligibility is set forth in such collective bargaining agreement or in an agreement or instrument relating thereto; (ii) director of the Company, or Affiliate or (iii) consultant or advisor to the Company, a Subsidiary or Affiliate who is entitled to participate in an "employee benefit plan" within the meaning of 17 CFR Section 230.405 (which, as of the Effective Date, includes those who (A) are natural persons and (B) provide bona fide services to the Company other than in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities).

(n) "Exchange Act" means the Securities Exchange Act of 1934.

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(o) "Fair Market Value", on a given date means (i) if the Stock is listed on a national securities exchange, the mean between the highest and lowest sale prices reported as having occurred on the primary exchange with which the Stock is listed and traded on the date prior to such date, or, if there is no such sale on that date, then on the last preceding date on which such a sale was reported; (ii) if the Stock is not listed on any national securities exchange but is quoted in the National Market System of the National Association of Securities Dealers Automated Quotation System ("NASDAQ") on a last sale basis, the average between the high bid price and low ask price reported on the date prior to such date, or, if there is no such sale on that date, then on the last preceding date on which a sale was reported; or (iii) if the Stock is not listed on a national securities exchange nor quoted in the NASDAQ on a last sale basis, the amount determined by the Committee to be the fair market value based upon a good faith attempt to value the Stock accurately and computed in accordance with applicable regulations of the Internal Revenue Service.

(p) "Nonqualified Stock Option" means an Option granted by the Committee to a Participant under the Plan which is not an incentive stock option as described in Section 422 of the Code.

(q) "Normal Termination" means termination of employment or service with the Company and Affiliates:

(i) by the Participant;

(ii) upon retirement;

(iii) on account of death or Disability;

(iv) by the Company, a Subsidiary or Affiliate without Cause.

(r) "Option" means an award granted under Section 7.

(s) "Option Period" means the period described in Section 7(c).

(t) "Option Price" means the exercise price for an Option as described in Section 7(a).

(u) "Participant" means an Eligible Person who has been selected by the Committee to participate in the Plan and to receive an Option pursuant to Section 6.

(v) "Plan" means this AMN Healthcare Services, Inc. 2001 Stock Option Plan.

(w) "Securities Act" means the Securities Act of 1933, as amended.

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(x) "Stock" means the Common Stock or such other authorized shares of stock of the Company as the Committee may from time to time authorize for use under the Plan.

(y) "Stock Option Agreement" means the agreement between the Company and a Participant who has been granted an Option pursuant to Section 7 which defines the rights and obligations of the parties as required in Section 7(d).

(z) "Subsidiary" means any subsidiary of the Company as defined in Section 424(f) of the Code.

3. EFFECTIVE DATE, DURATION AND SHAREHOLDER APPROVAL

The Plan is effective as of the Effective Date. The effectiveness of the Plan and the validity and exercisability of any and all Options granted pursuant to the Plan is contingent upon the close of the sale of no less than $100 million of the Company's Common Stock in an underwritten public offering of such Common Stock that is consummated on or before December 31, 2001.

The expiration date of the Plan, on and after which no Options may be granted hereunder, shall be the tenth anniversary of the Effective Date; provided, however, that the administration of the Plan shall continue in effect until all matters relating to the payment of Options previously granted have been settled.

4. ADMINISTRATION

The Committee shall administer the Plan. The majority of the members of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present or acts approved in writing by a majority of the Committee shall be deemed the acts of the Committee.

Subject to the provisions of the Plan and applicable law, the Committee shall have the power, and in addition to other express powers and authorizations conferred on the Committee by the Plan to: (i) designate Participants; (ii) determine the type or types of Options to be granted to a Participant; (iii) determine the number of Shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Options; (iv) determine the terms and conditions of any Options; (v) determine whether, to what extent, and under what circumstances Options may be settled or exercised in cash, shares, other securities, other Options, or other property, or canceled, forfeited, or suspended and the method or methods by which Options may be settled, exercised, canceled, forfeited, or suspended; (vi) determine whether, to what extent, and under what circumstances cash, shares, other securities, other Options, other property, and other amounts payable with respect to an Option shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) interpret, administer, reconcile any inconsistency, correct any default and/or supply any omission in the Plan and any instrument or agreement relating to, or Option granted under, the Plan; (viii) establish, amend, suspend, or waive such rules and

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regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (ix) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(a) Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Option or any documents evidencing Options shall be within the sole discretion of the Committee, may be made at any time granted pursuant to the Plan and shall be final, conclusive, and binding upon all parties, including, without limitation, the Company, Affiliate, any Participant, any holder or beneficiary of any Option, and any shareholder.

(b) No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Option hereunder.

(c) Notwithstanding the foregoing or any other provision of this Plan, (i) the Board may at any time or from time to time resolve to administer the Plan and, in such case, references herein to the Committee shall mean the Board when so acting as the Committee, and (ii) when the Committee is acting and not the Board, all of the Committee's decisions under this Plan will be subject to approval by the Board.

5. GRANT OF AWARDS; SHARES SUBJECT TO THE PLAN

The Committee may, from time to time, grant Options to one or more Eligible Persons; provided, however, that:

(a) Subject to Section 9, the aggregate number of shares of Stock in respect of which Options may be granted under the Plan is 50,524 of the fully diluted outstanding shares as of the Effective Date;

(b) Such shares shall be deemed to have been used in payment of Options when they are actually delivered. In the event any Option shall be surrendered, terminate, expire, or be forfeited, the number of shares of Stock no longer subject thereto shall thereupon be released and shall thereafter be available for new grants under the Plan;

(c) Stock delivered by the Company in settlement of Options granted under the Plan may be authorized and unissued Stock or Stock held in the treasury of the Company or may be purchased on the open market or by private purchase; and

(d) Subject to Section 9, no person may be granted Options under the Plan during any calendar year with respect to more than 12,631 of the shares available under the Plan; provided that such number shall be adjusted pursuant to Section 9, and shares otherwise counted against such number, only in a manner which will not cause the Options granted under the Plan to fail to qualify as "performance-based compensation" Section 162(m) of the Code.

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(e) Without limiting the generality of the preceding provisions of this Section 5, the Committee may, but solely with the Participant's consent, agree to cancel any Option under the Plan and issue a new Option in substitution therefor upon such terms as the Committee may in its sole discretion determine, provided that the substituted Option satisfies all applicable Plan requirements as of the date such new Option is made.

6. ELIGIBILITY

Participation shall be limited to Eligible Persons who have received written notification from the Committee, or from a person designated by the Committee, that they have been selected to participate in the Plan.

7. TERMS OF OPTIONS

The Committee is authorized to grant one or more Nonqualified Stock Options to any Eligible Person. Each Option so granted shall be subject to the following conditions, or to such other conditions as may be reflected in the applicable Stock Option Agreement.

(a) OPTION PRICE. The exercise price ("Option Price") per share of Stock for each Option shall be set by the Committee at the time of grant but shall not be less than the Fair Market Value of a share of Stock at the Date of Grant.

(b) MANNER OF EXERCISE AND FORM OF PAYMENT. No shares of Stock shall be delivered pursuant to any exercise of an Option until payment in full of the aggregate exercise price therefor is received by the Company. Options which have become exercisable may be exercised by delivery of written notice of exercise to the Committee accompanied by payment of the Option Price. The Option Price shall be payable in cash and/or, at the Committee's sole discretion, in shares of Stock valued at the Fair Market Value at the time the Option is exercised (including by means of attestation of ownership of a sufficient number of shares of Stock in lieu of actual delivery of such shares to the Company); provided, however, that such shares are not subject to any pledge or other security interest and have either been held by the Participant for six months, previously acquired by the Participant on the open market or meet such other requirements as the Committee may determine necessary in order to avoid an accounting earnings charge in respect of the Option) or, in the discretion of the Committee, either (i) in other property having a fair market value on the date of exercise equal to the Option Price, (ii) by delivering to the Committee a copy of irrevocable instructions to a stockbroker to deliver promptly to the Company an amount of loan proceeds, or proceeds of the sale of the Stock subject to the Option, sufficient to pay the Option Price or (iii) by such other method as the Committee may allow.

(c) VESTING, OPTION PERIOD AND EXPIRATION. Options shall vest and become exercisable in increments of 25% on each of the first four anniversaries of the Date of Grant, such that each Option shall be 100% vested and exercisable on the fourth anniversary of its Date of Grant. The Options shall expire after such period, not to

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exceed ten years, as may be determined by the Committee (the "Option Period"); provided, however, that notwithstanding the vesting schedule set forth above, the Committee may in its sole discretion accelerate the exercisability of any Option, which acceleration shall not affect the terms and conditions of any such Option other than with respect to exercisability. Options are exercisable in installments, and such installments or portions thereof which become exercisable shall remain exercisable until the Option expires. Unless otherwise stated in the applicable Stock Option Agreement, the Option shall expire earlier than the end of the Option Period in the following circumstances:

(i) If prior to the end of the Option Period, the Participant shall undergo a Normal Termination other than due to death or Disability, (x) the portion of the Option that is not vested at the time of such Normal Termination shall expire on such date; and (y) the portion of the Option which is vested at the date of such Normal Termination shall expire on the earlier of the last day of the Option Period or the date that is three months after the date of such Normal Termination.

(ii) If prior to the end of the Option Period, the Participant dies or incurs a Disability while still in the employ or service of the Company, a Subsidiary or Affiliate, or if the Participant dies within three months following a Normal Termination, (x) the portion of the Option that is not vested on the date of such termination shall expire on such date; and (y) the portion of the Option which is vested at the date of such termination shall expire on the earlier of the last day of the Option Period or the date that is twelve months after the date of such termination. In such event the vested portion of the Option may be exercised as described above by the Participant's personal representative or executor, or by the person or persons to whom the Participant's rights under the Option pass by will or the applicable laws of descent and distribution until its expiration.

(iii) If prior to the end of the Option Period the Participant is terminated from the employment or service with the Company and Affiliates for Cause or for reasons other than Normal Termination, the Option (whether or not vested) shall expire immediately upon such cessation of employment or service.

(d) STOCK OPTION AGREEMENT - OTHER TERMS AND CONDITIONS. Each Option granted under the Plan shall be evidenced by a Stock Option Agreement, which shall contain such provisions as may be determined by the Committee and, except as may be specifically stated otherwise in such Stock Option Agreement, which shall be subject to the following terms and conditions:

(i) Each Option or portion thereof that is exercisable shall be exercisable for the full amount or for any part thereof.

(ii) Each share of Stock purchased through the exercise of an Option shall be paid for in full at the time of the exercise. Each Option shall cease to be exercisable, as to any share of Stock, when the Participant purchases the share or when the Option expires.

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(iii) Subject to Section 8(h), Options shall not be transferable by the Participant except by will or the laws of descent and distribution and shall be exercisable during the Participant's lifetime only by him.

(iv) Each Option shall vest and become exercisable by the Participant in accordance with the vesting schedule established by the Committee and set forth in the Stock Option Agreement.

(v) Each Stock Option Agreement may contain a provision that, upon demand by the Committee for such a representation, the Participant shall deliver to the Committee at the time of any exercise of an Option a written representation that the shares to be acquired upon such exercise are to be acquired for investment and not for resale or with a view to the distribution thereof. Upon such demand, delivery of such representation prior to the delivery of any shares issued upon exercise of an Option shall be a condition precedent to the right of the Participant or such other person to purchase any shares. In the event certificates for Stock are delivered under the Plan with respect to which such investment representation has been obtained, the Committee may cause a legend or legends to be placed on such certificates to make appropriate reference to such representation and to restrict transfer in the absence of compliance with applicable federal or state securities laws.

(e) VOLUNTARY SURRENDER. The Committee may permit the voluntary surrender of all or any portion of any Nonqualified Stock Option granted under the Plan to be conditioned upon the granting to the Participant of a new option for the same or a different number of shares as the option surrendered or require such voluntary surrender as a condition precedent to a grant of a new Option to such Participant. Such new Option shall be exercisable at an Option Price, during an Option Period, and in accordance with any other terms or conditions specified by the Committee at the time the new Option is granted, all determined in accordance with the provisions of the Plan without regard to the Option Price, Option Period, or any other terms and conditions of the Nonqualified Stock Option surrendered.

8. GENERAL

(a) ADDITIONAL PROVISIONS OF AN OPTION. Options granted to a Participant under the Plan also may be subject to such other provisions (whether or not applicable to the benefit awarded to any other Participant) as the Committee determines appropriate including, without limitation, provisions to assist the Participant in financing the purchase of Stock upon the exercise of options, provisions for the forfeiture of or restrictions on resale or other disposition of shares of Stock acquired under any Option, provisions giving the Company the right to repurchase shares of Stock acquired under any Option in the event the Participant elects to dispose of such shares, provisions allowing the Participant to elect to defer the receipt of shares of Stock upon the exercise of Options for a specified time or until a specified event, and provisions to comply with Federal and state securities laws and Federal and state tax withholding requirements. Any such provisions shall be reflected in the applicable Stock Option Agreement.

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(b) PRIVILEGES OF STOCK OWNERSHIP. Except as otherwise specifically provided in the Plan, no person shall be entitled to the privileges of ownership in respect of shares of Stock which are subject to Options hereunder until such shares have been issued to that person.

(c) GOVERNMENT AND OTHER REGULATIONS. The obligation of the Company to make payment of Options in Stock or otherwise shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required. Notwithstanding any terms or conditions of any Option to the contrary, the Company shall be under no obligation to offer to sell or to sell and shall be prohibited from offering to sell or selling any shares of Stock pursuant to an Option unless such shares have been properly registered for sale pursuant to the Securities Act with the Securities and Exchange Commission or unless the Company has received an opinion of counsel, satisfactory to the Company, that such shares may be offered or sold without such registration pursuant to an available exemption therefrom and the terms and conditions of such exemption have been fully complied with. The Company shall be under no obligation to register for sale under the Securities Act any of the shares of Stock to be offered or sold under the Plan, or to take any other affirmative action in order to cause the exercise of the Options or the issuance or transfer of shares pursuant thereto to comply with any law or regulation of any governmental authority. If the shares of Stock offered for sale or sold under the Plan are offered or sold pursuant to an exemption from registration under the Securities Act, the Company may restrict the transfer of such shares and may legend the Stock certificates representing such shares in such manner as it deems advisable to ensure the availability of any such exemption.

(d) TAX WITHHOLDING.

(i) A Participant may be required to pay to the Company or any Affiliate and the Company or any Affiliate shall have the right and is hereby authorized to withhold from any shares of Stock or other property deliverable under any Option or from any compensation or other amounts owing to a Participant the amount (in cash, Stock or other property) of any required tax withholding and payroll taxes in respect of an Option, its exercise, or any payment or transfer under an Option or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(ii) Without limiting the generality of clause (i) above, if so provided in a Stock Option Agreement, a Participant may satisfy, in whole or in part, the foregoing withholding liability (but no more than the minimum required withholding liability) by delivery of shares of Stock owned by the Participant (which are not subject to any pledge or other security interest and which have been owned by the Participant for at least 6 months or purchased on the open market) with a Fair Market Value equal to such withholding liability or by having the Company withhold from the number of shares of Stock otherwise issuable pursuant to the exercise of the Option a number of shares with a Fair Market Value equal to such withholding liability.

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(e) CLAIM TO OPTIONS AND EMPLOYMENT RIGHTS. No employee of the Company, a Subsidiary or Affiliate, or other person, shall have any claim or right to be granted an Option under the Plan or, having been selected for the grant of an Option, to be selected for a grant of any other Option. Neither the Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ or service of the Company, a Subsidiary or an Affiliate.

(f) NO LIABILITY OF COMMITTEE MEMBERS. No member of the Committee shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Committee nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each member of the Committee and each other employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or willful bad faith; provided, however, that approval of the Board shall be required for the payment of any amount in settlement of a claim against any such person. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or By-Laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

(g) GOVERNING LAW. The Plan shall be governed by and construed in accordance with the internal laws of the State of Delaware without regard to the principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

(h) NONTRANSFERABILITY.

(i) Each Option shall be exercisable only by the Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or representative. No Option may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company, a Subsidiary or an Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(ii) Notwithstanding the foregoing, the Committee may in the applicable Stock Option Agreement or at any time after the Date of Grant in an amendment to a Stock Option Agreement provide that Options may be transferred by a Participant without consideration, subject to such rules as the Committee may adopt consistent with any applicable Option agreement to preserve the purposes of the Plan, to:

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(A) any person who is a "family member" of the Participant, as such term is used in the instructions to Form S-8 (collectively, the "Immediate Family Members");

(B) a trust solely for the benefit of the Participant and his or her Immediate Family Members;

(C) a partnership or limited liability company whose only partners or shareholders are the Participant and his or her Immediate Family Members; or

(D) any other transferee as may be approved either (a) by the Board or the Committee in its sole discretion, or (b) as provided in the applicable Stock Option Agreement;

(each transferee described in clauses (A), (B), (C) and (D) above is hereinafter referred to as a "Permitted Transferee"); provided that the Participant gives the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the Participant in writing that such a transfer would comply with the requirements of the Plan and any applicable Stock Option Agreement.

(iii) The terms of any Option transferred in accordance with the immediately preceding sentence shall apply to the Permitted Transferee and any reference in the Plan or in a Stock Option Agreement to a Participant shall be deemed to refer to the Permitted Transferee, except that (a) Permitted Transferees shall not be entitled to transfer any Options, other than by will or the laws of descent and distribution; (b) Permitted Transferees shall not be entitled to exercise any transferred Options unless there shall be in effect a registration statement on an appropriate form covering the shares to be acquired pursuant to the exercise of such Option if the Committee determines, consistent with any applicable Stock Option Agreement, that such a registration statement is necessary or appropriate, (c) the Committee or the Company shall not be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise, and (d) the consequences of termination of the Participant's employment by, or services to, the Company, a Subsidiary or an Affiliate under the terms of the Plan and the applicable Stock Option Agreement shall continue to be applied with respect to the Participant, following which the Options shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Stock Option Agreement.

(i) RELIANCE ON REPORTS. Each member of the Committee and each member of the Board shall be fully justified in relying, acting or failing to act, and shall not be liable for having so relied, acted or failed to act in good faith, upon any report made by the independent public accountant of the Company and Affiliates and upon any

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other information furnished in connection with the Plan by any person or persons other than himself.

(j) RELATIONSHIP TO OTHER BENEFITS. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of the Company or any Subsidiary except as otherwise specifically provided in such other plan.

(k) EXPENSES. The expenses of administering the Plan shall be borne by the Company and Affiliates.

(l) PRONOUNS. Masculine pronouns and other words of masculine gender shall refer to both men and women.

(m) TITLES AND HEADINGS. The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

(n) TERMINATION OF EMPLOYMENT. For all purposes herein, a person who transfers from employment or service with the Company to employment or service with a Subsidiary or Affiliate or vice versa shall not be deemed to have terminated employment or service with the Company, a Subsidiary or Affiliate.

(o) SEVERABILITY. If any provision of the Plan or any Stock Option Agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or Option, or would disqualify the Plan or any Option under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Option, such provision shall be stricken as to such jurisdiction, person or Option and the remainder of the Plan and any such Option shall remain in full force and effect.

9. CHANGES IN CAPITAL STRUCTURE

Options granted under the Plan and any Stock Option Agreements, the maximum number of shares of Stock subject to all Options stated in Section 5(a) and the maximum number of shares of Stock with respect to which any one person may be granted Options during any period stated in Section 5(d) shall be subject to adjustment or substitution, as determined by the Committee in its sole discretion, as to the number, price or kind of a share of Stock or other consideration subject to such Options or as otherwise determined by the Committee to be equitable (i) in the event of changes in the outstanding Stock or in the capital structure of the Company by reason of stock or extraordinary cash dividends, stock splits, reverse stock splits, recapitalization, reorganizations, mergers, consolidations, combinations, exchanges, or other relevant changes in capitalization occurring after the Date of Grant of any such Option or (ii) in the event of any change in applicable laws or any change in circumstances which results

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in or would result in any substantial dilution or enlargement of the rights granted to, or available for, Participants, or which otherwise warrants equitable adjustment because it interferes with the intended operation of the Plan. Any adjustments under this Section 13 shall be made in a manner which does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act. Further, with respect to Options intended to qualify as "performance-based compensation" under Section 162(m) of the Code, such adjustments or substitutions shall be made only to the extent that the Committee determines that such adjustments or substitutions may be made without causing Options granted under the Plan to fail to qualify as "performance-based compensation" for purposes of Section 162(m) of the Code. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

Notwithstanding the above, in the event of any of the following:

A. The Company is merged or consolidated with another corporation or entity and, in connection therewith, consideration is received by shareholders of the Company in a form other than stock or other equity interests of the surviving entity;

B. All or substantially all of the assets of the Company are acquired by another person;

C. The reorganization or liquidation of the Company; or

D. The Company shall enter into a written agreement to undergo an event described in clauses A, B or C above, then the Committee may, in its discretion and upon at least 10 days advance notice to the affected persons, cancel any outstanding Options and cause the holders thereof to be paid, in cash or stock, or any combination thereof, the value of such Options based upon the price per share of Stock received or to be received by other shareholders of the Company in the event. The terms of this Section 9 may be varied by the Committee in any particular Stock Option Agreement.

10. EFFECT OF CHANGE IN CONTROL

Except to the extent reflected in a particular Stock Option Agreement:

(a) In the event of a Change in Control, notwithstanding any vesting schedule, all Options shall become immediately exercisable with respect to 100 percent of the shares subject to such Option and, to the extent practicable, such acceleration of exercisability shall occur in a manner and at a time which allows affected Participants the ability to exercise their Options and participate in the Change in Control transaction with respect to the Stock subject to such Options.

(b) In addition, in the event of a Change in Control, the Committee may in its discretion and upon at least 10 days' advance notice to the affected persons, cancel any outstanding Options and pay to the holders thereof, in cash or stock,

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or any combination thereof, the value of such Options based upon the price per share of Stock received or to be received by other shareholders of the Company in the event.

(c) The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company. The Company agrees that it will make appropriate provisions for the preservation of Participants' rights under the Plan in any agreement or plan which it may enter into or adopt to effect any such merger, consolidation, reorganization or transfer of assets.

11. NONEXCLUSIVITY OF THE PLAN

Neither the adoption of this Plan by the Board nor the submission of this Plan to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases.

12. AMENDMENTS AND TERMINATION

(a) AMENDMENT AND TERMINATION OF THE PLAN. The Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Plan (including as necessary to prevent Options granted under the Plan from failing to qualify as "performance-based compensation" for purposes of Section 162(m) of the Code); and provided further that any such amendment, alteration, suspension, discontinuance or termination that would impair the rights of any Participant or any holder or beneficiary of any Option theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

(b) AMENDMENT OF STOCK OPTION AGREEMENTS. The Committee may, to the extent consistent with the terms of any applicable Stock Option Agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Option theretofore granted, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would impair the rights of any Participant in respect of any Option theretofore granted shall not to that extent be effective without the consent of the affected Participant.

* * *

As adopted by the Board of Directors of
AMN Healthcare Services, Inc. as of July 24, 2001.

Exhibit 10.8

EMPLOYMENT AND NON-COMPETITION AGREEMENT

This Employment and Non-Competition Agreement (the "Agreement") is dated as of November 19, 1999, and is entered into among AMN Holdings, Inc., a Delaware corporation (the "Company"), AMN Acquisition Corp. ("Buyer") and STEVEN C. FRANCIS (the "Employee").

WHEREAS, the Employee is co-trustee of the Francis Family Trust, which is a party to the Acquisition Agreement dated as of October 1, 1999 (the "Acquisition Agreement") by and among the Company, AMN Healthcare, Inc. ("Healthcare"), Buyer and certain other Sellers, including the Francis Family Trust;

WHEREAS, following the transaction contemplated by the Acquisition Agreement, the Buyer will own approximately 93.5% of the issued and outstanding common stock of the Company, the Francis Family Trust will own approximately 5.2% of such common stock and Olympus Growth Fund II, L.P. will own the balance of the common stock;

WHEREAS, this Agreement shall become effective only upon and as of the date of the closing of the transaction contemplated by the Acquisition Agreement (the "Closing Date");

WHEREAS, the Company recognizes the value of the Employee's experience and skills to the growth and success of the Company and desires to assure the Company of the Employee's employment and to compensate the Employee therefor; and

WHEREAS, the Employee is willing to commit to serve the Company on the terms and conditions herein provided;

NOW THEREFORE, in consideration of the foregoing and of the respective covenants and agreements of the parties herein contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

Employment, Duties and Responsibilities

1.01. Employment. The Employee shall serve as President and Chief Executive Officer of the Company, effective as of the Closing Date. Employee hereby accepts such employment. The Company and the Buyer shall use their reasonable efforts to cause the Employee to be elected as a Director on the

Company's Board of Directors for so long as he shall serve as the Chief Executive Officer of the Company, which reasonable efforts shall include, in the case of the Company, nominating Employee for election as a Director, and in the case of the Buyer, voting all shares of Common Stock of the Company in favor of Employee's election as a Director. Employee agrees to devote not less than ninety percent (90%) of his time, energy and skill to the business interests of the Company and shall be able to devote the remaining ten percent (10%) of his time, energy and skill to charitable work of his choosing.

1.02. Duties and Responsibilities. Employee shall have such duties and responsibilities as the Board of Directors may from time to time, reasonably require, consistent with services customarily incident to such office and the position of President and Chief Executive Officer, including, but not limited to, providing the Board of Directors with monthly financial statements and a summary of material developments written by the Employee or the chief financial officer of the Company. During the Term, the Employee shall report solely and directly to the Board of Directors of the Company.

ARTICLE II

Term

2.01. Term. The term of this Agreement (the "Term") shall commence on the Closing Date and shall continue until December 31, 2003, unless terminated earlier as provided in Article V. The Term shall be automatically extended for additional periods of one year each unless either party gives at least 90 days prior written notice to the other of the intention to terminate the Employee's employment hereunder at the end of the then current Term.

ARTICLE III

Compensation and Expenses

3.01. Salary, Incentive Awards and Benefits. As compensation and consideration for the performance by Employee of his obligations under this Agreement, Employee shall be entitled, during the Term, to the following (subject, in each case, to the provisions of Article V hereof):

(a) Salary. From the Closing Date, the Company shall pay Employee base salary at the annual rate of $300,000 (the "Base Salary"), payable in accordance with the normal payroll practices of the Company and subject to such withholding and other normal employee deductions as may be required by law. The Base Salary shall be reviewed no less frequently than annually during the Term for

increase in the discretion of the Board. The Base Salary shall not be decreased at any time, or for any purpose, during the Term (including, without limitation, for the purpose of determining the benefits due under Article V).

(b) Bonus Amount. The Employee shall receive an incentive bonus award of $50,000 for 1999. The Employee shall be eligible during each complete fiscal year within the Term for an annual bonus under and in accordance with the terms of the Company's Senior Management Bonus Plan (the "Bonus Plan"), beginning in the Company's 2000 fiscal year, which plan shall be implemented by the Board, after prior consultation with Employee. The Bonus Plan will provide for a graduated bonus depending upon achievement of between 95% and 110% of target EBITDA (as defined therein) for each fiscal year and that, if the Company shall achieve 100% of target EBITDA for a given fiscal year, Employee's bonus amount will be 50% of his base salary; provided, however, that except as provided in Sections 5.02 and 5.03, the Employee shall only be paid such annual bonus amount if he is employed by the Company on the date set for payment of such annual bonuses granted to the employees of the Company under the Bonus Plan, provided that such date for payment of any Bonus Amount accrued in respect of a particular fiscal year shall be prior to the last day of the third month following the end of such fiscal year. The determination of the date of such payment to such Employee shall be in the Board of Directors' sole discretion subject to the preceding proviso.

(c) Benefits. Employee shall be eligible to participate in such life insurance, 401(k), health, disability and major medical insurance benefits, stock option plans and such other employee benefit plans and programs for the benefit of senior management employees of the Company, as may be maintained from time to time during the Term, in each case subject to the terms and provisions of such plan or program. Notwithstanding anything herein to the contrary, the Company shall continue the benefits program in effect at the time of the Closing of the transaction described in the Acquisition Agreement, with such periodic changes (including terminations or substitutions) as are approved by the Board of Directors after prior consultation with Employee.

(d) Paid Time Off. Employee shall be entitled to 30 days of paid time off during each annual period of the Term to be taken at his reasonable discretion, in a manner consistent with his obligations to the Company under this Agreement. The accrual and vesting of such paid time off shall be subject to the Company's policy on paid time off as in effect from time to time.

(e) Stock Options. Employee will be granted on the Closing Date options to purchase Common Stock of the Company in accordance with the stock option plans and agreements attached hereto as Exhibits A and B (the "Option Plans and Agreements").

3.02. Business Expenses. During the Term, the Company will reimburse Employee for reasonable business-related expenses incurred by him in connection with the performance of his duties hereunder, subject, however, to the Company's policies relating to business-related expenses as in effect from time to time.

3.03. Travel. The Company shall provide Employee with first class travel and accommodations for all travel undertaken solely for Company purposes.

ARTICLE IV

Exclusivity, Etc.

4.01. Exclusivity; Non-Competition; Non-Solicitation. Employee agrees to perform his duties, responsibilities and obligations hereunder efficiently and to the best of his ability. Employee agrees that he will devote not less than ninety percent (90%) of his time, energy and skill to the business of the Company throughout the Term and shall be able to devote the remaining ten percent (10%) of his time, energy and skill to charitable work of his choosing. Employee also agrees that during the Term and for a period of two years thereafter (the "Coverage Period") he will not engage in, consult with, participate in, hold a position as shareholder, director, officer, consultant, employee, partner or investor, or otherwise assist any business entity (a) in any State of the United States of America or (b) in any other country in which the Company has business activities, in either case, that is engaged in any activities which are competitive with the business of providing healthcare or other personnel on a temporary basis to hospitals, healthcare facilities or other similar entities and any and all business activities reasonably related thereto in which the Company or any of its divisions, subsidiaries or affiliates are currently engaged or are engaged during the Term or which are planned by the Company or its divisions, subsidiaries or affiliates at the end of such Term. In addition, the Employee agrees that during the Coverage Period, he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the Term, was a traveling nurse or other healthcare professional, employee, customer or client of the Company.

4.02. Confidential and Proprietary Information. Employee agrees that he will not, at any time, make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its subsidiaries, divisions or affiliates. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the Employee to be confidential or proprietary information including, without limitation, customer information. Employee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation,

customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Employee's obligation under this Section 4.02 shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of Employee; or (iii) is hereafter disclosed to Employee by a third party not under an obligation of confidence to the Company. Employee agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Employee recognizes that all such information, whether developed by him or by someone else, will be the sole exclusive property of the Company. Upon termination of his employment hereunder, Employee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

4.03. Validity of Article IV. The covenants of the Employee contained in Article IV hereof shall each be construed as an agreement independent of any other provisions in this Agreement. Both parties hereby expressly agree and contract that it is not the intention of either party to violate any public policy, statutory or common law, and that if any sentence, paragraph, clause or combination of the same of this Article IV is in violation of the law of any State where applicable, such sentence, paragraph, clause or combination of the same shall be void in the jurisdictions where it is unlawful, and the remainder of such paragraph and this Agreement shall remain binding on the parties hereto. It is the intention of both parties to make the covenants of this Article IV binding only to the extent that it may be lawfully done under existing applicable laws. If the scope of any covenant is too broad to permit enforcement of such covenant to its full extent then such covenant shall be enforced to the maximum extent permitted by law, and Employee hereby agrees that such scope may be so judicially modified and that as so modified the covenant shall be as fully enforceable as if set forth herein by the parties themselves in the modified form. Termination of this Agreement for any of the reasons set forth in Article V of this Agreement shall not constitute a breach of this Agreement by the Company and the provisions of this Article IV shall survive any such termination.

4.04. Injunctive Relief. The Employee acknowledges that the provisions of this Article IV are essential to the Company, that the Company would not enter into this Agreement if it did not include the covenant not to compete and confidentiality covenants in Article IV and that damages sustained by the Company as a result of a breach of the covenant not to compete and confidentiality covenants cannot be adequately remedied by damages, and the Employee agrees that the

Company, in addition to any other remedy it may have under this Agreement or at law, shall be entitled to injunctive and other equitable relief to prevent or curtail any breach of this Article IV.

ARTICLE V

Termination

5.01. Termination by Company for Cause; Voluntary Termination. The Company shall have the right to terminate Employee's employment under this Agreement at any time for "Cause." For purposes of this Agreement, "Cause" for termination of the Employee shall mean (a) Employee's failure to perform in any material respect his duties under this Agreement (other than any such failure resulting from the Employee's incapacity due to physical or mental illness or any such actual or anticipated failure after the Employee's issuance of a notice of termination for Good Reason), (b) the engaging by Employee in willful misconduct or gross negligence which is injurious to the Company or any of its affiliates, monetarily or otherwise, (c) the commission by Employee of an act of fraud or embezzlement against the Company or any of its affiliates, (d) the conviction of Employee of a crime which constitutes a felony or a pleading of guilty or nolo contendre with respect to a crime which constitutes a felony; or (e) Employee's breach in any material respect of the provisions of this Agreement, provided, however, that in the case of (a), (b) or (e), the Company shall furnish Employee with at least twenty (20) business days prior written notice of such failure or breach and allow Employee twenty (20) business days after receipt of such notice to cure such failure or breach, if such breach or failure is curable in such period. If the Company terminates Employee's employment under the Agreement for "Cause," the Company shall pay Employee any earned but unpaid Base Salary. In such event, the Company shall have no obligation to pay the Employee any bonus amount upon termination of this Agreement. In addition, any stock options that are held by Employee that are unvested at the date of termination automatically shall be canceled.

In the event that the Employee terminates his employment with the Company on his own initiative (other than by death, for Disability (as defined below), for Good Reason, or within 90 days following a Change of Control), he shall have the same entitlements as provided above in the case of a termination by the Company for Cause. A voluntary termination under this Section 5.01 shall be effective upon written notice to the Company and shall not be deemed a breach of this Agreement.

5.02. Termination by Company Without Cause; Death; Disability. If (a) the Company terminates Employee's employment under the Agreement other than pursuant to Section 5.01 (including by reason of Employee's "Disability") (defined as a disability which prevents him from substantially performing his duties under this Agreement for a period of at least 90 consecutive days, or 180 days non-consecutive days within any 365-day period), or (b) the Employee's employment terminates due to

the Employee's death, the Employee (or his estate, if applicable) shall be entitled to any earned but unpaid Base Salary, plus an immediate lump sum severance payment in cash equal to Employee's salary for two years. In addition, the Employee will be entitled to receive the bonus amount for the Company's fiscal year in which such termination occurs, which is provided under the Bonus Plan formula for such fiscal year, based on actual results for the year as if Employee had remained in the employ of the Company through the end of such fiscal year, and otherwise payable in accordance with the Bonus Plan. Treatment of stock options shall be governed by the terms of the relevant stock option plans and related stock option agreements.

5.03. Termination by Employee for Good Reason. The Employee may resign with "Good Reason" upon (i) a breach by the Company in any material respect of any of the affirmative or negative covenants or other agreements contained in this Agreement, (ii) the relocation of Employee's work space to any location more than thirty (30) miles from its current location in San Diego, CA; (iii) any reduction in the Employee's title; (iv) any material diminution in the nature of Employee's responsibilities or (v) the failure of the Company or its stockholders to maintain Employee as a member of the Board of Directors of the Company; provided, however, in the case of (i), (iii), (iv) and (v) the Employee shall furnish the Company with at least twenty (20) business days' prior written notice of such breach or change and allow the Company twenty (20) business days after receipt of such notice to cure such breach or change. In addition, a resignation by the Employee for any reason or no reason within 90 days following a "Change in Control" (as defined below) shall be treated as a resignation with Good Reason. If the Employee resigns for Good Reason, the Employee shall be treated as if he had been terminated by the Company without Cause and shall have the same entitlements as set forth in Section 5.02.

For purposes of this Agreement, a "Change in Control" shall mean the occurrence of any of the following events: (a) any "person", (other than HWH Capital Partners, L.P. or any of its affiliates) as "person" is currently used in Section 13(d) of the Securities Exchange Act of 1934 (the "1934 Act"), becomes a "beneficial owner," as such term is currently used in Rule 13d-3 promulgated under the 1934 Act, of more than 50% of the voting securities of the Company; (b) a majority of the Board consists of individuals other than the Incumbent Directors, which term means the members of the Board on the Closing Date; provided that any individual becoming a director subsequent to such date whose election or nomination for election was supported by (i) two-thirds of the directors who then comprised the Incumbent Directors or (ii) HWH Capital Partners L.P. or any of its affiliates, shall be considered to be an Incumbent Director; (c) all or substantially all of the assets or business of the Company is disposed of pursuant to a merger, consolidation or other transaction or series of transactions (unless the shareholders of the Company immediately prior to such merger, consolidation or other transaction or series of transactions beneficially own, directly or indirectly, in substantially the same proportion as they owned the Voting Stock of the Company, more than 50% of the voting securities or other ownership interests of the entity or entities, if any, that

succeed to the business of the Company); or (d) the Company combines with another company and is the surviving corporation but, immediately after the combination, the shareholders of the Company immediately prior to the combination hold, directly or indirectly, less than 50% of the voting securities of the combined company.

5.04. Mutual Termination. The Employee and the Company may agree at any time in a writing signed by both parties to terminate this Agreement.

5.05. No Other Obligations. Except for the obligations of the Company set forth above, the Company shall have no further obligations to the Employee under this Agreement upon his termination of employment, including upon expiration of the Term hereof, other than as required by applicable law or as are generally applicable to former employees of the Company under the terms of the Company's benefit plans and policies.

5.06. Subordination of Severance and Bonus Amount Rights. Notwithstanding any other provision of this Agreement, Employee agrees that if the Company is in default with respect to the financial covenants contained in any credit facility at the time any payment is due to Employee by reason of termination of this Agreement or if the payment thereof will cause the Company to be in default with respect to such covenants, the Company may defer such payment until the earlier of the date that the Company's debt obligations under such credit facility (and any substitute therefor) have been paid in full or such default shall no longer be continuing. The Company agrees to use its commercially reasonable efforts (taking into account the interest of the Company as a whole) to seek a waiver of any such covenants to permit payments to the Employee hereunder.

ARTICLE VI

6.01. Excise Tax Payments.

(a) Subject to the provisions of Section 6.01(c) hereof, in the event that any payment or benefit (within the meaning of Section 280G(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code")), to the Employee or for his benefit paid or payable or distributed or distributable in connection with this Agreement or in connection with, or arising out of, his employment with the Company or the termination thereof (a "Payment" or "Payments"), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor to such Section) or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Company shall pay to the Employee an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all income, employment, excise and other taxes (including any interest and penalties, other than interest and penalties imposed by

reason of the Employee's failure to file timely a tax return or pay taxes shown due on his return) imposed with respect to the Excise Tax, including any Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) An initial determination as to whether a Gross-Up Payment is required pursuant to this Agreement and the amount of such Gross-Up Payment shall be made at the Company's expense by an accounting firm selected by the Company and reasonably acceptable to the Employee which is designated as one of the five largest accounting firms in the United States and which has not, during the two years preceding the date of its selection, acted in any way on behalf of the Company or any of its affiliates (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation to the Company and the Employee within 15 business days following the date of termination if applicable, or such other time as requested by the Company or by the Employee (provided the Employee reasonably believes that any of the Payments may be subject to the Excise Tax). The Gross-Up Payment, if any, as determined pursuant to this Section 6(b) shall be paid (subject to the provisions of Section 6.01(c) hereof) by the Company to the Employee no later than the earlier of (i) 15 business days following the receipt of the Accounting Firm's determination or (ii) 15 business days preceding the date the Excise Tax becomes payable. The Determination shall be binding, final and conclusive upon the Company and the Employee. The parties hereto shall cooperate with each other in connection with any proceeding or claim under this Section 6.01 relating to the existence or amount of any liability for Excise Tax. All expenses relating to any such proceeding or claim (including attorneys' fees and other expenses incurred by the Employee in connection therewith) shall be paid (subject to the provisions of Section 6.01(c) hereof) by the Company promptly upon demand by the Employee, and any such payment shall be subject to gross-up under this Section 6.01 in the event that the Employee is subject to Excise Tax on it.

As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial Determination by the Accounting Firm hereunder, it is possible that the Gross-Up Payment made will have been an amount less than the Company should have paid pursuant to Section 6.01(a) above (the "Underpayment") or an amount greater than the Company should have paid pursuant to Section 6.01(a) above (the "Overpayment"). In the event that it is finally determined that an Underpayment exists and the Employee is required to make a payment of any Excise Tax, the Underpayment shall be promptly paid (subject to the provisions of Section 6.01(c) hereof) by the Company to the Employee or for his benefit. In the event that it is finally determined that an Overpayment exists and the Company paid a Gross-Up Payment to the Employee which allowed the Employee to retain an amount in excess of the Excise Tax, the Overpayment shall be promptly reimbursed by the Employee to the Company.

(c) Notwithstanding anything contained in this Agreement to the contrary, a Gross-Up Payment and expenses related thereto, as described in Section 6.01(b) hereof, shall only be paid to the Employee if any Excise Tax arises pursuant to a Change in Control event which causes vesting of options pursuant to the terms of such option agreements as a result of the payment to HWP of proceeds in cash or marketable securities which equals or exceeds three (3) times HWP's aggregate investment in the Company.

ARTICLE VII

Miscellaneous

7.01. Benefit of Agreement; Assignment; Beneficiary.

(a) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, including, without limitation, any corporation or person which may acquire all or substantially all of the Company's assets or business, or with or into which the Company may be consolidated or merged. This Agreement shall also inure to the benefit of, and be enforceable by, Employee and his personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees to the extent of any payments due in respect of the Employee hereunder.

(b) The Company shall require any successor (whether direct or indirect, by operation of law, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

7.02. Notices. Any notice required or permitted hereunder shall be in writing and shall be sufficiently given if personally delivered or if sent by telegram or telex or by registered or certified mail, postage prepaid, with return receipt requested, addressed: (a) in the case of the Company to the principal business office of the Company, or to such other address and/or to the attention of such other person as the Company shall designate by written notice to Employee; and (b) in the case of Employee, to such address as Employee shall designate by written notice to the Company. Any notice given hereunder shall be deemed to have been given at the time of receipt thereof by the person to whom such notice is given.

7.03. Entire Agreement; Amendment. This Agreement contains the entire agreement of the parties hereto with respect to the terms and conditions of Employee's employment during the Term and supersedes any and all prior agreements and understandings, whether written or oral, between the parties hereto with respect to compensation due for services rendered hereunder. Employee agrees that the Employment and Non-Competition Agreement dated December 5, 1997, between

AMN Healthcare, Inc. and Employee shall be deemed terminated upon execution of this Agreement, provided that such termination shall not trigger any payments to Employee or any severance, other than as provided in this Agreement. This Agreement may not be changed or modified except by an instrument in writing signed by both of the parties hereto.

7.04. Waiver. The waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a continuing waiver or as a consent to or waiver of any subsequent breach hereof.

7.05. Headings. The Article and Section headings herein are for convenience of reference only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

7.06. Expenses of Litigation. If any proceeding is brought by a party to this Agreement or its successors or assigns for the enforcement of this Agreement, or as a result of any alleged dispute, breach, default or misrepresentation by any other party of any of the provisions of the Agreement, the party which is successful in such proceeding shall be entitled to recover its reasonable attorneys' fees and other costs incurred in pursuing such proceeding, in addition to such other relief to which it may be entitled.

7.07. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of California without reference to the principles of conflict of laws.

7.08. Venue. Each of the parties consents and submits to the jurisdiction of the state and federal courts located in the County of San Diego, State of California in connection with any suits or other actions arising between the parties under this Agreement, and consents and waives any objections to the venue of such action or proceeding in the state or federal courts located in the County of San Diego, State of California.

7.09. Survivorship. The respective rights and obligations of the parties under this Agreement, including, without limitation, Article IV shall survive any termination of this Agreement to the extent necessary to effect the intended preservation of such rights and obligations.

7.10. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision or provisions of this Agreement, which shall remain in full force and effect.

7.11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the Company, Buyer and Employee have duly executed this Agreement as of the date first above written.

AMN HOLDINGS, INC.

By: /s/ Diane K. Stumph
_____
Name: Diane K. Stumph
Title: Senior Vice President, Finance & CFO

AMN ACQUISITION CORP.

By: /s/ Robert B. Haas
_____
Name: Robert B. Haas
Title: President and Treasurer

EMPLOYEE

/s/ Steven C. Francis
_____
Steven C. Francis

Exhibit 10.9

EXECUTIVE SEVERANCE AGREEMENT

THIS EXECUTIVE SEVERANCE AGREEMENT (the "Agreement"), dated November 19, 1999, between AMN Healthcare, Inc. (the "Company") and Susan R. Nowakowski ("Executive").

1. Employment at Will.

The Company agrees to employ Executive and Executive hereby agrees to be employed by the Company upon such terms and conditions as are mutually agreed upon. Executive's employment with the Company shall be at the discretion of the Company and Executive hereby agrees and acknowledges that the Company may terminate Executive's employment at any time, for any reason, with or without cause, and without notice. Nothing contained in this Agreement shall (a) confer on Executive any right to continue in the employ of the Company, (b) constitute any contract or agreement of employment, or (c) interfere in any way with the at-will nature of Executive's employment with the Company.

2. Severance Benefits.

In the event that the Company terminates Executive's employment without "Cause" (as defined below), the Company agrees to:

(a) Pay to Executive severance payments in an amount equal to twelve (12) months base salary as in effect on the date of the termination of Executive's employment (the "Termination Date"), commencing with the first payroll date after the Termination Date and payable in equal installments by mail or by direct deposit in accordance with the Company's normal payroll schedule and practices. All withholding taxes and other deductions which the Company is required by law to make from wage payments to employees will be made from such severance payments.

(b) If Executive makes an election to continue Executive's coverage under the Company's group health plans pursuant to Section 601 of the Employee Retirement Income Security Act of 1974, as amended, reimburse Executive for the cost of such coverage during the period beginning on the Termination Date and ending on the earlier of (i) the twelve month anniversary of the Termination Date or (ii) the date upon which the Executive becomes eligible for comparable coverage under another employer's group health plans. Such period shall run concurrently with the period of Executive's rights under COBRA.

For purposes of this Agreement, "Cause" for termination of the Executive shall mean (a) Executive's failure to perform in any material respect his duties as an employee of the Company, (b) the engaging by Executive in willful misconduct or gross negligence which is injurious to the Company or any of its affiliates, monetarily or otherwise, (c) the commission by Executive of an

act of fraud or embezzlement against the Company or any of its affiliates, or (d) the conviction of Executive of a crime which constitutes a felony or a pleading of guilty or nolo contendre with respect to a crime which constitutes a felony; provided, however, that in the case of (a) or (b), the Company shall furnish Executive with at least twenty (20) business days prior written notice of such failure or breach and allow Executive twenty (20) business days after receipt of such notice to cure such failure or breach, if such breach or failure is curable in such period.

3. No Other Payments.

Executive understands and agrees that the payments and benefits described above are in lieu of, and discharge, any obligations of the Company to Executive for compensation, incentive or performance payments, or any other expectation or form of remuneration or benefit to which Executive may be entitled, including severance benefits under any Company plan or program, except for: (i) any unpaid wages due for work performed during the last pay period(s) prior to the Termination Date; (ii) any unused vacation which is duly recorded on the Company's payroll records as of the Termination Date; (iii) the continuation of Executive's coverage under the Company's group health plans pursuant to the terms of such plans and applicable law, and (iv) any amounts payable to Executive under any retirement plan of the Company.

4. Severance Benefits Conditioned Upon Release.

Executive acknowledges and understands that Executive's eligibility for severance pay and other benefits hereunder is contingent upon Executive's execution and acceptance of the terms and conditions of, and the effectiveness of the Company's standard Covenant and General Release of All Claims (the "Release") as in effect on the Termination Date. The Company's standard Release in effect as of the date of this Agreement is set forth on Exhibit A hereto. The Company's standard Release may be modified from time to time in the Company's discretion as it deems appropriate. If Executive fails to execute a Release within twenty-one (21) days of receipt of such Release (or if Executive revokes such Release in a manner permitted by law), then Executive shall not be entitled to any severance payments or other benefits to which Executive would otherwise be entitled under this Agreement.

5. Miscellaneous Provisions.

(a) This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and may be amended, modified or changed only by a written instrument executed by Executive and the Company. No provision of this Agreement may be waived except by a writing executed and delivered by the party sought to be charged.

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to principles of conflict of laws.

(c) All notices and other communications hereunder shall be in writing; shall be delivered by hand delivery to the other party or mailed by registered or certified mail, return

receipt requested, postage prepaid; shall be deemed delivered upon actual receipt; and shall be addressed as follows:

If to the Company:

AMN HEALTHCARE, INC.
12235 El Camino Real, #200
San Diego, California 92130
Attention: Chief Executive Officer

If to Executive:

Susan R. Nowakowski
P.O. Box 302
Bailey Island, ME 04003

or to such other address as either party shall have furnished to the other in writing in accordance herewith.

(d) Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

Date: November 19, 1999 AMN HEALTHCARE, INC.

By: /s/ Steven C. Francis
_____
Title: President

Date: November 19, 1999

By: /s/ Susan R. Nowakowski
_____
Susan R. Nowakowski
"Executive"

Exhibit 10.10

EXECUTIVE SEVERANCE AGREEMENT

THIS EXECUTIVE SEVERANCE AGREEMENT (the "Agreement"), dated May 21, 2001, between AMN Healthcare, Inc. (the "Company") and Donald Myll ("Executive").

1. Employment at Will.

The Company agrees to employ Executive and Executive hereby agrees to be employed by the Company upon such terms and conditions as are mutually agreed upon. Executive's employment with the Company shall be at the discretion of the Company and Executive hereby agrees and acknowledges that the Company may terminate Executive's employment at any time, for any reason, with or without cause, and without notice. Nothing contained in this Agreement shall (a) confer on Executive any right to continue in the employ of the Company, (b) constitute any contract or agreement of employment, or (c) interfere in any way with the at-will nature of Executive's employment with the Company.

2. Severance Benefits.

In the event that the Company terminates Executive's employment without "Cause" (as defined below), the Company agrees to:

(a) Pay to Executive severance payments in an amount equal to twelve (12) months base salary as in effect on the date of the termination of Executive's employment (the "Termination Date"), commencing with the first payroll date after the Termination Date and payable in equal installments by mail or by direct deposit in accordance with the Company's normal payroll schedule and practices. All withholding taxes and other deductions which the Company is required by law to make from wage payments to employees will be made from such severance payments.

(b) If Executive makes an election to continue Executive's coverage under the Company's group health plans pursuant to Section 601 of the Employee Retirement Income Security Act of 1974, as amended, reimburse Executive for the cost of such coverage during the period beginning on the Termination Date and ending on the earlier of (i) the twelve month anniversary of the Termination Date or (ii) the date upon which the Executive becomes eligible for comparable coverage under another employer's group health plans. Such period shall run concurrently with the period of Executive's rights under COBRA.

For purposes of this Agreement, "Cause" for termination of the Executive shall mean (a) Executive's failure to perform in any material respect his duties as an employee of the Company, (b) the engaging by Executive in willful misconduct or gross negligence which is injurious to the Company or any of its affiliates, monetarily or otherwise, (c) the commission by Executive of an act of fraud or embezzlement against the Company or any of its affiliates, or (d) the conviction of Executive of a crime which constitutes a felony or a pleading of guilty or nolo contendre with respect to a crime which constitutes a felony; provided, however, that in the case of (a) or (b), the Company shall furnish Executive with at least twenty (20) business days prior written notice of such failure or breach and allow Executive twenty (20) business days after receipt of such notice to cure such failure or breach, if such breach or failure is curable in such period.

3. No Other Payments.

Executive understands and agrees that the payments and benefits described above are in lieu of, and discharge, any obligations of the Company to Executive for compensation, incentive or performance payments, or any other expectation or form of remuneration or benefit to which Executive may be entitled, including severance benefits under any Company plan or program, except for: (i) any unpaid wages due for work performed during the last pay period(s) prior to the Termination Date; (ii) any unused vacation which is duly recorded on the Company's payroll records as of the Termination Date; (iii) the continuation of Executive's coverage under the Company's group health plans pursuant to the terms of such plans and applicable law, and (iv) any amounts payable to Executive under any retirement plan of the Company.

4. Severance Benefits Conditioned Upon Release.

Executive acknowledges and understands that Executive's eligibility for severance pay and other benefits hereunder is contingent upon Executive's execution and acceptance of the terms and conditions of, and the effectiveness of the Company's standard Covenant and General Release of All Claims (the "Release") as in effect on the Termination Date. The Company's standard Release may be modified from time to time in the Company's discretion as it deems appropriate. If Executive fails to execute a Release within twenty-one (21) days of receipt of such Release (or if Executive revokes such Release in a manner permitted by law), then Executive shall not be entitled to any severance payments or other benefits to which Executive would otherwise be entitled under this Agreement.

5. Miscellaneous Provisions.

(a) This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and may be amended, modified or changed only by a written instrument executed by Executive and the Company. No provision of this Agreement may be waived except by a writing executed and delivered by the party sought to be charged.

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to principles of conflict of laws.

(c) All notices and other communications hereunder shall be in writing; shall be delivered by hand delivery to the other party or mailed by registered or certified mail, return receipt requested, postage prepaid; shall be deemed delivered upon actual receipt; and shall be addressed as follows:

If to the Company:

AMN HEALTHCARE, INC.
12235 El Camino Real, #200
San Diego, California 92130
Attention: Chief Executive Officer

If to Executive:
Donald Myll
14558 Wildgrove Road
Powny, CA 92064

or to such other address as either party shall have furnished to the other in writing in accordance herewith.

(d) Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

Date: May 21, 2001

AMN HEALTHCARE, INC.
By: /s/ Steven C. Francis

Name: Steven C. Francis
Title: President and CEO

Date: May 21, 2001

By: /s/ Donald R. Myll

Name: Donald R. Myll
Title: "Executive"

Exhibit 10.11

AMN HOLDINGS, INC.
1999 PERFORMANCE STOCK OPTION PLAN

CEO Nonqualified Stock Option Agreement

STOCK OPTION AGREEMENT dated November 19, 1999, between AMN HOLDINGS, INC., a Delaware corporation (the "Company"), and Steven C. Francis (the "grantee").

All words and phrases not otherwise expressly defined herein shall have the same meanings as are ascribed to such words and phrases in the Plan document.

The Committee has determined that the objectives of the Plan will be furthered by granting to the grantee an option pursuant to the Plan.

In consideration of the foregoing and of the mutual undertakings set forth in this Stock Option Agreement, the Company and the grantee agree as follows:

SECTION 1. Grant of Option. The Company hereby grants to the grantee a nonqualified stock option to purchase 31,238.3 shares of Stock at a purchase price of $163.9743 per share.

SECTION 2. Exercisability.

(a) In General. Subject to Section 4 hereof, the option shall become vested and exercisable if, and only if certain performance targets are met, as follows:

Fiscal Year	EBITDA	Number of Shares as to which Option Becomes Exercisable
2000	at least $18,915,000	7,809.6
2001	at least $22,685,000	7,809.6
2002	at least $27,115,000	7,809.6
2003	at least $31,193,000	7,809.5

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Any portion of the option that becomes exercisable pursuant to the above shall become exercisable as of the date of delivery of audited financial statements by the Company's independent auditor for the applicable Fiscal Year (in each case, the "Fiscal Year Vesting Date"), provided that the grantee was employed on the last day of the applicable Fiscal Year.

(b) Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") in the form of cash and marketable securities equals or exceeds three times HWP's aggregate investment in the Company (after taking into account any prior sales by HWP of any portion of its investment in the Company), the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal Year in which a Change of Control occurs and, if any, later Fiscal Years shall become exercisable, effective immediately prior to such event.

(c) Expiration of Option.

(i) Generally. Subject to the provisions of this Section 2(c) and Section 4, the option shall terminate and cease to be exercisable on the tenth anniversary of the date of grant thereof.

(ii) Special Rule. Notwithstanding the provisions of Section 2(c)(i), if the Company does not meet the performance target established in Section 2(a) for a Fiscal Year, that portion of the option which was eligible to become vested with respect to such Fiscal Year shall immediately terminate.

SECTION 3. Method of Option Exercise. The option or any part thereof may be exercised only by giving to the Company written notice of exercise in the form prescribed by the Committee. Full payment of the purchase price shall be made on the option exercise date by certified or official bank check or, in the Committee's discretion (which shall not be unreasonably withheld), by personal

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check (subject to collection), payable to the Company, or delivery of shares of Stock already owned by the grantee for at least six months prior to the option exercise date as described in Section 5.4(b)(iii) of the Plan. The grantee shall have no right to pay the option exercise price, or to receive shares of Stock with respect to an option exercise, prior to the option exercise date. For purposes of this Stock Option Agreement, the "option exercise date" shall be deemed to be the first business day immediately following the date written notice of exercise is received by the Company.

SECTION 4. Termination of Employment.

(a) Unvested Options.

(i) General Rule All unvested portions of an option granted to a grantee shall terminate and no longer be exercisable upon such grantee's termination of employment for any reason, except to the extent that options may become exercisable post-employment in accordance with Section 5.5 of the Plan or may remain eligible for vesting and exercise pursuant to Sections 4(a)(ii) or 4(c) of this Agreement.

(ii) Termination Before Performance Verified. Notwithstanding Section 4(a)(i), if a grantee terminates employment after the end of a Fiscal Year, but before the Fiscal Year Vesting Date (if applicable), the portion of such grantee's option that was eligible to vest upon delivery of audited financial statements confirming that performance targets were met for such Fiscal Year shall remain outstanding and eligible for vesting until delivery of such audited financial statements. Thereafter, the unvested portion of such option shall terminate immediately, and the treatment of the vested portion of the option shall be governed by Section 4(b).

(b) Vested Options.

(i) Death and Disability. Unless otherwise provided herein (including, without limitation, Section 4(c)), if a grantee's employment with the Company and its subsidiaries terminates by reason of death or Disability (as defined in a grantee's employment agreement, if applicable, or if not applicable, as defined in section 22(e)(3) of the Code), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee or, as the case may be, by such grantee's court-appointed legal representative or, in the case of the grantee's death,

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by the person or persons to whom such option passes under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (x) the later of (1) one year after the grantee's termination by reason of death or Disability and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, one year after the date of delivery of audited financial statements, and (y) the date on which such portion of the option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement.

(ii) Regular Termination; Leaves of Absence. Unless otherwise provided herein (including, without limitation, Section 4(c)), if the grantee's employment terminates for reasons other than as provided in Section 4(b)(i), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee until the earlier of (x) the later of (1) 90 days after the grantee's date of termination and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, 90 days after the date of delivery of audited financial statements; and (y) the date on which such option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement. The Committee may in its discretion determine (A) whether any leave of absence (including short-term or long-term disability or medical leave) shall constitute a termination of employment for purposes of the Plan and (B) the impact, if any, of any such leave on outstanding options under the Plan.

(c) Special Rule. If termination of the grantee's employment occurs due to death, Disability (as defined in the Plan), resignation for Good Reason, termination without Cause, or a resignation within 90 days of a Change of Control as described in Section 5.03 of the grantee's employment agreement, and such termination takes place between January 1, 2002 and December 31, 2003, then one-half of the portion of the option eligible for vesting in Fiscal Years 2002 and 2003 in accordance with Section 2(a), which has not previously become exercisable and as to which the applicable Fiscal Year has not ended, shall not terminate, but rather shall remain outstanding and become exercisable if and to the extent that the performance targets set forth in Section 2(a) are met for Fiscal Years 2002 and 2003 (as applicable), as if such termination of employment had not occurred. After each such vesting, if any, grantee shall have a period of 90 days in which to exercise such portion of the option, unless his termination was due to death or Disability, in which case the grantee or his estate shall have one year after vesting to exercise such portion of the option. Any portion of the option which remains outstanding

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following termination of employment as described in this Section 4(c), but as to which the applicable Fiscal Year has ended without the performance targets having been attained, shall terminate as of the end of such Fiscal Year.

(d) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person.

SECTION 5. Withholding Tax Requirements. Shares of Stock deliverable to the grantee upon exercise, pursuant to the terms of the Plan and this Stock Option Agreement, shall be subject to income tax withholding as provided in Section 10 of the Plan. Subject to the Committee's consent (which shall not be unreasonably withheld), a grantee may elect to satisfy all or part of such requirements by delivery of unrestricted shares of Stock owned by the grantee as provided in Section 10.2 of the Plan.

SECTION 6. Agreement Provisions to Prevail. This Stock Option Agreement shall be subject to all of the terms and provisions of the Plan, which are incorporated hereby and made a part hereof, including, without limitation, the provisions of Section 8 of the Plan (generally relating to consents required by securities and other laws) and Section 11 of the Plan (generally relating to the effects of certain reorganizations and other extraordinary transactions and providing the Committee with the ability to adjust performance targets). In the event there is any inconsistency between the provisions of this Stock Option Agreement and the Plan, the provisions of this Stock Option Agreement shall govern.

SECTION 7. Grantee's Acknowledgments. By entering into this Stock Option Agreement, the grantee agrees and acknowledges that (a) he has received and read a copy of the Plan, and accepts this option upon all of the terms thereof, and (b) no member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award thereunder or under this Stock Option Agreement.

SECTION 8. Nontransferability. No option granted to the grantee under the Plan or this Stock Option Agreement shall be assignable or transferable by the grantee (whether by operation of law or otherwise and whether voluntarily or involuntarily), other than by will or by the laws of descent and distribution. During the lifetime of the grantee, all rights granted to the grantee under the Plan or under this Stock Option Agreement shall be exercisable only by the grantee or the grantee's court appointed legal representative. Notwithstanding the foregoing, with the Committee's consent, the option may be transferred to one or more members of the grantee's immediate family or trusts all of the beneficiaries (other than contingent beneficiaries) of which are members of the grantee's immediate family.

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SECTION 9. Forfeiture for Non-Compete Violation.

(a) Non-Compete. The grantee agrees that during the term of grantee's employment and for a period of two years thereafter (the "Coverage Period") the grantee will not engage in, consult with, participate in, hold a position as shareholder, director, officer, consultant, employee, partner or investor, or otherwise assist any business entity (i) in any State of the United States of America or (ii) in any other country in which the Company has business activities, in either case, that is engaged in any activities which are competitive with the business of providing healthcare or other personnel on a temporary basis to hospitals, healthcare facilities or other entities and any and all business activities reasonably related thereto in which the Company or any of its divisions, affiliates or subsidiaries are then engaged.

(b) Non-Solicit. The grantee agrees that during the Coverage Period, he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the Term was a traveling nurse or other healthcare professional, employee, customer or client or supplier of the Company.

(c) Confidential and Proprietary Information. The grantee agrees that he will not at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Grantee's obligation under this Section 9(c) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of grantee; or (iii) is hereafter disclosed to grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Grantee recognizes that all such information, whether developed by the grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of employment, grantee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or

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held by him or under his control in relation to the business or affairs of the Company or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

(d) Forfeiture for Violations. If the grantee shall at any time violate the provisions of Section 9(a), (b), or (c), the grantee shall immediately forfeit all options (whether vested or unvested) and any exercise of an option which occurs after (or within 6 months before) any such violation shall be void ab initio.

SECTION 10. Execution of Agreement. Notwithstanding anything contained in this Stock Option Agreement to the contrary, no option may be exercised until the grantee has returned an executed copy of this Stock Option Agreement to the Company.

SECTION 11. Notices. Any notice to be given to the Company hereunder shall be in writing and shall be addressed to 12235 El Camino Real, Suite 200, San Diego, California 92130, or at such other address as the Company may hereafter designate to the grantee by notice as provided herein. Any notice to be given to the grantee hereunder shall be addressed to the grantee at the address set forth below or at such other address as the grantee may hereafter designate to the Company by notice as provided herein. Notices hereunder shall be deemed to have been duly given when received by personal delivery or by registered or certified mail to the party entitled to receive the same.

SECTION 12. Reorganization Event. The option awarded hereunder may be subject, in the Committee's discretion, to termination upon advance notice on account of a Reorganization Event affecting the Company, as described in Section 17 of the Plan.

SECTION 13. Successors and Assigns. This Stock Option Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent set forth in the Plan, the heirs and personal representatives of the grantee.

SECTION 14. Governing Law. This Agreement shall be governed by the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State.

SECTION 15. Modifications to Agreement. This Agreement may not be altered, modified, changed or discharged, except by a writing signed by or on behalf of both the Company and the grantee.

IN WITNESS WHEREOF, the parties hereto have executed this Stock Option Agreement as of the date and year first above written.

AMN HOLDINGS, INC.

By: /s/ Diane K. Stumph

Name: Diane K. Stumph
Title: Senior Vice President, Finance & CFO

/s/ Steven C. Francis

Steven C. Francis

P.O. Box 675720
Rancho Santa Fe, California 92067

(Address)

EXHIBIT 10.12

Amendment No. 1
to the
Performance Stock Option Plan Agreement
Dated November 19, 1999

1. Effective as of December 13, 2000, the first two columns of the performance targets set forth in Section 2(a) of the Performance Stock Option Plan Agreement are amended as follows:

Fiscal Year	EBITDA
2000	at least $18,915,000
2001	at least $22,685,000
2002	at least $39,865,000
2003	at least $45,856,000

2. Effective as of December 13, 2000, Section 2.2 of the Performance Stock Option Plan Agreement is amended to read in its entirety as follows:

"2.2. Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") in the form of cash and marketable securities exceeds, on an aggregate basis (after taking into account any prior sales by HWP of any portion of its investment in the Company), $491.92 per share of Common Stock, the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal year in which a Change of Control occurs, and, if any, later Fiscal Years shall become exercisable effective immediately prior to such event."

AMN HOLDINGS, INC.

/s/ Diane K. Stumph

By: Diane K. Stumph

OPTIONEE

/s/ Steven C. Francis

By: Steven C. Francis

EXHIBIT 10.13

Francis Initial Grant

Amendment No. 2
to the
Performance Stock Option Plan Agreement
Dated November 19, 1999

AMENDMENT, agreed to as of this 24th day of July, 2001 between AMN Healthcare Services, Inc., a Delaware corporation (the "Company"), and the person whose name appears on the signature page hereto (the "Optionee").

WHEREAS, the Company has previously entered in a nonqualified stock option agreement under the Company's Performance Stock Option Plan, dated November 19, 1999 as amended effective as of December 13, 2000 (the "Agreement");

WHEREAS, the Company desires to amend the Agreement to change the accounting treatment of the options granted under the Agreement;

WHEREAS, the Optionee desires to amend the Agreement to secure the benefits of the Amendment;

NOW, THEREFORE, the Company and the Optionee agree as follows:

The following amendments to the Agreement shall be effective as of the close of the sale of no less than $100 million of the Company's Common Stock in an underwritten public offering of such Common Stock that is consummated on or before December 31, 2001 (the "IPO").

1. Section 2 of the Agreement is amended to read in its entirety as follows:

"Section 2. Vesting and Exercisability

(a) Vesting. Following the 2000 Fiscal Year of the Company, there shall be no performance targets for the vesting of the option and, subject to the provisions of Section 9, the remaining unvested and unexercisable portion of the option shall become fully vested solely upon consummation of the IPO. Notwithstanding the vesting of the option in accordance with this Section 2(a), the option shall not become exercisable other than in accordance with the provisions of Section 2(b) and 2(c) hereof.

(b) Exercisability. Upon the occurrence of the IPO, the option shall become exercisable in accordance with the following schedule:

7,809.6 shares upon the expiration of the underwriters' lock-up period following the IPO (the "Lock-Up Period");

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7,809.6 shares on December 31, 2001, or if later, upon expiration of the Lock-Up Period;

7,809.6 shares on December 31, 2002;

7,809.5 shares on December 31, 2003;

Each of the foregoing dates shall hereinafter be referred to as an "Exercisability Date".

(c) Change of Control Acceleration. Notwithstanding any provision to the contrary, the option shall become fully vested and exercisable on the date on which HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") have disposed of 75% or more of its ownership position.

(d) Expiration of Option. The option shall terminate and cease to be exercisable on the tenth anniversary of the date of grant thereof.

2. Section 4 of the Agreement is amended in its entirety to read as follows:

"Section 4. Termination of Employment

Exercisability. If a grantee's employment with the Company terminates for any reason, other than by reason of the grantee's death or disability, the Exercisability Dates under Section 2(b) shall be of no further force or effect and the then-vested and non-exercisable portion of the option shall instead become exercisable at a rate of 25% for four years following the expiration of such grantee's "Hiatus Lock-Up Period", beginning on the first anniversary of the expiration of such period, and ending on the fourth anniversary of such period; provided, however, that the option shall become fully exercisable by December 1, 2009. Upon termination of a grantee's employment by reason of death or disability, the provisions of this Section 4 shall be inapplicable, and such grantee's option shall continue to become exercisable in accordance with the provisions of Section 2(b).

For purposes of this Section 4, "Hiatus Lock-Up Period" shall mean, in the case of an employee terminating employment more than one year after the IPO, the two-year period immediately following his termination, and, in the case of an employee terminating employment within one year after the IPO, the three-year period immediately following his termination.

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AMN HEALTHCARE SERVICES, INC.

/s/ Susan Nowakowski

By: Chief Operating Officer

STEVEN FRANCIS

/s/ Steven Francis

By:

Exhibit 10.14

AMN HOLDINGS, INC.
1999 SUPER-PERFORMANCE STOCK OPTION PLAN

CEO Nonqualified Stock Option Agreement

. STOCK OPTION AGREEMENT dated November 19, 1999, between AMN HOLDINGS, INC., a Delaware corporation (the "Company"), and Steven C. Francis (the "grantee").

All words and phrases not otherwise expressly defined herein shall have the same meanings as are ascribed to such words and phrases in the Plan document.

The Committee has determined that the objectives of the Plan will be furthered by granting to the grantee an option pursuant to the Plan.

In consideration of the foregoing and of the mutual undertakings set forth in this Stock Option Agreement, the Company and the grantee agree as follows:

SECTION 1. Grant of Option. The Company hereby grants to the grantee a nonqualified stock option to purchase 15,619.2 shares of Stock at a purchase price of $163.9743 per share.

SECTION 2. Exercisability.

(a) In General. Subject to Section 4 hereof, the option shall become vested and exercisable if, and only if, certain performance targets are met, as follows:

Fiscal Year	EBITDA	Number of Shares as to which Option Becomes Exercisable
2000	at least $21,752,000	3,904.8
2001	at least $26,088,000	3,904.8
2002	at least $31,182,000	3,904.8
2003	at least $35,872,000	3,904.8

Any portion of the option that becomes exercisable pursuant to the above shall become exercisable as of the date of delivery of audited financial statements by the Company's independent auditor for the applicable Fiscal Year (in each case, the "Fiscal Year Vesting Date"), provided that the grantee was employed on the last day of the applicable Fiscal Year.

(b) Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in

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which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") in the form of cash and marketable securities equals or exceeds three times HWP's aggregate investment in the Company (after taking into account any prior sales by HWP of any portion of its investment in the Company), the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal Year in which a Change of Control occurs and, if any, later Fiscal Years shall become exercisable effective immediately prior to such event.

(c) Expiration of Option.

(i) Generally. Subject to the provisions of this Section 2(c) and Section 4, the option shall terminate and cease to be exercisable on the tenth anniversary of the date of grant thereof.

(ii) Special Rule. Notwithstanding the provisions of Section 2(c)(i), if the Company does not meet the performance target established in Section 2(a) for a Fiscal Year, that portion of the option which was eligible to become vested with respect to such Fiscal Year shall immediately terminate.

SECTION 3. Method of Option Exercise. The option or any part thereof may be exercised only by giving to the Company written notice of exercise in the form prescribed by the Committee. Full payment of the purchase price shall be made on the option exercise date by certified or official bank check or, in the Committee's discretion (which shall not be unreasonably withheld), by personal check (subject to collection), payable to the Company, or delivery of shares of Stock already owned by the grantee for at least six months prior to the option exercise date as described in Section 5.4(b)(iii) of the Plan. The grantee shall have no right to pay the option exercise price, or to receive shares of Stock with respect to an option exercise, prior to the option exercise date. For purposes of this Stock Option Agreement, the "option exercise date" shall be deemed to be the first business day immediately following the date written notice of exercise is received by the Company.

SECTION 4. Termination of Employment.

(a) Unvested Options.

(i) General Rule. All unvested portions of an option granted to a grantee shall terminate and no longer be exercisable upon such grantee's termination of employment for any reason, except to the extent that options may become exercisable post-employment in accordance with Section 5.5 of the Plan or may remain eligible for

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vesting and exercise pursuant to Sections 4(a)(ii) or 4(c) of this Agreement.

(ii) Termination Before Performance Verified. Notwithstanding Section 4(a)(i), if a grantee terminates employment after the end of a Fiscal Year but before the Fiscal Year Vesting Date (if applicable), the portion of such grantee's option that was eligible to vest upon delivery of audited financial statements confirming that performance targets were met for such Fiscal Year shall remain outstanding and eligible for vesting until delivery of such audited financial statements. Thereafter, the unvested portion of such option shall terminate immediately and the treatment of the vested portion of the option shall be governed by Section 4(b).

(b) Vested Options.

(i) Death and Disability. Unless otherwise provided herein (including, without limitation, Section 4(c), if a grantee's employment with the Company and its subsidiaries terminates by reason of death or Disability (as defined in a grantee's employment agreement, if applicable, or if not applicable, as defined in section 22(e)(3) of the Code), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement, may be exercised by such grantee or, as the case may be, by such grantee's court-appointed legal representative or, in the case of the grantee's death, by the person or persons to whom such option passes under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (x) the later of (1) one year after the grantee's termination by reason of death or Disability and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, one year after the date of delivery of audited financial statements, and (y) the date on which such portion of the option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement.

(ii) Regular Termination; Leaves of Absence. Unless otherwise provided herein (including, without limitation, Section 4(c)), if the grantee's employment terminates for reasons other than as provided in Section 4(b)(i), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee until the earlier of (x) the later of (1) 90 days after

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the grantee's date of termination and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, 90 days after the date of delivery of audited financial statements, and (y) the date on which such option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement. The Committee may in its discretion determine (A) whether any leave of absence (including short-term or long-term disability or medical leave) shall constitute a termination of employment for purposes of the Plan and (B) the impact, if any, of any such leave on outstanding options under the Plan.

(c) Special Rule. If termination of the grantee's employment occurs due to death, Disability (as defined in the Plan), resignation for Good Reason, termination without Cause, or a resignation within 90 days of a Change of Control as described in Section 5.03 of the grantee's employment agreement, and such termination takes place between January 1, 2002 and December 31, 2003, then one-half of the portion of the option eligible for vesting in Fiscal Years 2002 and 2003 in accordance with Section 2(a), which has not previously become exercisable and as to which the applicable Fiscal Year has not ended, shall not terminate, but rather shall remain outstanding and become exercisable if and to the extent that the performance targets set forth in Section 2(a) are met for Fiscal Years 2002 and 2003 (as applicable), as if such termination of employment had not occurred. After each such vesting, if any, grantee shall have a period of 90 days in which to exercise such portion of the option, unless his termination was due to death or Disability, in which case the grantee or his estate shall have one year after vesting to exercise such portion of the option. Any portion of the option which remains outstanding following termination of employment as described in this Section 4(c), but as to which the applicable Fiscal Year has ended without the performance targets having been attained, shall terminate as of the end of such Fiscal Year.

(d) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person.

SECTION 5. Withholding Tax Requirements. Shares of Stock deliverable to the grantee upon exercise, pursuant to the terms of the Plan and this Stock Option Agreement, shall be subject to income tax withholding as provided in Section 10 of the Plan. Subject to the Committee's consent (which shall not be unreasonably withheld), a grantee may elect to satisfy all or part of such requirements by delivery of unrestricted shares of Stock owned by the grantee as provided in Section 10.2 of the Plan.

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SECTION 6. Agreement Provisions to Prevail. This Stock Option Agreement shall be subject to all of the terms and provisions of the Plan, which are incorporated hereby and made a part hereof, including, without limitation, the provisions of Section 8 of the Plan (generally relating to consents required by securities and other laws) and Section 11 of the Plan (generally relating to the effects of certain reorganizations and other extraordinary transactions and providing the Committee with the ability to adjust performance targets). In the event there is any inconsistency between the provisions of this Stock Option Agreement and the Plan, the provisions of this Stock Option Agreement shall govern.

SECTION 7. Grantee's Acknowledgments. By entering into this Stock Option Agreement, the grantee agrees and acknowledges that (a) he has received and read a copy of the Plan, and accepts this option upon all of the terms thereof, and (b) no member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award thereunder or under this Stock Option Agreement.

SECTION 8. Nontransferability. No option granted to the grantee under the Plan or this Stock Option Agreement shall be assignable or transferable by the grantee (whether by operation of law or otherwise and whether voluntarily or involuntarily), other than by will or by the laws of descent and distribution. During the lifetime of the grantee, all rights granted to the grantee under the Plan or under this Stock Option Agreement shall be exercisable only by the grantee or the grantee's court appointed legal representative. Notwithstanding the foregoing, with the Committee's consent, the option may be transferred to one or more members of the grantee's immediate family or trusts all of the beneficiaries (other than contingent beneficiaries) of which are members of the grantee's immediate family.

SECTION 9. Forfeiture for Non-Compete Violation.

(a) Non-Compete. The grantee agrees that during the term of grantee's employment and for a period of two years thereafter (the "Coverage Period"), the grantee will not engage in, consult with, participate in, hold a position as shareholder, director, officer, consultant, employee, partner or investor, or otherwise assist any business entity (i) in any State of the United States of America or (ii) in any other country in which the Company has business activities, in either case, that is engaged in any activities which are competitive with the business of providing healthcare or other personnel on a temporary basis to hospitals, healthcare facilities or other entities and any and all business activities reasonably related thereto in which the Company or any of its divisions, affiliates or subsidiaries are then engaged.

(b) Non-Solicit. The grantee agrees that during the Coverage Period, he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the Term was a traveling nurse or

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other healthcare professional, employee, customer, client or supplier of the Company.

(c) Confidential and Proprietary Information. The grantee agrees that he will not, at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Grantee's obligation under this Section 9(c) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of grantee; or (iii) is hereafter disclosed to grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Grantee recognizes that all such information, whether developed by the grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of employment, grantee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company, or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

(d) Forfeiture for Violations. If the grantee shall at any time violate the provisions of Section 9(a), (b), or (c), the grantee shall immediately forfeit all options (whether vested or unvested) and any exercise of an option which occurs after (or within 6 months before) any such violation shall be void ab initio.

SECTION 10. Execution of Agreement. Notwithstanding anything contained in this Stock Option Agreement to the contrary, no option may be exercised until the grantee has returned an executed copy of this Stock Option Agreement to the Company.

SECTION 11. Notices. Any notice to be given to the Company hereunder shall be in writing and shall be addressed to 12235 El Camino Real, Suite 200, San Diego, California 92130, or at such other address as the Company may hereafter

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designate to the grantee by notice as provided herein. Any notice to be given to the grantee hereunder shall be addressed to the grantee at the address set forth below or at such other address as the grantee may hereafter designate to the Company by notice as provided herein. Notices hereunder shall be deemed to have been duly given when received by personal delivery or by registered or certified mail to the party entitled to receive the same.

SECTION 12. Reorganization Event. The option awarded hereunder may be subject, in the Committee's discretion, to termination upon advance notice on account of a Reorganization Event affecting the Company, as described in Section 17 of the Plan.

SECTION 13. Successors and Assigns. This Stock Option Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent set forth in the Plan, the heirs and personal representatives of the grantee.

SECTION 14. Governing Law. This Agreement shall be governed by the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State.

SECTION 15. Modifications to Agreement. This Agreement may not be altered, modified, changed or discharged, except by a writing signed by or on behalf of both the Company and the grantee.

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IN WITNESS WHEREOF, the parties hereto have executed this Stock Option Agreement as of the date and year first above written.

AMN HOLDINGS, INC.

By: /s/ Diane K. Stumph

Name: Diane K. Stumph
Title: Senior Vice President, Finance & CFO

/s/ Steven C. Francis

Steven C. Francis

P.O. Box 675720
Rancho Santa Fe, California 92067

(Address)

EXHIBIT 10.15

Amendment No. 1
to the
Super-Performance Stock Option Plan Agreement
Dated November 19, 1999

1. Effective as of December 13, 2000, the first two columns of the performance targets set forth in Section 2(a) of the Super-Performance Stock Option Plan Agreement are amended as follows:

Fiscal Year	EBITDA
2000	at least $21,752,000
2001	at least $26,088,000
2002	at least $45,845,000
2003	at least $52,734,000

2. Effective as of December 13, 2000, Section 2.2 of the Super-Performance Stock Option Plan Agreement is amended to read in its entirety as follows:

"2.2. Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") in the form of cash and marketable securities exceeds, on an aggregate basis (after taking into account any prior sales by HWP of any portion of its investment in the Company), $491.92 per share of Common Stock, the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal year in which a Change of Control occurs, and, if any, later Fiscal Years shall become exercisable effective immediately prior to such event."

AMN HOLDINGS, INC.

/s/ Diane K. Stumph

By: Diane K. Stumph

OPTIONEE

/s/ Steven C. Francis

By: Steven C. Francis

EXHIBIT 10.16

Francis Initial Grant

Amendment No. 2
to the
Super-Performance Stock Option Plan Agreement
Dated November 19, 1999

AMENDMENT, agreed to as of this 24th day of July, 2001 between AMN Healthcare Services, Inc., a Delaware corporation (the "Company"), and the person whose name appears on the signature page hereto (the "Optionee").

WHEREAS, the Company has previously entered in a nonqualified stock option agreement under the Company's Super-Performance Stock Option Plan, dated November 19, 1999 as amended effective as of December 13, 2000 (the "Agreement");

WHEREAS, the Company desires to amend the Agreement to change the accounting treatment of the options granted under the Agreement;

WHEREAS, the Optionee desires to amend the Agreement to secure the benefits of the Amendment;

NOW, THEREFORE, the Company and the Optionee agree as follows:

The following amendments to the Agreement shall be effective as of the close of the sale of no less than $100 million of the Company's Common Stock in an underwritten public offering of such Common Stock that is consummated on or before December 31, 2001 (the "IPO").

1. Section 2 of the Agreement is amended to read in its entirety as follows:

"Section 2. Vesting and Exercisability

(a) Vesting. Following the 2000 Fiscal Year of the Company, there shall be no performance targets for the vesting of the option and, subject to the provisions of Section 9, the remaining unvested and unexercisable portion of the option shall become fully vested solely upon consummation of the IPO. Notwithstanding the vesting of the option in accordance with this Section 2(a), the option shall not become exercisable other than in accordance with the provisions of Section 2(b) and 2(c) hereof.

(b) Exercisability. Upon the occurrence of the IPO, the option shall become exercisable in accordance with the following schedule:

3,904.8 shares upon the expiration of the underwriters' lock-up period following the IPO (the "Lock-Up Period");

3,904.8 shares on December 31, 2001, or if later, upon expiration of the Lock-Up Period;

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3,904.8 shares on December 31, 2002;

3,904.8 shares on December 31, 2003;

Each of the foregoing dates shall hereinafter be referred to as an "Exercisability Date".

(c) Change of Control Acceleration. Notwithstanding any provision to the contrary, the option shall become fully vested and exercisable on the date on which HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") have disposed of 75% or more of its ownership position.

(d) Expiration of Option. The option shall terminate and cease to be exercisable on the tenth anniversary of the date of grant thereof.

2. Section 4 of the Agreement is amended in its entirety to read as follows:

"Section 4. Termination of Employment

Exercisability. If a grantee's employment with the Company terminates for any reason, other than by reason of the grantee's death or disability, the Exercisability Dates under Section 2(b) shall be of no further force or effect and the then-vested and non-exercisable portion of the option shall instead become exercisable at a rate of 25% for four years following the expiration of such grantee's "Hiatus Lock-Up Period", beginning on the first anniversary of the expiration of such period, and ending on the fourth anniversary of such period; provided, however, that the option shall become fully exercisable by December 1, 2009. Upon termination of a grantee's employment by reason of death or disability, the provisions of this Section 4 shall be inapplicable, and such grantee's option shall continue to become exercisable in accordance with the provisions of Section 2(b).

For purposes of this Section 4, "Hiatus Lock-Up Period" shall mean, in the case of an employee terminating employment more than one year after the IPO, the two-year period immediately following his termination, and, in the case of an employee terminating employment with one year after the IPO, the three-year period immediately following his termination.

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AMN HEALTHCARE SERVICES, INC.

/s/ Susan Nowakowski

By: Chief Operating Officer

STEVEN FRANCIS

/s/ Steven Francis

By:

EXHIBIT 10.17

AMN HOLDINGS, INC.
1999 PERFORMANCE STOCK OPTION PLAN

Nonqualified Stock Option Agreement

STOCK OPTION AGREEMENT dated November 19, 1999, between AMN HOLDINGS, INC., a Delaware corporation (the "Company"), and Susan R. Nowakowski (the "grantee").

All words and phrases not otherwise expressly defined herein shall have the same meanings as are ascribed to such words and phrases in the Plan document.

The Committee has determined that the objectives of the Plan will be furthered by granting to the grantee an option pursuant to the Plan.

In consideration of the foregoing and of the mutual undertakings set forth in this Stock Option Agreement, the Company and the grantee agree as follows:

SECTION 1. Grant of Option.

The Company hereby grants to the grantee a nonqualified stock option to purchase 5,248 shares of Stock at a purchase price of $163.9743 per share.

SECTION 2. Exercisability.

(a) In General. Subject to Section 4 hereof, the option shall become vested and exercisable if, and only if certain performance targets are met, as follows:

Fiscal Year	EBITDA	Number of Shares as to which Option Becomes Exercisable
2000	at least $18,915,000	1,312
2001	at least $22,685,000	1,312
2002	at least $27,115,000	1,312
2003	at least $31,193,000	1,312

Any portion of the option that becomes exercisable pursuant to the above shall become exercisable as of the date of delivery of audited financial statements by the Company's independent auditor for the applicable Fiscal Year (in each case, the "Fiscal Year Vesting Date"), provided that the grantee was employed on the last day of the applicable Fiscal Year.

(b) Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") in the form of cash and marketable securities equals or exceeds three times HWP's aggregate investment in the Company (after taking into account any prior sales

by HWP of any portion of its investment in the Company), the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal Year in which a Change of Control occurs and, if any, later Fiscal Years shall become exercisable, effective immediately prior to such event.

(c) Expiration of Option.

(i) Generally. Subject to the provisions of this Section 2(c) and Section 4, the option shall terminate and cease to be exercisable on the tenth anniversary of the date of grant thereof.

(ii) Special Rule. Notwithstanding the provisions of Section 2(c)(i), if the Company does not meet the performance target established in Section 2(a) for a Fiscal Year, that portion of the option which was eligible to become vested with respect to such Fiscal Year shall immediately terminate.

SECTION 3. Method of Option Exercise.

The option or any part thereof may be exercised only by giving to the Company written notice of exercise in the form prescribed by the Committee. Full payment of the purchase price shall be made on the option exercise date by certified or official bank check or, in the Committee's discretion (which shall not be unreasonably withheld), by personal check (subject to collection), payable to the Company, or delivery of shares of Stock already owned by the grantee for at least six months prior to the option exercise date as described in Section 5.4(b)(iii) of the Plan. The grantee shall have no right to pay the option exercise price, or to receive shares of Stock with respect to an option exercise, prior to the option exercise date. For purposes of this Stock Option Agreement, the "option exercise date" shall be deemed to be the first business day immediately following the date written notice of exercise is received by the Company.

SECTION 4. Termination of Employment.

(a) Unvested Options.

(i) General Rule. All unvested portions of an option granted to a grantee shall terminate and no longer be exercisable upon such grantee's termination of employment for any reason, except to the extent that options may become exercisable post-employment in accordance with Section 5.5 of the Plan or may remain eligible for vesting pursuant to Section 4(a)(ii) of this Agreement.

(ii) Termination Before Performance Verified. Notwithstanding Section 4(a)(i), if a grantee terminates employment after the end of a Fiscal Year, but before the Fiscal Year Vesting Date, (if applicable), the portion of such grantee's option that was eligible to vest upon delivery of audited financial statements confirming that performance targets were met for such Fiscal Year shall remain outstanding and eligible for vesting until delivery of such audited financial statements. Thereafter, the unvested portion

of such option shall immediately terminate and the treatment of the vested portion of the option shall be governed by Section 4(b).

(b) Vested Options.

(i) Death and Disability. Unless otherwise provided herein, if a grantee's employment with the Company and its subsidiaries terminates by reason of death or Disability (as defined in a grantee's employment agreement, if applicable, or if not applicable, as defined in section 22(e)(3) of the Code), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee or, as the case may be, by such grantee's court-appointed legal representative or, in the case of the grantee's death, by the person or persons to whom such option passes under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (x) the later of (1) one year after the grantee's termination by reason of death or Disability and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, one year after the date of delivery of audited financial statements and (y) the date on which such portion of the option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement.

(ii) Regular Termination: Leaves of Absence. Unless otherwise provided herein, if the grantee's employment terminates for reasons other than as provided in Section 4(b)(1), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee until the earlier of (x) the later of (1) 90 days after the grantee's date of termination and (2) 90 days after the date of delivery of audited financial statements, and (y) the date on which such option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement. The Committee may in its discretion determine (A) whether any leave of absence (including short-term or long-term disability or medical leave) shall constitute a termination of employment for purposes of the Plan and (B) the impact, if any, of any such leave on outstanding options under the Plan.

(c) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person.

SECTION 5. Withholding Tax Requirements.

Shares of Stock deliverable to the grantee upon exercise, pursuant to the terms of the Plan and this Stock Option Agreement, shall be subject to income tax withholding as provided in Section 10 of the Plan. Subject to the Committee's consent (which shall not be unreasonably withheld), a grantee may elect to satisfy all or part of

such requirements by delivery of unrestricted shares of Stock owned by the grantee as provided in Section 10.2 of the Plan.

SECTION 6. Agreement Provisions to Prevail.

This Stock Option Agreement shall be subject to all of the terms and provisions of the Plan, which are incorporated hereby and made a part hereof, including, without limitation, the provisions of Section 8 of the Plan (generally relating to consents required by securities and other laws) and Section 11 of the Plan (generally relating to the effects of certain reorganizations and other extraordinary transactions and providing the Committee with the ability to adjust performance targets). In the event there is any inconsistency between the provisions of this Stock Option Agreement and the Plan, the provisions of this Stock Option Agreement shall govern.

SECTION 7. Grantee's Acknowledgments.

By entering into this Stock Option Agreement, the grantee agrees and acknowledges that (a) he has received and read a copy of the Plan, and accepts this option upon all of the terms thereof, and (b) no member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award thereunder or under this Stock Option Agreement.

SECTION 8. Stockholder Restrictions.

(a) Restrictions on Transfer of Stock Acquired by Option Exercise.

(i) Limitation on Transfer. The grantee shall not sell, give, assign, hypothecate, pledge, encumber, grant a security interest in or otherwise dispose of (whether by operation of law or otherwise) (each a "transfer") any Stock or any right, title or interest therein or thereto, except in accordance with the provisions of this Agreement. Any attempt to transfer any Stock or any rights hereunder in violation of the preceding sentence shall be null and void ab initio.

(ii) Permitted Transfers. At any time after December 31, 2003, the grantee may, subject to this Section 8(a)(ii), Section 8(a)(iii) and Section 8(b), transfer all, but not less than all, of the Stock owned by the grantee to any Person other than a Person involved with the medical or employee staffing industry other than through the Company (each a "Permitted Transferee"); provided that the consideration for such transfer shall consist solely of cash. No such transfer to a Permitted Transferee shall be effective unless such Permitted Transferee becomes a party to a separate agreement setting forth substantially the same terms as this Section 8. No Permitted Transferee of Stock pursuant to this Section 8(a)(ii) shall thereafter re-transfer such Stock except in accordance with this Section 8(a)(ii) and Section 8(a)(iii).

(iii) Permitted Transfer Procedure. The grantee shall give notice to the Company and AMN Acquisition Corp., a Delaware corporation ("AMN") of its intention to make any transfer permitted under Section 8(a)(ii) not less than thirty (30)

calendar days prior to effecting such transfer, which notice shall state the name and address of the party to whom such transfer is proposed and the Stock proposed to be transferred.

(b) Proposed Voluntary Transfers by the Grantee: Right of First Refusal.

(i) Offering Notice. If after December 31, 2003 the grantee has received a bona fide offer from a Person (the "Third Party Purchaser") to pay for cash (a "Third Party Offer") all of its Stock (the "Offered Stock") and the grantee desires to accept the Third Party Offer, then the grantee (the "Selling Stockholder") shall make an offer (the "Offer") to sell the Offered Stock to AMN and the Company by sending written notice (the "Offering Notice") to the Company and AMN, which notice shall state (x) the number of shares of Offered Stock and (y) all material terms and conditions of such proposed sale (including the proposed purchase price per share of Stock).

(ii) Offer Price. Upon receipt of the Offering Notice, AMN or its designee and the Company (to the extent that AMN or its designee does not exercise its right of first refusal for the Offered Stock) shall have the right, but not the obligation, to purchase collectively all, but not less than all, of the Offered Stock. If the Offer is accepted by AMN's designee, AMN shall remain responsible for such designee's performance hereunder. The right of first refusal shall be exercisable with respect to the Offered Stock (i) by AMN or its designee and (ii) by the Company, to the extent that AMN or its designee does not exercise its right of first refusal for all of the Offered Stock, by written notice to the Selling Stockholder (with a copy to the Company) within twenty (20) calendar days (in the case of AMN) and within thirty (30) calendar days (in the case of the Company) of receipt of the Offering Notice. Failure by AMN or the Company to respond within the applicable Notice Period shall be regarded as a rejection of the Offer.

(iii) Sell Option. If all of the Offered Stock has not been acquired by AMN or its designee or the Company, the Selling Stockholder(s) shall have the right to sell such Stock to the Third Party Offeror on the terms and conditions of the Third Party Offer; provided, that any such sale must be consummated within 45 calendar days of the date of the Offering Notice; provided however, that if compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 is necessary to consummate such sale, the 45-day period may be extended to the end of the waiting period thereunder (but in no event to more than 75 calendar days after the date of the Offering Notice). In the event that such sale is not consummated within such 45-day period (as extended if applicable) for any reason, then the restrictions provided for herein shall again become effective, and no transfer of such Offered Stock may be made thereafter by such Selling Stockholder(s) without again complying with this Section 8(b)(iii).

(c) Drag-Along Right.

(i) Sale of the Company. In the event AMN (the "Initiating Seller") proposes to sell any of its Stock in one or more related transactions, including

without limitation, a merger or consolidation (a "Drag-Along Sale") to a bona fide third party purchaser (the "Proposed Transferee") on an arm's length basis, the Initiating Seller shall have the right (the "Drag-Along Right") to require the grantee (the "Drag-Along Seller") to sell, and the Drag-Along Seller hereby agrees to sell, to the Proposed Transferee:

(1) until AMN has sold (or will have sold as a result of such sale (assuming no tag-along rights are exercised on such sale)) Stock to a third party in an amount equal to at least 75 percent (75%) of the Stock owned by AMN as of the date hereof (the "Threshold Event"), that number of shares of Stock (but not less than such number of shares of Stock) which is equal to the product of (x) the number of Shares held by the grantee and (y) a fraction (A) the numerator of which is the number of outstanding shares of Stock proposed to be sold by the Initiating Seller and (B) the denominator of which is the number of shares of Stock owned by the Initiating Seller; and

(2) from and after the Threshold Event, all, but not less than all, of its Stock (such amount referred to in clause (1) or (2), as the case may be, for the grantee being herein referred to as the "Drag-Along Amount").

(ii) Sale Notice. The Initiating Seller shall notify the Company, and the Company shall promptly notify the Drag-Along Seller in writing of such proposed Transfer (the "Sale Notice"). The Sale Notice shall set forth (a) the name and address of the Proposed Transferee and (b) a copy of the written proposal pursuant to which the Drag-Along Sale will be effected, containing all of the material terms and conditions thereof, including (1) the number of shares of Stock (calculated on a fully diluted, as converted basis) proposed to be transferred by the Initiating Seller, (2) the applicable Drag-Along Amount, (3) the price per share of Stock to be paid, (4) the terms and conditions of payment offered by the Proposed Transferee, (5) whether the Initiating Seller has determined to exercise the Drag-Along Right, (6) in the event the Initiating Seller has determined to exercise the Drag-Along Right, that the Proposed Transferee has been informed of the Drag-Along Right provided for in this Section 8(c) and has agreed to purchase the applicable Drag-Along Amount in accordance with the terms hereof and (7) the date and location of and procedures for selling Stock to the Proposed Transferee.

(iii) Purchase of Drag-Along Amount. The Stock purchased from the Drag-Along Seller by the Proposed Transferee pursuant to this Section 8(c) shall be paid for at the same price per share and upon terms and conditions no less favorable than the terms and conditions applicable to the Stock to be sold by the Initiating Seller.

(d) Stock Certificate Legend: Recording of Transfer. A copy of this Agreement shall be filed with the Secretary of the Company and kept with the records of the Company. Each certificate representing Stock now held or hereafter acquired by the grantee shall, at the option of the Company, for as long as this Section 8 is effective, bear a legend as follows:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER SUCH ACT AND UNDER ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER HEREOF THAT SUCH REGISTRATION IS NOT REQUIRED AS TO SUCH SALE OR OFFER. THE TRANSFER AND PLEDGE OF ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY THE TERMS OF THIS STOCK OPTION AGREEMENT, DATED AS OF NOVEMBER 19, 1999, AMONG THE COMPANY AND THE GRANTEE, A COPY OF WHICH MAY BE INSPECTED AT THE COMPANY'S PRINCIPAL OFFICE.

(e) All Transfers in Compliance with Law and Subject to this Agreement. Any transfer of Stock permitted or required by this Agreement must be in compliance with the applicable provisions of this Agreement and with federal and state securities laws, including, without limitation, the Securities Act.

(f) Specific Performance. The parties hereto intend that each of the parties have the right to seek damages and/or specific performance in the event that any other party hereto fails to perform such party's obligations hereunder. Therefore, if any party shall institute any action or proceeding to enforce the provisions hereof, any party against whom such action or proceeding is brought hereby waives any claim or defense therein that the plaintiff party has an adequate remedy at law.

(g) Definitions. For purposes hereof, the following terms shall have the meanings set forth below:

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization, governmental body or other entity.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Stock" means, with respect to each Stockholder, all shares, whether now owned or hereafter acquired, of Common Stock owned by such Stockholder.

(h) Term. This entire Section 8 shall terminate upon the closing of a bona fide initial Public offering of Common Stock of the Company.

SECTION 9. Nontransferability.

No option granted to the grantee under the Plan or this Stock Option Agreement shall be assignable or transferable by the grantee (whether by operation of law or otherwise and whether voluntarily or involuntarily), other than by will or by the laws of descent and distribution. During the lifetime of the grantee, all rights granted to the grantee under the Plan or under this Stock Option Agreement shall be exercisable only by the grantee or the grantee's court appointed legal representative. Notwithstanding the foregoing, with the Committee's consent, the option may be transferred to one or more members of the grantee's immediate family or trusts all of the beneficiaries (other than contingent beneficiaries) of which are members of the grantee's immediate family.

SECTION 10. Forfeiture for Violations.

(a) Non-Compete. The grantee agrees that during the term of grantee's employment and for a period of two years thereafter (the "Coverage Period") the grantee will not engage in, consult with, participate in, hold a position as shareholder, director, officer, consultant, employee, partner or investor, or otherwise assist any business entity (i) in any State of the United States of America or (ii) in any other country in which the Company has business activities, in either case, that is engaged in any activities which are competitive with the business of providing healthcare or other personnel on a temporary basis to hospitals, healthcare facilities or other entities and any and all business activities reasonably related thereto in which the Company or any of its divisions, affiliates or subsidiaries are then engaged.

(b) Non Solicit. The grantee agrees that during the Coverage Period, he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the Term was a traveling nurse or other healthcare professional, employee, customer, client or supplier of the Company.

(c) Confidential and Proprietary Information. The grantee agrees that he will not, at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Grantee's obligation under this Section 10(c) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of grantee; or (iii) is hereafter disclosed to grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as

specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Grantee recognizes that all such information, whether developed by the grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of employment, grantee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

(d) Forfeiture for Violations. If the grantee shall at any time violate the provisions of Section 10(a), (b), or (c), the grantee shall immediately forfeit all options (whether vested or unvested) and any exercise of an option which occurs after (or within 6 months before) any such violation shall be void ab initio.

SECTION 11. Execution of Agreement.

Notwithstanding anything contained in this Stock Option Agreement to the contrary, no option may be exercised until the grantee has returned an executed copy of this Stock Option Agreement to the Company.

SECTION 12. Notices.

Any notice to be given to the Company hereunder shall be in writing and shall be addressed to 12235 El Camino Real, Suite 200, San Diego, California 92130 or at such other address as the Company may hereafter designate to the grantee by notice as provided herein. Any notice to be given to the grantee hereunder shall be addressed to the grantee at the address set forth below or at such other address as the grantee may hereafter designate to the Company by notice as provided herein. Notices hereunder shall be deemed to have been duly given when received by personal delivery or by registered or certified mail to the party entitled to receive the same.

SECTION 13. Reorganization Event.

The option awarded hereunder may be subject, in the Committee's discretion, to termination on account of a Reorganization Event affecting the Company, as described in Section 17 of the Plan.

SECTION 14. Successors and Assigns.

This Stock Option Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent set forth in the Plan, the heirs and personal representatives of the grantee.

SECTION 15. Governing Law.

This Agreement shall be governed by the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State.

SECTION 16. Modifications to Agreements.

This Agreement may not be altered, modified, changed or discharged, except by a writing signed by or on behalf of both the Company and the grantee.

IN WITNESS THEREOF, the parties hereto have executed this Stock Option Agreement as of the date and year first above written.

AMN HOLDINGS, INC.

By: /s/ Steven C. Francis

Title:

/s/ Susan R. Nowakowski

SUSAN R. NOWAKOWSKI
Grantee

Address: 2288 Waneka Lake Trail
Lafayette, CO 80026

EXHIBIT 10.18

Amendment No. 1
to the
Performance Stock Option Plan Agreement
Dated November 19, 1999

1. Effective as of December 13, 2000, the first two columns of the performance targets set forth in Section 2(a) of the Performance Stock Option Plan Agreement are amended as follows:

Fiscal Year	EBITDA
2000	at least $18,915,000
2001	at least $22,685,000
2002	at least $39,865,000
2003	at least $45,856,000

2. Effective as of December 13, 2000, Section 2.2 of the Performance Stock Option Plan Agreement is amended to read in its entirety as follows:

"2.2. Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") in the form of cash and marketable securities exceeds, on an aggregate basis (after taking into account any prior sales by HWP of any portion of its investment in the Company), $491.92 per share of Common Stock, the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal year in which a Change of Control occurs, and, if any, later Fiscal Years shall become exercisable effective immediately prior to such event."

AMN HOLDINGS, INC.

/s/ Steven C. Francis

By: Steven C. Francis

OPTIONEE

/s/ Susan R. Nowakowski

By: Susan R. Nowakowski

EXHIBIT 10.19

Initial Grant

Amendment No. 2
to the
Performance Stock Option Plan Agreement
Dated November 19, 1999

AMENDMENT, agreed to as of this 24th day of July, 2001 between AMN Healthcare Services, Inc., a Delaware corporation (the "Company"), and the person whose name appears on the signature page hereto (the "Optionee").

WHEREAS, the Company has previously entered in a nonqualified stock option agreement under the Company's Performance Stock Option Plan, dated November 19, 1999 as amended effective as of December 13, 2000 (the "Agreement");

WHEREAS, the Company desires to amend the Agreement to change the accounting treatment of the options granted under the Agreement;

WHEREAS, the Optionee desires to amend the Agreement to secure the benefits of the Amendment;

NOW, THEREFORE, the Company and the Optionee agree as follows:

The following amendments to the Agreement shall be effective as of the close of the sale of no less than $100 million of the Company's Common Stock in an underwritten public offering of such Common Stock that is consummated on or before December 31, 2001 (the "IPO").

1. Section 2 of the Agreement is amended in its entirety to read as follows:

"Section 2. Vesting and Exercisability

(a) Vesting. Following the 2000 Fiscal Year of the Company, there shall be no performance targets for the vesting of the option and, subject to the provisions of Section 10, the remaining unvested and unexercisable portion of the option shall become fully vested solely upon consummation of the IPO. Notwithstanding the vesting of the option in accordance with this Section 2(a), the option shall not become exercisable other than in accordance with the provisions of Section 2(b) and 2(c) hereof.

(b) Exercisability. Upon the occurrence of the IPO, the option shall become exercisable in accordance with the following schedule:

1,312.0 shares upon the expiration of the underwriters' lock-up period following the IPO (the "Lock-Up Period");

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1,312.0 shares on December 31, 2001, or if later, upon expiration of the Lock-Up Period;

1,312.0 shares on December 31, 2002;

1,312.0 shares on December 31, 2003.

Each of the foregoing dates shall hereinafter be referred to as an "Exercisability Date".

(c) Change of Control Acceleration. Notwithstanding any provision to the contrary, the option shall become fully vested and exercisable on the date on which HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") have disposed of 75% or more of its ownership position.

(d) Expiration of Option. The option shall terminate and cease to be exercisable on the tenth anniversary of the date of grant thereof.

2. Section 4 of the Agreement is amended to read in its entirety as follows:

"Section 4. Termination of Employment

(a) Exercisability. If a grantee's employment with the Company terminates for any reason, other than by reason of the grantee's death or disability, the Exercisability Dates under Section 2(b) shall be of no further force or effect and the then-vested and non-exercisable portion of the option shall instead become exercisable at a rate of 25% for four years following the expiration of such grantee's "Hiatus Lock-Up Period", beginning on the first anniversary of the expiration of such period, and ending on the fourth anniversary of such period; provided, however, that the option shall become fully exercisable by December 1, 2009. Upon termination of a grantee's employment by reason of death or disability, the provisions of this Section 4(a) shall be inapplicable, and such grantee's option shall continue to become exercisable in accordance with the provisions of Section 2(b).

For purposes of this Section 4(a), "Hiatus Lock-Up Period" shall mean, in the case of an employee terminating employment more than one year after the IPO, the two-year period immediately following his termination, and, in the case of an employee terminating within one year after the IPO, the three-year period immediately following his termination.

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(b) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person."

AMN HEALTHCARE SERVICES, INC.

/s/ Steven C. Francis

By: Steven C. Francis, President & CEO

SUSAN NOWAKOWSKI

/s/ Susan Nowakowski

By:

EXHIBIT 10.20

AMN HOLDINGS, INC.
1999 SUPER-PERFORMANCE STOCK OPTION PLAN

Nonqualified Stock Option Agreement

STOCK OPTION AGREEMENT dated November 19, 1999, between AMN HOLDINGS, INC., a Delaware corporation (the "Company"), and SUSAN R. NOWAKOWSKI (the "grantee").

All words and phrases not otherwise expressly defined herein shall have the same meanings as are ascribed to such words and phrases in the Plan document.

The Committee has determined that the objectives of the Plan will be furthered by granting to the grantee an option pursuant to the Plan.

In consideration of the foregoing and of the mutual undertakings set forth in this Stock Option Agreement, the Company and the grantee agree as follows:

SECTION 1. Grant of Option.

The Company hereby grants to the grantee a nonqualified stock option to purchase 2,624 shares of Stock at a purchase price of $163.9743 per share.

SECTION 2. Exercisability.

(a) In General. Subject to Section 4 hereof, the option shall become vested and exercisable if, and only if, certain performance targets are met, as follows:

Fiscal Year	EBITDA	Number of Shares as to which Option Becomes Exercisable
2000	at least $21,752,000	656
2001	at least $26,088,000	656
2002	at least $31,182,000	656
2003	at least $35,872,000	656

Any portion of the option that becomes exercisable pursuant to the above shall become exercisable as of the date of delivery of audited financial statements by the Company's independent auditor for the applicable Fiscal Year (in each case, the "Fiscal Year Vesting Date"), provided that the grantee was employed on the last day of the applicable Fiscal Year.

(b) Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively "HWP") in the form of cash and marketable securities equals or exceeds three times HWP's aggregate investment in the Company (after taking into account any prior sales

by HWP of any portion of its investment in the Company), the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal Year in which a Change of Control occurs and, if any, later Fiscal Years shall become exercisable effective immediately prior to such event.

(c) Expiration of Option.

(i) Generally. Subject to the provisions of this Section 2(c) and Section 4, the option shall terminate and cease to be exercisable on the tenth anniversary of the date of grant thereof.

(ii) Special Rule. Notwithstanding the provisions of Section 2(c)(i), if the Company does not meet the performance target established in Section 2(a) for a Fiscal Year, that portion of the option which was eligible to become vested with respect to such Fiscal Year shall immediately terminate.

SECTION 3. Method of Option Exercise.

The option or any part thereof may be exercised only by giving to the Company written notice of exercise in the form prescribed by the Committee. Full payment of the purchase price shall be made on the option exercise date by certified or official bank check or, in the Committee's discretion (which shall not be unreasonably withheld), by personal check (subject to collection), payable to the Company, or delivery of shares of Stock already owned by the grantee for at least six months prior to the option exercise date as described in Section 5.4(b)(iii) of the Plan. The grantee shall have no right to pay the option exercise price, or to receive shares of Stock with respect to an option exercise, prior to the option exercise date. For purposes of this Stock Option Agreement, the "option exercise date" shall be deemed to be the first business day immediately following the date written notice of exercise is received by the Company.

SECTION 4. Termination of Employment.

(a) Unvested Options.

(i) General Rule. All unvested portions of an option granted to a grantee shall terminate and no longer be exercisable upon such grantee's termination of employment for any reason, except to the extent that options may become exercisable post-employment in accordance with Section 5.5 of the Plan or may remain eligible for vesting pursuant to Section 4(a)(ii) of this Agreement.

(ii) Termination Before Performance Verified. Notwithstanding Section 4(a)(i), if a grantee terminates employment after the end of a Fiscal Year, but before the Fiscal Year Vesting date (if applicable), the portion of such grantee's option that was eligible to vest upon delivery of audited financial statements confirming that performance targets were met for such Fiscal Year shall remain outstanding and eligible for vesting until delivery of such audited financial statements.

Thereafter, the unvested portion of such option shall immediately terminate and the treatment of the vested portion of the option shall be governed by Section 4(b).

(b) Vested Options.

(i) Death and Disability. Unless otherwise provided herein, if a grantee's employment with the Company and its subsidiaries terminates by reason of death or Disability (as defined in a grantee's employment agreement, if applicable, or if not applicable, as defined in section 22(e)(3) of the Code), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee or, as the case may be, by such grantee's court-appointed legal representative or, in the case of the grantee's death, by the person or persons to whom such option passes under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (x) the later of (1) one year after the grantee's termination by reason of death or Disability and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, one year after the date of delivery of audited financial statements, and (y) the date on which such portion of the option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement.

(ii) Regular Termination; Leaves of Absence. Unless otherwise provided herein, if the grantee's employment terminates for reasons other than as provided in Section 4(b)(i), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee until the earlier of (x) the later of (1) 90 days after the grantee's date of termination and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, 90 days after the date of delivery of audited financial statements, in accordance with Section 4(a)(ii) of this Agreement, if applicable, and (y) the date on which such option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement. The Committee may in its discretion determine (A) whether any leave of absence (including short-term or long-term disability or medical leave) shall constitute a termination of employment for purposes of the Plan and (B) the impact, if any, of any such leave on outstanding options under the Plan.

(c) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person.

SECTION 5. Withholding Tax Requirements.

Shares of Stock deliverable to the grantee upon exercise, pursuant to the terms of the Plan and this Stock Option Agreement, shall be subject to income tax

withholding as provided in Section 10 of the Plan. Subject to the Committee's consent (which shall not be unreasonably withheld), a grantee may elect to satisfy all or part of such requirements by delivery of unrestricted shares of Stock owned by the grantee as provided in Section 10.2 of the Plan.

SECTION 6. Agreement Provisions to Prevail.

This Stock Option Agreement shall be subject to all of the terms and provisions of the Plan, which are incorporated hereby and made a part hereof, including, without limitation, the provisions of Section 8 of the Plan (generally relating to consents required by securities and other laws) and Section 11 of the Plan (generally relating to the effects of certain reorganizations and other extraordinary transactions and providing the Committee with the ability to adjust performance targets). In the event there is any inconsistency between the provisions of this Stock Option Agreement and the Plan, the provisions of this Stock Option Agreement shall govern.

SECTION 7. Grantee's Acknowledgments.

By entering into this Stock Option Agreement, the grantee agrees and acknowledges that (a) he has received and read a copy of the Plan, and accepts this option upon all of the terms thereof, and (b) no member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award thereunder or under this Stock Option Agreement.

SECTION 8. Stockholder Restrictions.

(a) Restrictions on Transfer of Stock Acquired by Option Exercise.

(i) Limitation on Transfer. The grantee shall not sell, give, assign, hypothecate, pledge, encumber, grant a security interest in or otherwise dispose of (whether by operation of law or otherwise) (each a "transfer") any Stock or any right, title or interest therein or thereto, except in accordance with the provisions of this Agreement. Any attempt to transfer any Stock or any rights hereunder in violation of the preceding sentence shall be null and void ab initio.

(ii) Permitted Transfers. At any time after December 31, 2003, the grantee may, subject to this Section 8(a)(ii), Section 8(a)(iii) and Section 8(b), transfer all, but not less than all, of the Stock owned by the grantee to any Person other than a Person involved with the medical or employee staffing industry other than through the Company (each a "Permitted Transferee"); provided that the consideration for such transfer shall consist solely of cash. No such transfer to a Permitted Transferee shall be effective unless such Permitted Transferee becomes a party to a separate agreement setting forth substantially the same terms as this Section 8. No Permitted Transferee of Stock pursuant to this Section 8(a)(ii) shall thereafter re-transfer such Stock except in accordance with this Section 8(a)(ii) and Section 8(a)(iii).

(iii) Permitted Transfer Procedures. The grantee shall give notice to the Company and AMN Acquisition Corp., a Delaware corporation ("AMN") of its intention to make any transfer permitted under Section 8(a)(ii) not less than thirty (30) calendar days prior to effecting such transfer, which notice shall state the name and address of the party to whom such transfer is proposed and the Stock proposed to be transferred.

(b) Proposed Voluntary Transfers by the Grantee; Right of First Refusal.

(i) Offering Notice. If after December 31, 2003 the grantee has received a bona fide offer from a Person (the "Third Party Purchaser") to pay for cash (a "Third Party Offer") all of its Stock (the "Offered Stock") and the grantee desires to accept the Third Party Offer, then the grantee (the "Selling Stockholder") shall make an offer (the "Offer") to sell the Offered Stock to AMN and the Company by sending written notice (the "Offering Notice") to the Company and AMN, which notice shall state (x) the number of shares of Offered Stock and (y) all material terms and conditions of such proposed sale (including the proposed purchase price per share of Stock).

(ii) Offer Price. Upon receipt of the Offering Notice, AMN or its designee and the Company (to the extent that AMN or its designee does not exercise its right of first refusal for the Offered stock) shall have the right, but not the obligation, to purchase collectively all, but not less than all, of the Offered Stock. If the Offer is accepted by AMN's designee, AMN shall remain responsible for such designee's performance hereunder. The right of first refusal shall be exercisable with respect to the Offered stock (i) by AMN or its designee and (ii) by the Company, to the extent that AMN or its designee does not exercise its right of first refusal for all of the Offered Stock, by written notice to the Selling Stockholder (with a copy to the Company) within twenty (20) calendar days (in the case of AMN) and within thirty (30) calendar days (in the case of the Company) of receipt of the Offering Notice. Failure by AMN or the Company to respond within the applicable Notice Period shall be regarded as a rejection of the Offer.

(iii) Sell Option. If all of the Offered Stock has not been acquired by AMN or its designee or the Company, the Selling Stockholder(s) shall have the right to sell such Stock to the Third Party Offeror on the terms and conditions of the Third Party Offer, provided, that any such sale must be consummated within 45 calendar days of the date of the Offering Notice; provided however, that if compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 is necessary to consummate such sale, the 45-day period may be extended to the end of the waiting period thereunder (but in no event to more than 75 calendar days after the date of the Offering Notice). In the event that such sale is not consummated within such 45-day period (as extended if applicable) for any reason, then the restrictions provided for herein shall again become effective, and no transfer of such Offered Stock may be made thereafter by such Selling Stockholder(s) without again complying with this Section 8(b)(iii).

(c) Drag-Along Right.

(i) Sale of the Company. In the event AMN (the "Initiating Seller") proposes to sell any of its Stock in one or more related transactions, including without limitation, a merger or consolidation (a "Drag-Along Sale") to a bona fide third party purchaser (the "Proposed Transferee") on an arm's length basis, the Initiating Seller shall have the right (the "Drag-Along Right") to require the grantee (the "Drag-Along Seller") to sell, and the Drag-Along Seller hereby agrees to sell, to the Proposed Transferee:

(1) Until AMN has sold (or will have sold as a result of such sale (assuming no tag-along rights are exercised on such sale)) Stock to a third party in an amount equal to at least 75 percent (75%) of the Stock owned by AMN as of the date hereof (the "Threshold Event"), that number of shares of Stock (but not less than such number of shares of Stock) which is equal to the product of (x) the number of Shares held by the grantee and (y) a fraction (A) the numerator of which is the number of outstanding shares of Stock proposed to be sold by the Initiating Seller and (B) the denominator of which is the number of shares of Stock owned by the Initiating Seller; and

(2) from and after the Threshold Event, all, but not less than all, of its Stock (such amount referred to in clause (1) or (2), as the case may be, for the grantee being herein referred to as the "Drag-Along Amount").

(ii) Sale Notice. The Initiating Seller shall notify the Company, and the Company shall promptly notify the Drag-Along Seller in writing of such proposed Transfer (the "Sale Notice"). The Sale Notice shall set forth (a) the name and address of the Proposed Transferee and (b) a copy of the written proposal pursuant to which the Drag-Along Sale will be effected, containing all of the material terms and conditions thereof, including (1) the number of shares of Stock (calculated on a fully diluted, as converted basis) proposed to be transferred by the Initiating Seller, (2) the applicable Drag-Along Amount, (3) the price per share of Stock to be paid, (4) the terms and conditions of payment offered by the Proposed Transferee, (5) whether the Initiating Seller has determined to exercise the Drag-Along Right, (6) in the event the Initiating Seller has determined to exercise the Drag-Along Right, that the Proposed Transferee has been informed of the Drag-Along Right provided for in this Section 8(c) and has agreed to purchase the applicable Drag-Along Amount in accordance with the terms hereof and (7) the date and location of and procedures for selling Stock to the Proposed Transferee.

(iii) Purchase of Drag-Along Amount. The Stock purchased from the Drag-Along Seller by the Proposed Transferee pursuant to this Section 8(c) shall be paid for at the same price per share and upon terms and conditions no less favorable than the terms and conditions applicable to the Stock to be sold by the Initiating Seller.

(d) Stock Certificate Legend; Recording of Transfer. A copy of this Agreement shall be filed with the Secretary of the Company and kept with the records of the Company. Each certificate representing Stock now held or hereafter acquired by the

grantee shall, at the option of the Company, for as long as this Section 8 is effective, bear a legend as follows:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER SUCH ACT AND UNDER ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER HEREOF THAT SUCH REGISTRATION IS NOT REQUIRED AS TO SUCH SALE OR OFFER. THE TRANSFER AND PLEDGE OF ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY THE TERMS OF THIS STOCK OPTION AGREEMENT. DATED AS OF NOVEMBER 19, 1999, AMONG THE COMPANY AND THE GRANTEE, A COPY OF WHICH MAY BE INSPECTED AT THE COMPANY'S PRINCIPAL OFFICE.

(e) All Transfers in Compliance with Law and Subject to this Agreement. Any transfer of Stock permitted or required by this Agreement must be in compliance with the applicable provisions of this Agreement and with federal and state securities laws, including, without limitation, the Securities Act.

(f) Specific Performance. The parties hereto intend that each of the parties have the right to seek damages and/or specific performance in the event that any other party hereto fails to perform such party's obligations hereunder. Therefore, if any party shall institute any action or proceeding to enforce the provisions hereof, any party against whom such action or proceeding is brought hereby waives any claim or defense therein that the plaintiff party has an adequate remedy at law.

(g) Definitions. For purposes hereof, the following terms shall have the meaning set forth below:

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization, governmental body or other entity.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Stock" means, with respect to each Stockholder, all shares, whether now owned or hereafter acquired, of Common Stock owned by such Stockholder.

(h) Term. This entire Section 8 shall terminate upon the closing of a bona fide initial public offering of Common Stock of the Company.

SECTION 9. Nontransferability.

No option granted to the grantee under the Plan or this Stock Option Agreement shall be assignable or transferable by the grantee (whether by operation of law or otherwise and whether voluntarily or involuntarily), other than by will or by the laws of descent and distribution. During the lifetime of the grantee, all rights granted to the grantee under the Plan or under this Stock Option Agreement shall be exercisable only by the grantee or the grantee's court appointed legal representative. Notwithstanding the foregoing, with the Committee's consent, the option may be transferred to one or more members of the grantee's immediate family or trusts all of the beneficiaries (other than contingent beneficiaries) of which are member of the grantee's immediate family.

SECTION 10. Forfeiture for Non-Compete Violation.

(a) Non-Compete. The grantee agrees that during the term of grantee's employment and for a period of two years thereafter (the "Coverage Period"), the grantee will not engage in, consult with, participate in hold a position as shareholder, director, officer, consultant, employee, partner or investor, or otherwise assist any business entity (i) in any State of the United States of America or (ii) in any other country in which the Company has business activities, in either case, that is engaged in any activities which are competitive with the business of providing healthcare or other personnel on a temporary basis to hospitals, healthcare facilities or other entities and any and all business activities reasonably related thereto in which the Company or any of its divisions, affiliates or subsidiaries are then engaged.

(b) Non-Solicit. The grantee agrees that during the Coverage Period, he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the Term was a traveling nurse or other healthcare professional, employee, customer, client or supplier of the Company.

(c) Confidential and Proprietary Information. The grantee agrees that he will not, at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" including without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Grantee's obligation under this Section 10(c) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of grantee; or (iii) is

hereafter disclosed to grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Grantee recognizes that all such information, whether developed by the grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of employment, grantee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company, or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

(d) Forfeiture for Violations. If the grantee shall at any time violate the provisions of Section 10(a), (b), or (c), the grantee shall immediately forfeit all options (whether vested or unvested) and any exercise of an option which occurs after (or within 6 months before) any such violation shall be void ab initio.

SECTION 11. Execution of Agreement.

Notwithstanding anything contained in this Stock Option Agreement to the contrary, no option may be exercised until the grantee has returned an executed copy of this Stock Option Agreement to the Company.

SECTION 12. Notices.

Any notice to be given to the Company hereunder shall be in writing and shall be addressed to 12235 El Camino Real, Suite 200, San Diego, California 92130, or at such other address as the Company may hereafter designate to the grantee by notice as provided herein. Any notice to be given to the grantee hereunder shall be addressed to the grantee at the address set forth below or at such other address as the grantee may hereafter designate to the Company by notice as provided herein. Notices hereunder shall be deemed to have been duly given when received by personal delivery or by registered or certified mail to the party entitled to receive the same.

SECTION 13. Reorganization Event.

The option awarded hereunder may be subject, in the Committee's discretion, to termination on account of a Reorganization Event affecting the Company, as described in Section 17 of the Plan.

SECTION 14. Successors and Assigns.

This Stock Option Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent set forth in the Plan, the heirs and personal representatives of the grantee.

SECTION 15. Governing Law.

This Agreement shall be governed by the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State.

SECTION 16. Modifications to Agreement.

This Agreement may not be altered, modified, changed or discharged, except by a writing signed by or on behalf of both the Company and the grantee.

IN WITNESS WHEREOF, the parties hereto have executed this Stock Option Agreement as of the date and year first above written.

AMN HOLDINGS, INC.

By:/s/ Steven C. Francis

Title: President

/s/ Susan R. Nowakowski

SUSAN R. NOWAKOWSKI
Grantee

Address: 2288 Waneka Lake Trial
Lafayette, CO 80026

EXHIBIT 10.21

Amendment No. 1
to the
Super-Performance Stock Option Plan Agreement
Dated November 19, 1999

1. Effective as of December 13, 2000, the first two columns of the performance targets set forth in Section 2(a) of the Super-Performance Stock Option Plan Agreement are amended as follows:

Fiscal Year	EBITDA
2000	at least $21,752,000
2001	at least $26,088,000
2002	at least $45,845,000
2003	at least $52,734,000

2. Effective as of December 13, 2000, Section 2.2 of the Super-Performance Stock Option Plan Agreement is amended to read in its entirety as follows:

"2.2. Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") in the form of cash and marketable securities exceeds, on an aggregate basis (after taking into account any prior sales by HWP of any portion of its investment in the Company), $491.92 per share of Common Stock, the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal year in which a Change of Control occurs, and, if any, later Fiscal Years shall become exercisable effective immediately prior to such event."

AMN HOLDINGS, INC.

/s/ Steven C. Francis

By: Steven C. Francis

OPTIONEE

/s/ Susan R. Nowakowski

By: Susan R. Nowakowski

EXHIBIT 10.22

Initial Grant

Amendment No. 2
to the
Super-Performance Stock Option Plan Agreement
Dated November 19, 1999

AMENDMENT, agreed to as of this 24th day of July, 2001 between AMN Healthcare Services, Inc., a Delaware corporation (the "Company"), and the person whose name appears on the signature page hereto (the "Optionee").

WHEREAS, the Company has previously entered in a nonqualified stock option agreement under the Company's Super-Performance Stock Option Plan, dated November 19, 1999 as amended effective as of December 13, 2000 (the "Agreement");

WHEREAS, the Company desires to amend the Agreement to change the accounting treatment of the options granted under the Agreement;

WHEREAS, the Optionee desires to amend the Agreement to secure the benefits of the Amendment;

NOW, THEREFORE, the Company and the Optionee agree as follows:

The following amendments to the Agreement shall be effective as of the close of the sale of no less than $100 million of the Company's Common Stock in an underwritten public offering of such Common Stock that is consummated on or before December 31, 2001 (the "IPO").

1. Section 2 of the Agreement is amended to read in its entirety as follows:

"Section 2. Vesting and Exercisability

(a) Vesting. Following the 2000 Fiscal Year of the Company, there shall be no performance targets for the vesting of the option and, subject to the provisions of Section 10, the remaining unvested and unexercisable portion of the option shall become fully vested solely upon consummation of the IPO. Notwithstanding the vesting of the option in accordance with this Section 2(a), the option shall not become exercisable other than in accordance with the provisions of Section 2(b) and 2(c) hereof.

(b) Exercisability. Upon the occurrence of the IPO, the option shall become exercisable in accordance with the following schedule:

656.0 shares upon the expiration of the underwriters' lock-up period following the IPO (the "Lock-Up Period");

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656.0 shares on December 31, 2001, or if later, upon expiration of the Lock-Up Period;

656.0 shares on December 31, 2002;

656.0 shares on December 31, 2003;

Each of the foregoing dates shall hereinafter be referred to as an "Exercisability Date".

(c) Change of Control Acceleration. Notwithstanding any provision to the contrary, the option shall become fully vested and exercisable on the date on which HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") have disposed of 75% or more of its ownership position.

(d) Expiration of Option. The option shall terminate and cease to be exercisable on the tenth anniversary of the date of grant thereof.

2. Section 4 of the Agreement is amended in its entirety to read as follows:

"Section 4. Termination of Employment

(a) Exercisability. If a grantee's employment with the Company terminates for any reason, other than by reason of the grantee's death or disability, the Exercisability Dates under Section 2(b) shall be of no further force or effect and the then-vested and non-exercisable portion of the option shall instead become exercisable at a rate of 25% for four years following the expiration of such grantee's "Hiatus Lock-Up Period", beginning on the first anniversary of the expiration of such period, and ending on the fourth anniversary of such period; provided, however, that the option shall become fully exercisable by December 1, 2009. Upon termination of a grantee's employment by reason of death or disability, the provisions of this Section 4(a) shall be inapplicable, and such grantee's option shall continue to become exercisable in accordance with the provisions of Section 2(b).

For purposes of this Section 4(a), "Hiatus Lock-Up Period" shall mean, in the case of an employee terminating employment more than one year after the IPO, the two-year period immediately following his termination, and, in the case of an employee terminating employment within one year after the IPO, the three-year period immediately following his termination.

(b) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of

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the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person."

AMN HEALTHCARE SERVICES, INC.

/s/ Steven C. Francis

By: Steven C. Francis, President & CEO

SUSAN NOWAKOWSKI

/s/ Susan Nowakowski

By:

EXHIBIT 10.23

Nowakowski Option Grants

AMN HOLDINGS, INC.
1999 PERFORMANCE STOCK OPTION PLAN

Nonqualified Stock Option Agreement

STOCK OPTION AGREEMENT dated November 20, 2000, between AMN HOLDINGS, INC., a Delaware corporation (the "Company"), and Susan R. Nowakowski (the "grantee").

All words and phrases not otherwise expressly defined herein shall have the same meanings as are ascribed to such words and phrases in the Plan document.

The Committee has determined that the objectives of the Plan will be furthered by granting to the grantee an option pursuant to the Plan.

In consideration of the foregoing and of the mutual undertakings set forth in this Stock Option Agreement, the Company and the grantee agree as follows:

SECTION 1. Grant of Option. The Company hereby grants to the grantee a nonqualified stock option to purchase 3,124 shares of Stock at a purchase price of $163.9743 per share.

SECTION 2. Exercisability.

(a) In General. Subject to Section 4 hereof, the option shall become vested and exercisable if, and only if certain performance targets are met, as follows:

Fiscal Year	EBITDA	Number of Shares as to which Option Becomes Exercisable
2000	at least $18,915,000	781
2001	at least $22,685,000	781
2002	at least $39,865,000	781
2003	at least $45,856,000	781

Any portion of the option that becomes exercisable pursuant to the above shall become exercisable as of the date of delivery of audited financial statements by the Company's independent auditor for the applicable Fiscal Year (in each case, the "Fiscal Year Vesting Date"), provided that the grantee was employed on the last day of the applicable Fiscal Year.

(b) Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") in the form of cash and marketable securities exceeds, on an aggregate basis (after taking into account any prior sales by HWP of any portion of its

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investment in the Company), $491.92 per share of Stock, the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal Year in which a Change of Control occurs and, if any, later Fiscal Years shall become exercisable, effective immediately prior to such event.

(c) Expiration of Option.

(i) Generally. Subject to the provisions of this Section 2(c) and Section 4, the option shall terminate and cease to be exercisable on December 31, 2009.

(ii) Special Rule. Notwithstanding the provisions of Section 2(c)(i), if the Company does not meet the performance target established in Section 2(a) for a Fiscal Year, that portion of the option which was eligible to become vested with respect to such Fiscal Year shall immediately terminate.

SECTION 3. Method of Option Exercise. The option or any part thereof may be exercised only by giving to the Company written notice of exercise in the form prescribed by the Committee. Full payment of the purchase price shall be made on the option exercise date by certified or official bank check or, in the Committee's discretion (which shall not be unreasonably withheld), by personal check (subject to collection), payable to the Company, or delivery of shares of Stock already owned by the grantee for at least six months prior to the option exercise date as described in Section 5.4(b)(iii) of the Plan. The grantee shall have no right to pay the option exercise price, or to receive shares of Stock with respect to an option exercise, prior to the option exercise date. For purposes of this Stock Option Agreement, the "option exercise date" shall be deemed to be the first business day immediately following the date written notice of exercise is received by the Company.

SECTION 4. Termination of Employment.

(a) Unvested Options.

(i) General Rule. All unvested portions of an option granted to a grantee shall terminate and no longer be exercisable upon such grantee's termination of employment for any reason, except to the extent that options may become exercisable post-employment in accordance with Section 5.5 of the Plan or may remain eligible for vesting pursuant to Section 4(a)(ii) of this Agreement.

(ii) Termination Before Performance Verified. Notwithstanding Section 4(a)(i), if a grantee terminates employment after the end of a Fiscal Year, but before the Fiscal Year Vesting Date (if applicable), the portion of such grantee's option that was eligible to vest upon delivery of audited financial statements confirming that performance

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targets were met for such Fiscal Year shall remain outstanding and eligible for vesting until delivery of such audited financial statements. Therefore, the unvested portion of such option shall immediately terminate and the treatment of the vested portion of the option shall be governed by Section 4(b).

(b) Vested Options.

(i) Death and Disability. Unless otherwise provided herein, if a grantee's employment with the Company and its subsidiaries terminates by reason of death or Disability (as defined in a grantee's employment agreement, if applicable, or if not applicable, as defined in section 22(e)(3) of the Code), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee or, as the case may be, by such grantee's court-appointed legal representative or, in the case of the grantee's death, by the person or persons to whom such option passes under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (x) the later of (1) one year after the grantee's termination by reason of death or Disability and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, one year after the date of delivery of audited financial statements, and (y) the date on which such portion of the option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement.

(ii) Regular Termination; Leaves of Absence. Unless otherwise provided herein, if the grantee's employment terminates for reason other than as provided in Section 4(b)(i), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee until the earlier of (x) the later of (1) 90 days after the grantee's date of termination and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, 90 days after the date of delivery of audited financial statements, and (y) the date on which such option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement. The Committee may in its discretion determine (A) whether any leave of absence (including short-term or long-term disability or medical leave) shall constitute a termination of employment for purposes of the Plan and (B) the impact, if any, of any such leave on outstanding options under the Plan.

(c) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue

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in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person.

SECTION 5. Withholding Tax Requirements. Shares of Stock deliverable to the grantee upon exercise, pursuant to the terms of the Plan and this Stock Option Agreement, shall be subject to income tax withholding as provided in Section 10 of the Plan. Subject to the Committee's consent (which shall not be unreasonably withheld), a grantee may elect to satisfy all or part of such requirements by delivery of unrestricted shares of Stock owned by the grantee as provided in Section 10.2 of the Plan.

SECTION 6. Agreement Provisions to Prevail. This Stock Option Agreement shall be subject to all of the terms and provisions of the Plan, which are incorporated hereby and made a part hereof, including, without limitation, the provisions of Section 8 of the Plan (generally relating to consents required by securities and other laws) and Section 11 of the Plan (generally relating to the effects of certain reorganizations and other extraordinary transactions and providing the Committee with the ability to adjust performance targets). In the event there is any inconsistency between the provisions of this Stock Option Agreement and the Plan, the provisions of this Stock Option Agreement shall govern.

SECTION 7. Grantee's Acknowledgments. By entering into this Stock Option Agreement, the grantee agrees and acknowledges that (a) he has received and read a copy of the Plan, including Section 14.3 of the Plan (generally relating to waivers of claims to continued exercisability of awards, damages and severance entitlements related to non-continuation of awards), and accepts this option upon all of the terms thereof, and (b) no member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award thereunder or under this Stock Option Agreement.

SECTION 8. Stockholder Restrictions.

(a) Restrictions on Transfer of Stock Acquired by Option Exercise.

(i) Limitation on Transfer. The grantee shall not sell, give, assign, hypothecate, pledge, encumber, grant a security interest in or otherwise dispose of (whether by operation of law or otherwise) (each a "transfer") any Stock or any right, title or interest therein or thereto, except in accordance with the provisions of this Agreement. Any attempt to transfer any Stock or any rights hereunder in violation of the preceding sentence shall be null and void ab initio.

(ii) Permitted Transfers. At any time after December 31, 2003, the grantee may, subject to this Section 8(a)(ii), Section 8(a)(iii) and Section 8(b), transfer all, but not less than all, of the Stock owned by the grantee to any Person other than a Person involved with the medical or employee staffing industry other than through the Company (each a

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"Permitted Transferee"); provided that the consideration for such transfer shall consist solely of cash. No such transfer to a Permitted Transferee shall be effective unless such Permitted Transferee becomes a party to a separate agreement setting forth substantially the same terms as this Section 8. No Permitted Transferee of Stock pursuant to this Section 8(a)(ii) shall thereafter re-transfer such Stock except in accordance with this Section 8(a)(ii) and Section 8(a)(iii).

(iii) Permitted Transfer Procedures. The grantee shall give notice to the Company and AMN Acquisition Corp., a Delaware corporation ("AMN") of its intention to make any transfer permitted under Section 8(a)(ii) not less than thirty (30) calendar days prior to effecting such transfer, which notice shall state the name and address of the party to whom such transfer is proposed and the Stock proposed to be transferred.

(b) Proposed Voluntary Transfers by the Grantee; Right of First Refusal.

(i) Offering Notice. If after December 31, 2003 the grantee has received a bona fide offer from a Person (the "Third Party Purchaser") to pay for cash (a "Third Party Offer") all of its Stock (the "Offered Stock") and the grantee desires to accept the Third Party Offer, then the grantee (the "Selling Stockholder") shall make an offer (the "Offer") to sell the Offered Stock to AMN and the Company by sending written notice (the "Offering Notice") to the Company and AMN, which notice shall state (x) the number of shares of Offered Stock and (y) all material terms and conditions of such proposed sale (including the proposed purchase price per share of Stock).

(ii) Offer Price. Upon receipt of the Offering Notice, AMN or its designee and the Company (to the extent that AMN or its designee does not exercise its right of first refusal for the Offered Stock) shall have the right, but not the obligation, to purchase collectively all, but not less than all, of the Offered Stock. If the Offer is accepted by AMN's designee, AMN shall remain responsible for such designee's performance hereunder. The right of first refusal shall be exercisable with respect to the Offered Stock (i) by AMN or its designee and (ii) by the Company, to the extent that AMN or its designee does not exercise its right of first refusal for all of the Offered Stock, by written notice to the Selling Stockholder (with a copy to the Company) within twenty (20) calendar days (in the case of AMN) and within thirty (30) calendar days (in the case of the Company) of receipt of the Offering Notice. Failure by AMN or the Company to respond within the applicable Notice Period shall be regarded as a rejection of the Offer.

(iii) Sell Option. If all of the Offered Stock has not been acquired by AMN or its designee or the Company, the Selling

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Stockholder(s) shall have the right to sell such Stock to the Third Party Offeror on the terms and conditions of the Third Party Offer; provided, that any such sale must be consummated within 45 calendar days of the date of the Offering Notice; provided however, that if compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 is necessary to consummate such sale, the 45-day period may be extended to the end of the waiting period thereunder (but in no event to more than 75 calendar days after the date of the Offering Notice). In the event that such sale is not consummated within such 45-day period (as extended if applicable) for any reason, then the restrictions provided for herein shall again become effective, and no transfer of such Offered Stock may be made thereafter by such Selling Stockholder(s) without again complying with this Section 8(b)(iii).

(c) Drag-Along Right.

(i) Sale of the Company. In the event AMN (the "Initiating Seller") proposes to sell any of its Stock in one or more related transactions, including without limitation, a merger or consolidation (a "Drag-Along Sale") to a bona fide third party purchaser (the "Proposed Transferee") on an arm's length basis, the Initiating Seller shall have the right (the "Drag-Along Right") to require the grantee (the "Drag-Along Seller") to sell, and the Drag-Along Seller hereby agrees to sell, to the Proposed Transferee:

(1) Until AMN has sold (or will have sold as a result of such sale (assuming no tag-along rights are exercised on such sale)) Stock to a third party in an amount equal to at least 75 percent (75%) of the Stock owned by AMN as of the date hereof (the "Threshold Event"), that number of shares of Stock (but not less than such number of shares of Stock) which is equal to the product of (x) the number of Shares held by the grantee and (y) a fraction (A) the numerator of which is the number of outstanding shares of Stock proposed to be sold by the Initiating Seller and (B) the denominator of which is the number of shares of Stock owned by the Initiating Seller; and

(2) from and after the Threshold Event, all, but not less than all, of its Stock (such amount referred to in clause (1) or (2), as the case may be, for the grantee being herein referred to as the "Drag-Along Amount").

(ii) Sale Notice. The Initiating Seller shall notify the Company, and the Company shall promptly notify the Drag-Along Seller in writing of such proposed Transfer (the "Sale Notice"). The Sale Notice shall set forth (a) the name and address of the Proposed Transferee and (b) a copy of the written proposal pursuant to which the Drag-Along Sale will be effected, containing all of the material terms and conditions thereof, including (1) the number of shares of Stock (calculated on a fully diluted, as converted basis) proposed to be transferred by the Initiating Seller, (2) the applicable Drag-Along Amount, (3) the price per share of

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Stock to be paid, (4) the terms and conditions of payment offered by the Proposed Transferee, (5) whether the Initiating Seller has determined to exercise the Drag-Along Right, (6) in the event the Initiating Seller has determined to exercise the Drag-Along Right, that the Proposed Transferee has been informed of the Drag-Along Right provided for in this Section 8(c) and has agreed to purchase the applicable Drag-Along Amount in accordance with the terms hereof and (7) the date and location of and procedures for selling Stock to the Proposed Transferee.

(iii) Purchase of Drag-Along Amount. The Stock purchased from the Drag-Along Seller by the Proposed Transferee pursuant to this Section 8(c) shall be paid for at the same price per share and upon terms and conditions no less favorable than the terms and conditions applicable to the Stock to be sold by the Initiating Seller.

(d) Stock Certificate Legend; Recording of Transfer. A copy of this Agreement shall be filed with the Secretary of the Company and kept with the records of the Company. Each certificate representing Stock now held or hereafter acquired by the grantee shall, at the option of the Company, for as long as this Section 8 is effective, bear a legend as follows:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER SUCH ACT AND UNDER ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER HEREOF THAT SUCH REGISTRATION IS NOT REQUIRED AS TO SUCH SALE OR OFFER.

THE TRANSFER AND PLEDGE OF ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY THE TERMS OF THIS STOCK OPTION AGREEMENT DATED AS OF NOVEMBER 20, 2000, AMONG THE COMPANY AND THE GRANTEE, A COPY OF WHICH MAY BE INSPECTED AT THE COMPANY'S PRINCIPAL OFFICE.

(e) All Transfers in Compliance with Law and Subject to this Agreement. Any transfer of Stock permitted or required by this Agreement must be in compliance with the applicable provision of this Agreement and with federal and state securities laws, including, without limitation, the Securities Act.

(f) Specific Performance. The parties hereto intend that each of the parties have the right to seek damages and/or specific performance in the event that any

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other party hereto fails to perform such party's obligations hereunder. Therefore, if any party shall institute any action or proceeding to enforce the provisions hereof, any party against whom such action or proceeding is brought hereby waives any claim or defense therein that the plaintiff party has an adequate remedy at law.

(g) Definitions. For purposes hereof, the following terms shall have the meaning set forth below:

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization, governmental body or other entity.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Stock" means, with respect to each Stockholder, all shares, whether now owned or hereafter acquired, of Common Stock owned by such Stockholder.

(h) Term. This entire Section 8 shall terminate upon the closing of a bona fide initial public offering of Common Stock of the Company.

SECTION 9. Nontransferability. No option granted to the grantee under the Plan or this Stock Option Agreement shall be assignable or transferable by the grantee (whether by operation of law or otherwise and whether voluntarily or involuntarily), other than by will or by the laws of descent and distribution. During the lifetime of the grantee, all rights granted to the grantee under the Plan or under this Stock Option Agreement shall be exercisable only by the grantee or the grantee's court appointed legal representative. Notwithstanding the foregoing, with the Committee's consent, the option may be transferred to one or more members of the grantee's immediate family or trusts all of the beneficiaries (other than contingent beneficiaries) of which are members of the grantee's immediate family.

SECTION 10. Forfeiture for Non-Compete Violation.

(a) Non-Compete. The grantee agrees that during the term of grantee's employment and for a period of two years thereafter (the "Coverage Period"), the grantee will not engage in, consult with, participate in, hold a position as shareholder, director, officer, consultant, employee, partner or investor, or otherwise assist any business entity (i) in any State of the United States of America or (ii) in any other country in which the Company has business activities, in either case, that is engaged in any activities which are competitive with the business of providing healthcare or other personnel on a temporary basis to hospitals, healthcare facilities or other entities and any and all business activities reasonably related thereto in which the Company or any of its divisions, affiliates or subsidiaries are then engaged.

(b) Non-Solicit. The grantee agrees that during the Coverage Period, he shall not solicit, attempt to solicit or endeavor to entice away from the Company any

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person who, at any time during the Term was a traveling nurse or other healthcare professional, employee, customer, client or supplier of the Company.

(c) Confidential and Proprietary Information. The grantee agrees that he will not, at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Grantee's obligation under this Section 10(c) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of grantee; or (iii) is hereafter disclosed to grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Grantee recognizes that all such information, whether developed by the grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of employment, grantee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

(d) Forfeiture for Violations. If the grantee shall at any time violate the provisions of Section 10(a), (b), or (c), the grantee shall immediately forfeit all options (whether vested or unvested) and any exercise of an option which occurs after (or within 6 months before) any such violation shall be void ab initio.

SECTION 11. Execution of Agreement. Notwithstanding anything contained in this Stock Option Agreement to the contrary, no option may be exercised until the grantee has returned an executed copy of this Stock Option Agreement to the Company.

SECTION 12. Notices. Any notice to be given to the Company hereunder shall be in writing and shall be addressed to 12235 El Camino Real, Suite 200, San Diego, California 92130, or at such other address as the Company may hereafter designate to the grantee by notice as provided herein. Any notice to be given to the grantee hereunder shall be addressed to the grantee at the address set forth below or at such other address as the grantee may hereafter designate to the Company by notice as provided herein.

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Notices hereunder shall be deemed to have been duly given when received by personal delivery or by registered or certified mail to the party entitled to receive the same.

SECTION 13. Reorganization Event. The option awarded hereunder may be subject, in the Committee's discretion, to termination on account of a Reorganization Event affecting the Company, as described in Section 17 of the Plan.

SECTION 14. Successors and Assigns. This Stock Option Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent set forth in the Plan, the heirs and personal representatives of the grantee.

SECTION 15. Governing Law. This Agreement shall be governed by the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State.

SECTION 16. Modifications to Agreement. This Agreement may not be altered, modified, changed or discharged, except by a writing signed by or on behalf of both the Company and the grantee.

IN WITNESS WHEREOF, the parties hereto have executed this Stock Option Agreement as of the date and year first above written.

AMN HOLDINGS, INC.

By: /S/ Steven C. Francis

Title:

/S/ Susan R. Nowakowski

Grantee

P.O. Box 3577
Ranch Santa Fe, CA 92067

(Address)

EXHIBIT 10.24

Nowakowski Grant

Amendment
to
Performance Stock Option Plan Agreement

AMENDMENT, agreed to as of this 24th day of July, 2001 between AMN Healthcare Services, Inc., a Delaware corporation (the "Company"), and the person whose name appears on the signature page hereto (the "Optionee").

WHEREAS, the Company has previously entered in a nonqualified stock option agreement under the Company's the Performance Stock Option Plan, dated November 20, 2000 (the "Agreement");

WHEREAS, the Company desires to amend the Agreement to change the accounting treatment of the options granted under the Agreement;

WHEREAS, the Optionee desires to amend the Agreement to secure the benefits of the Amendment;

NOW, THEREFORE, the Company and the Optionee agree as follows:

The following amendments to the Agreement shall be effective as of the close of the sale of no less than $100 million of the Company's Common Stock in an underwritten public offering of such Common Stock that is consummated on or before December 31, 2001 (the "IPO").

1. The heading for Section 2 of the Agreement is amended to read in its entirety as follows:

"Section 2. Vesting and Exercisability

(a) Vesting. Following the 2000 Fiscal Year of the Company, there shall be no performance targets for the vesting of the option and, subject to the provisions of Section 10, the remaining unvested and unexercisable portion of the option shall become fully vested solely upon consummation of the IPO. Notwithstanding the vesting of the option in accordance with this Section 2(a), the option shall not become exercisable other than in accordance with the provisions of Section 2(b) and 2(c) hereof.

(b) Exercisability. Upon the occurrence of the IPO, the option shall become exercisable in accordance with the following schedule:

781.0 shares upon the expiration of the underwriters' lock-up period following the IPO (the "Lock-Up Period");

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781.0 shares on December 31, 2001, or if later, upon expiration of the Lock-Up Period;

781.0 shares on December 31, 2002;

781.0 shares on December 31, 2003;

Each of the foregoing dates shall hereinafter be referred to as an "Exercisability Date".

(c) Change of Control Acceleration. Notwithstanding any provision to the contrary, the option shall become fully vested and exercisable on the date on which HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") have disposed of 75% or more of its ownership position.

(d) Expiration of Option. The option shall terminate and cease to be exercisable on December 31, 2009.

2. Section 4 of the Agreement is amended to read in its entirety as follows:

"Section 4 Termination of Employment

(a) Exercisability. If a grantee's employment with the Company terminates for any reason, other than by reason of the grantee's death or disability, the Exercisability Dates under Section 2(b) shall be of no further force or effect and the then-vested and non-exercisable portion of the option shall instead become exercisable at a rate of 25% for four years following the expiration of such grantee's "Hiatus Lock-Up Period", beginning on the first anniversary of the expiration of such period, and ending on the fourth anniversary of such period; provided, however, that the option shall become fully exercisable by December 1, 2009. Upon termination of a grantee's employment by reason of death or disability, the provisions of this Section 4(a) shall be inapplicable, and such grantee's option shall continue to become exercisable in accordance with the provisions of Section 2(b).

For purposes of this Section 4(a), "Hiatus Lock-Up Period" shall mean, in the case of an employee terminating employment more than one year after the IPO, the two-year period immediately following his termination, and, in the case of an employee terminating employment within one year after the IPO, the three-year period immediately following his termination.

(b) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other

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person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person."

AMN HEALTHCARE SERVICES, INC.

/s/ Steven C. Francis

By: Steven C. Francis, President & CEO

SUSAN NOWAKOWSKI

/s/ Susan Nowakowski

By:

EXHIBIT 10.25

Nowakowski Option Grant

AMN HOLDINGS, INC.
1999 SUPER-PERFORMANCE STOCK OPTION PLAN

Nonqualified Stock Option Agreement

STOCK OPTION AGREEMENT dated November 20, 2000, between AMN HOLDINGS, INC., a Delaware corporation (the "Company"), and Susan R. Nowakowski (the "grantee").

All words and phrases not otherwise expressly defined herein shall have the same meanings as are ascribed to such words and phrases in the Plan document.

The Committee has determined that the objectives of the Plan will be furthered by granting to the grantee an option pursuant to the Plan.

In consideration of the foregoing and of the mutual undertakings set forth in this Stock Option Agreement, the Company and the grantee agree as follows:

SECTION 1. Grant of Option. The Company hereby grants to the grantee a nonqualified stock option to purchase 1,562 shares of Stock at a purchase price of $163.9743 per share.

SECTION 2. Exercisability.

(a) In General. Subject to Section 4 hereof, the option shall become vested and exercisable if, and only if certain performance targets are met, as follows:

Fiscal Year	EBITDA	Number of Shares as to which Option Becomes Exercisable
2000	at least $21,752,000	390.5
2001	at least $26,088,000	390.5
2002	at least $45,845,000	390.5
2003	at least $52,734,000	390.5

Any portion of the option that becomes exercisable pursuant to the above shall become exercisable as of the date of delivery of audited financial statements by the Company's independent auditor for the applicable Fiscal Year (in each case, the "Fiscal Year Vesting Date"), provided that the grantee was employed on the last day of the applicable Fiscal Year.

(b) Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") in the form of cash and marketable securities exceeds, on an aggregate basis (after taking into account any prior sales by HWP of any portion of its investment in the

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Company), $491.92 per share of Stock, the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal Year in which a Change of Control occurs and, if any, later Fiscal Years shall become exercisable, effective immediately prior to such event.

(c) Expiration of Option.

(i) Generally. Subject to the provisions of this Section 2(c) and Section 4, the option shall terminate and cease to be exercisable on December 31, 2009.

(ii) Special Rule. Notwithstanding the provisions of Section 2(c)(i), if the Company does not meet the performance target established in Section 2(a) for a Fiscal Year, that portion of the option which was eligible to become vested with respect to such Fiscal Year shall immediately terminate.

SECTION 3. Method of Option Exercise. The option or any part thereof may be exercised only by giving to the Company written notice of exercise in the form prescribed by the Committee. Full payment of the purchase price shall be made on the option exercise date by certified or official bank check or, in the Committee's discretion (which shall not be unreasonably withheld), by personal check (subject to collection), payable to the Company, or delivery of shares of Stock already owned by the grantee for at least six months prior to the option exercise date as described in Section 5.4(b)(iii) of the Plan. The grantee shall have no right to pay the option exercise price, or to receive shares of Stock with respect to an option exercise, prior to the option exercise date. For purposes of this Stock Option Agreement, the "option exercise date" shall be deemed to be the first business day immediately following the date written notice of exercise is received by the Company.

SECTION 4. Termination of Employment.

(a) Unvested Options.

(i) General Rule. All unvested portions of an option granted to a grantee shall terminate and no longer be exercisable upon such grantee's termination of employment for any reason, except to the extent that options may become exercisable post-employment in accordance with Section 5.5 of the Plan or may remain eligible for vesting pursuant to Section 4(a)(ii) of this Agreement.

(ii) Termination Before Performance Verified. Notwithstanding Section 4(a)(i), if a grantee terminates employment after the end of a Fiscal Year, but before the Fiscal Year Vesting date, (if applicable), the portion of such grantee's option that was eligible to vest upon

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delivery of audited financial statements confirming that performance targets were met for such Fiscal Year shall remain outstanding and eligible for vesting until delivery of such audited financial statements. Therefore, the unvested portion of such option shall immediately terminate and the treatment of the vested portion of the option shall be governed by Section 4(b).

(b) Vested Options.

(i) Death and Disability. Unless otherwise provided herein, if a grantee's employment with the Company and its subsidiaries terminates by reason of death or Disability (as defined in a grantee's employment agreement, if applicable, or if not applicable, as defined in section 22(e)(3) of the Code), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee or, as the case may be, by such grantee's court-appointed legal representative or, in the case of the grantee's death, by the person or persons to whom such option passes under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (x) the later of (1) one year after the grantee's termination by reason of death or Disability and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, one year after the date of delivery of audited financial statements and (y) the date on which such portion of the option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement.

(ii) Regular Termination; Leaves of Absence. Unless otherwise provided herein, if the grantee's employment terminates for reasons other than as provided in Section 4(b)(i), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee until the earlier of (x) the later of (1) 90 days after the grantee's date of termination and (2) with respect to any portion of the Option that vests in accordance with Section 4(a)(ii) of this Agreement, 90 days after the date of delivery of audited financial statements, and (y) the date on which such option

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terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement. The Committee may in its discretion determine (A) whether any leave of absence (including short-term or long-term disability or medical leave) shall constitute a termination of employment for purposes of the Plan and (B) the impact, if any, of any such leave on outstanding options under the Plan.

(c) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person.

SECTION 5. Withholding Tax Requirements. Shares of Stock deliverable to the grantee upon exercise, pursuant to the terms of the Plan and this Stock Option Agreement, shall be subject to income tax withholding as provided in Section 10 of the Plan. Subject to the Committee's consent (which shall not be unreasonably withheld), a grantee may elect to satisfy all or part of such requirements by delivery of unrestricted shares of Stock owned by the grantee as provided in Section 10.2 of the Plan.

SECTION 6. Agreement Provisions to Prevail. This Stock Option Agreement shall be subject to all of the terms and provisions of the Plan, which are incorporated hereby and made a part hereof, including, without limitation, the provisions of Section 8 of the Plan (generally relating to consents required by securities and other laws) and Section 11 of the Plan (generally relating to the effects of certain reorganizations and other extraordinary transactions and providing the Committee with the ability to adjust performance targets). In the event there is any inconsistency between the provisions of this Stock Option Agreement and the Plan, the provisions of this Stock Option Agreement shall govern.

SECTION 7. Grantee's Acknowledgments. By entering into this Stock Option Agreement, the grantee agrees and acknowledges that (a) he has received and read a copy of the Plan, including Section 14.3 of the Plan (generally relating to waivers of claims to continued exercisability of awards, damages and severance entitlements related to non-continuation of awards), and accepts this option upon all of the terms thereof, and (b) no member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award thereunder or under this Stock Option Agreement.

SECTION 8. Stockholder Restrictions.

(a) Restrictions on Transfer of Stock Acquired by Option Exercise.

(i) Limitation on Transfer. The grantee shall not sell, give, assign, hypothecate, pledge, encumber, grant a security

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interest in or otherwise dispose of (whether by operation of law or otherwise) (each a "transfer") any Stock or any right, title or interest therein or thereto, except in accordance with the provisions of this Agreement. Any attempt to transfer any Stock or any rights hereunder in violation of the preceding sentence shall be null and void ab initio.

(ii) Permitted Transfers. At any time after December 31, 2003, the grantee may, subject to this Section 8(a)(ii), Section 8(a)(iii) and Section 8(b), transfer all, but not less than all, of the Stock owned by the grantee to any Person other than a Person involved with the medical or employee staffing industry other than through the Company (each a "Permitted Transferee"); provided that the consideration for such transfer shall consist solely of cash. No such transfer to a Permitted Transferee shall be effective unless such Permitted Transferee becomes a party to a separate agreement setting forth substantially the same terms as this Section 8. No Permitted Transferee of Stock pursuant to this Section 8(a)(ii) shall thereafter re-transfer such Stock except in accordance with this Section 8(a)(ii) and Section 8(a)(iii).

(iii) Permitted Transfer Procedures. The grantee shall give notice to the Company and AMN Acquisition Corp., a Delaware corporation ("AMN") of its intention to make any transfer permitted under Section 8(a)(ii) not less than thirty (30) calendar days prior to effecting such transfer, which notice shall state the name and address of the party to whom such transfer is proposed and the Stock proposed to be transferred.

(b) Proposed Voluntary Transfers by the Grantee; Right of First Refusal.

(i) Offering Notice. If after December 31, 2003 the grantee has received a bona fide offer from a Person (the "Third Party Purchaser") to pay for cash (a "Third Party Offer") all of its Stock (the "Offered Stock") and the grantee desires to accept the Third Party Offer, then the grantee (the "Selling Stockholder") shall make an offer (the "Offer") to sell the Offered Stock to AMN and the Company by sending written notice (the "Offering Notice") to the Company and AMN, which notice shall state (x) the number of shares of Offered Stock and (y) all material terms and conditions of

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such proposed sale (including the proposed purchase price per share of Stock).

(ii) Offer Price. Upon receipt of the Offering Notice, AMN or its designee and the Company (to the extent that AMN or its designee does not exercise its right of first refusal for the Offered Stock) shall have the right, but not the obligation, to purchase collectively all, but not less than all, of the Offered Stock. If the Offer is accepted by AMN's designee, AMN shall remain responsible for such designee's performance hereunder. The right of first refusal shall be exercisable with respect to the Offered Stock (i) by AMN or its designee and (ii) by the Company, to the extent that AMN or its designee does not exercise its right of first refusal for all of the Offered Stock, by written notice to the Selling Stockholder (with a copy to the Company) within twenty (20) calendar days (in the case of AMN) and within thirty (30) calendar days (in the case of the Company) of receipt of the Offering Notice. Failure by AMN or the Company to respond within the applicable Notice Period shall be regarded as a rejection of the Offer.

(iii) Sell Option. If all of the Offered Stock has not been acquired by AMN or its designee or the Company, the Selling Stockholder(s) shall have the right to sell such Stock to the Third Party Offeror on the terms and conditions of the Third Party Offer; provided, that any such sale must be consummated within 45 calendar days of the date of the Offering Notice; provided however, that if compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 is necessary to consummate such sale, the 45-day period may be extended to the end of the waiting period thereunder (but in no event to more than 75 calendar days after the date of the Offering Notice). In the event that such sale is not consummated within such 45-day period (as extended if applicable) for any reason, then the restrictions provided for herein shall again become effective, and no transfer of such Offered Stock may be made thereafter by such Selling Stockholder(s) without again complying with this Section 8(b)(iii).

(c) Drag-Along Right.

(i) Sale of the Company. In the event AMN (the "Initiating Seller") proposes to sell any of its Stock in one or more related transactions, including without limitation, a merger or consolidation (a "Drag-Along Sale") to a bona fide third

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party purchaser (the "Proposed Transferee") on an arm's length basis, the Initiating Seller shall have the right (the "Drag-Along Right") to require the grantee (the "Drag-Along Seller") to sell, and the Drag-Along Seller hereby agrees to sell, to the Proposed Transferee:

(1) Until AMN has sold (or will have sold as a result of such sale (assuming no tag-along rights are exercised on such sale)) Stock to a third party in an amount equal to at least 75 percent (75%) of the Stock owned by AMN as of the date hereof (the "Threshold Event"), that number of shares of Stock (but not less than such number of shares of Stock) which is equal to the product of (x) the number of Shares held by the grantee and (y) a fraction (A) the numerator of which is the number of outstanding shares of Stock proposed to be sold by the Initiating Seller and (B) the denominator of which is the number of shares of Stock owned by the Initiating Seller; and

(2) from and after the Threshold Event, all, but not less than all, of its Stock (such amount referred to in clause (1) or (2), as the case may be, for the grantee being herein referred to as the "Drag-Along Amount").

(ii) Sale Notice. The Initiating Seller shall notify the Company, and the Company shall promptly notify the Drag-Along Seller in writing of such proposed Transfer (the "Sale Notice"). The Sale Notice shall set forth (a) the name and address of the Proposed Transferee and (b) a copy of the written proposal pursuant to which the Drag-Along Sale will be effected, containing all of the material terms and conditions thereof, including (1) the number of shares of Stock (calculated on a fully diluted, as converted basis) proposed to be transferred by the Initiating Seller, (2) the applicable Drag-Along Amount, (3) the price per share of Stock to be paid, (4) the terms and conditions of payment offered by the Proposed Transferee, (5) whether the Initiating Seller has determined to exercise the Drag-Along Right, (6) in the event the Initiating Seller has determined to exercise the Drag-Along Right, that the Proposed Transferee has been informed of the Drag-Along Right provided for in this Section 8(c) and has agreed to purchase the applicable Drag-Along Amount in accordance with the terms hereof and (7) the date and location of and procedures for selling Stock to the Proposed Transferee.

(iii) Purchase of Drag-Along Amount. The Stock purchased from the Drag-Along Seller by the Proposed Transferee pursuant to this Section 8(c) shall be paid for at the same price per share and upon terms and conditions no less

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favorable than the terms and conditions applicable to the Stock to be sold by the Initiating Seller.

(d) Stock Certificate Legend; Recording of Transfer. A copy of this Agreement shall be filed with the Secretary of the Company and kept with the records of the Company. Each certificate representing Stock now held or hereafter acquired by the grantee shall, at the option of the Company, for as long as this Section 8 is effective, bear a legend as follows:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER SUCH ACT AND UNDER ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER HEREOF THAT SUCH REGISTRATION IS NOT REQUIRED AS TO SUCH SALE OR OFFER.

THE TRANSFER AND PLEDGE OF ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY THE TERMS OF THIS STOCK OPTION AGREEMENT, DATED AS OF NOVEMBER 20, 2000, AMONG THE COMPANY AND THE GRANTEE, A COPY OF WHICH MAY BE INSPECTED AT THE COMPANY'S PRINCIPAL OFFICE.

(e) All Transfers in Compliance with Law and Subject to this Agreement. Any transfer of Stock permitted or required by this Agreement must be in compliance with the applicable provisions of this Agreement and with federal and state securities laws, including, without limitation, the Securities Act.

(f) Specific Performance. The parties hereto intend that each of the parties have the right to seek damages and/or specific performance in the event that any other party hereto fails to perform such party's obligations hereunder. Therefore, if any party shall institute any action or proceeding to enforce the provisions hereof, any party against whom such action or proceeding is brought hereby waives any claim or defense therein that the plaintiff party has an adequate remedy at law.

(g) Definitions. For purposes hereof, the following terms shall have the meanings set forth below:

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"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization, governmental body or other entity.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Stock" means, with respect to each Stockholder, all shares, whether now owned or hereafter acquired, of Common Stock owned by such Stockholder.

(h) Term. This entire Section 8 shall terminate upon the closing of a bona fide initial public offering of Common Stock of the Company.

SECTION 9. Nontransferability. No option granted to the grantee under the Plan or this Stock Option Agreement shall be assignable or transferable by the grantee (whether by operation of law or otherwise and whether voluntarily or involuntarily), other than by will or by the laws of descent and distribution. During the lifetime of the grantee, all rights granted to the grantee under the Plan or under this Stock Option Agreement shall be exercisable only by the grantee or the grantee's court appointed legal representative. Notwithstanding the foregoing, with the Committee's consent, the option may be transferred to one or more members of the grantee's immediate family or trusts all of the beneficiaries (other than contingent beneficiaries) of which are members of the grantee's immediate family.

SECTION 10. Forfeiture for Non-Compete Violation.

(a) Non-Compete. The grantee agrees that during the term of grantee's employment and for a period of two years thereafter (the "Coverage Period"), the grantee will not engage in, consult with, participate in, hold a position as shareholder, director, officer, consultant, employee, partner or investor, or otherwise assist any business entity (i) in any State of the United States of America or (ii) in any other country in which the Company has business activities, in either case, that is engaged in any activities which are competitive with the business of providing healthcare or other personnel on a temporary basis to hospitals, healthcare facilities or other entities and any and all business activities reasonably related thereto in which the Company or any of its divisions, affiliates or subsidiaries are then engaged.

(b) Non-Solicit. The grantee agrees that during the Coverage Period, he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the Term was a traveling nurse or other healthcare professional, employee, customer, client or supplier of the Company.

(c) Confidential and Proprietary Information. The grantee agrees that he will not, at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this

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Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Grantee's obligation under this Section 10(c) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of grantee; or (iii) is hereafter disclosed to grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Grantee recognizes that all such information, whether developed by the grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of employment, grantee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

(d) Forfeiture for Violations. If the grantee shall at any time violate the provisions of section 10(a), (b), or (c), the grantee shall immediately forfeit all options (whether vested or unvested) and any exercise of an option which occurs after (or within 6 months before) any such violation shall be void ab initio.

SECTION 11. Execution of Agreement. Notwithstanding anything contained in this Stock Option Agreement to the contrary, no option may be exercised until the grantee has returned an executed copy of this Stock Option Agreement to the Company.

SECTION 12. Notices. Any notice to be given to the Company hereunder shall be in writing and shall be addressed to 12235 El Camino Real, Suite 200, San Diego, California 92130 or at such other address as the Company may hereafter designate to the grantee by notice as provided herein. Any notice to be given to the grantee hereunder shall be addressed to the grantee at the address set forth below or at such other address as the grantee may hereafter designate to the Company by notice as provided herein. Notices hereunder shall be deemed to have been duly given when received by personal delivery or by registered or certified mail to the party entitled to receive the same.

SECTION 13. Reorganization Event. The option awarded hereunder may be subject, in the Committee's discretion, to termination on account of a Reorganization Event affecting the Company, as described in Section 17 of the Plan.

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SECTION 14. Successors and Assigns. This Stock Option Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent set forth in the Plan, the heirs and personal representatives of the grantee.

SECTION 15. Governing Law. This Agreement shall be governed by the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State.

SECTION 16. Modifications to Agreement. This Agreement may not be altered, modified, changed or discharged, except by a writing signed by or on behalf of both the Company and the grantee.

IN WITNESS WHEREOF, the parties hereto have executed this Stock Option Agreement as of the date and year first above written.

AMN HOLDINGS, INC.

By: /s/ Steven C. Francis

Title:

/s/ Susan R. Nowakowski

Grantee

P.O. Box 3577
Rancho Santa Fe, CA 92067

(Address)

EXHIBIT 10.26

Nowakowski Grant

Amendment
to
Super-Performance Stock Option Plan Agreement

AMENDMENT, agreed to as of this 24th day of July, 2001 between AMN Healthcare Services, Inc., a Delaware corporation (the "Company"), and the person whose name appears on the signature page hereto (the "Optionee").

WHEREAS, the Company has previously entered in a nonqualified stock option agreement under the Company's Performance Stock Option Plan, dated November 20, 2000 (the "Agreement");

WHEREAS, the Company desires to amend the Agreement to change the accounting treatment of the options granted under the Agreement;

WHEREAS, the Optionee desires to amend the Agreement to secure the benefits of the Amendment;

NOW, THEREFORE, the Company and the Optionee agree as follows:

The following amendments to the Agreement shall be effective as of the close of the sale of no less than $100 million of the Company's Common Stock in an underwritten public offering of such Common Stock that is consummated on or before December 31, 2001 (the "IPO").

1. Section 2 of the Agreement is amended to read in its entirety as follows:

"Section 2. Vesting and Exercisability

(a) Vesting. Following the 2000 Fiscal Year of the Company, there shall be no performance targets for the vesting of the option and, subject to the provisions of Section 10, the remaining unvested and unexercisable portion of the option shall become fully vested solely upon consummation of the IPO. Notwithstanding the vesting of the option in accordance with this Section 2(a), the option shall not become exercisable other than in accordance with the provisions of Section 2(b) and 2(c) hereof.

(b) Exercisability. Upon the occurrence of the IPO, the option shall become exercisable in accordance with the following schedule:

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390.5 shares upon the expiration of the underwriters' lock-up period following the IPO (the "Lock-Up Period");

390.5 shares on December 31, 2001, or if later, upon expiration of the Lock-Up Period;

390.5 shares on December 31, 2002;

390.5 shares on December 31, 2003;

Each of the foregoing dates shall hereinafter be referred to as an "Exercisability Date".

(c) Change of Control Acceleration. Notwithstanding any provision to the contrary, the option shall become fully vested and exercisable on the date on which HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") have disposed of 75% or more of its ownership position.

(d) Expiration of Option. The option shall terminate and cease to be exercisable on December 31, 2009.

2. Section 4 of the Agreement is amended to read in its entirety as follows:

"Section 4. Termination of Employment

(a) Exercisability. If a grantee's employment with the Company terminates for any reason, other than by reason of the grantee's death or disability, the Exercisability Dates under Section 2(b) shall be of no further force or effect and the then-vested and non-exercisable portion of the option shall instead become exercisable at a rate of 25% for four years following the expiration of such grantee's "Hiatus Lock-Up Period", beginning on the first anniversary of the expiration of such period, and ending on the fourth anniversary of such period; provided, however, that the option shall become fully exercisable by December 1, 2009. Upon termination of a grantee's employment by reason of death or disability, the provisions of this Section 4(a) shall be inapplicable, and such grantee's option shall continue to become exercisable in accordance with the provisions of Section 2(b).

For purposes of this Section 4(a), "Hiatus Lock-Up Period" shall mean, in the case of an employee terminating employment more than one year after the IPO, the two-year period immediately following his termination, and, in the case of an employee

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terminating employment within one year after the IPO, the three-year period immediately following his termination.

(b) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person."

AMN HEALTHCARE SERVICES, INC.

/s/ Steven C. Francis

By: Steven C. Francis, President & CEO

SUSAN NOWAKOWSKI

/s/ Susan Nowakowski

By:

EXHIBIT 10.27

New Option Grants

AMN HOLDINGS, INC.
1999 PERFORMANCE STOCK OPTION PLAN

Nonqualified Stock Option Agreement

STOCK OPTION AGREEMENT dated December 13, 2000, between AMN HOLDINGS, INC., a Delaware corporation (the "Company"), and Steven Francis (the "grantee").

All words and phrases not otherwise expressly defined herein shall have the same meanings as are ascribed to such words and phrases in the Plan document.

The Committee has determined that the objectives of the Plan will be furthered by granting to the grantee an option pursuant to the Plan.

In consideration of the foregoing and of the mutual undertakings set forth in this Stock Option Agreement, the Company and the grantee agree as follows:

Section 1. Grant of Option. The Company hereby grants to the grantee a nonqualified stock option to purchase 11,544.5 shares of Stock at a purchase price of $287.84 per share.

Section 2. Exercisability.

(a) In General. Subject to Section 4 hereof, the option shall become vested and exercisable if, and only if certain performance targets are met, as follows:

FISCAL YEAR	EBITDA	NUMBER OF SHARES AS TO WHICH OPTION BECOMES EXERCISABLE
2001	at least $33,310,000	2,886.2
2002	at least $39,865,000	2,886.1
2003	at least $45,856,000	2,886.1
2004	at least $52,745,000	2,886.1

Any portion of the option that becomes exercisable pursuant to the above shall become exercisable as of the date of delivery of audited financial statements by the Company's independent auditor for the applicable Fiscal Year (in each case, the "Fiscal Year Vesting Date"), provided that the grantee was employed on the last day of the applicable Fiscal Year.

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(b) Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") in the form of cash and marketable securities exceeds, on an aggregate basis (after taking into account any prior sales by HWP of any portion of its investment in the Company), $580.81 per share of Stock, the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal Year in which a Change of Control occurs and, if any, later Fiscal Years shall become exercisable, effective immediately prior to such event.

(c) Expiration of Option.

(i) Generally. Subject to the provisions of this Section 2(c) and Section 4, the option shall terminate and cease to be exercisable on December 31, 2009.

(ii) Special Rule. Notwithstanding the provisions of Section 2(c)(i), if the Company does not meet the performance target established in Section 2(a) for a Fiscal Year, that portion of the option which was eligible to become vested with respect to such Fiscal Year shall immediately terminate.

Section 3. Method of Option Exercise. The option or any part thereof may be exercised only by giving to the Company written notice of exercise in the form prescribed by the Committee. Full payment of the purchase price shall be made on the option exercise date by certified or official bank check or, in the Committee's discretion (which shall not be unreasonably withheld), by personal check (subject to collection), payable to the Company, or delivery of shares of Stock already owned by the grantee for at least six months prior to the option exercise date as described in Section 5.4(b)(iii) of the Plan. The grantee shall have no right to pay the option exercise price, or to receive shares of Stock with respect to an option exercise, prior to the option exercise date. For purposes of this Stock Option Agreement, the "option exercise date" shall be deemed to be the first business day immediately following the date written notice of exercise is received by the Company.

Section 4. Termination of Employment.

(a) Unvested Options.

(i) General Rule. All unvested portions of an option granted to a grantee shall terminate and no longer be exercisable upon such grantee's termination of employment for any reason, except to the extent that options may become exercisable post-employment in accordance with Section 5.5 of the Plan or may remain eligible for vesting pursuant to Section 4(a)(ii) of this Agreement.

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(ii) Termination Before Performance Verified. Notwithstanding Section 4(a)(i), if a grantee terminates employment after the end of a Fiscal Year, but before the Fiscal Year Vesting Date, (if applicable), the portion of such grantee's option that was eligible to vest upon delivery of audited financial statements confirming that performance targets were met for such Fiscal Year shall remain outstanding and eligible for vesting until delivery of such audited financial statements. Thereafter, the unvested portion of such option shall immediately terminate and the treatment of the vested portion of the option shall be governed by Section 4(b).

(b) Vested Options.

(i) Death and Disability. Unless otherwise provided herein, if a grantee's employment with the Company and its subsidiaries terminates by reason of death or Disability (as defined in a grantee's employment agreement, if applicable, or if not applicable, as defined in Section 22(e)(3) of the Code), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee or, as the case may be, by such grantee's court-appointed legal representative or, in the case of the grantee's death, by the person or persons to whom such option passes under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (x) the later of (1) one year after the grantee's termination by reason of death or Disability and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, one year after the date of delivery of audited financial statements and (y) the date on which such portion of the option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement.

(ii) Regular Termination; Leaves of Absence. Unless otherwise provided herein, if the grantee's employment terminates for reasons other than as provided in Section 4(b)(i), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee until the earlier of (x) the later of (1) 90 days after the grantee's date of termination and (2) with respect to any portion of the Option that vests in accordance with Section 4(a)(ii) of this Agreement, 90 days after the date of delivery of audited financial statements, and (y) the date on which such option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement. The Committee may in its discretion determine (A) whether any leave of absence (including short-term or long-term disability or

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medical leave) shall constitute a termination of employment for purposes of the Plan and (B) the impact, if any, of any such leave on outstanding options under the Plan.

(c) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person.

Section 5. Withholding Tax Requirements. Shares of Stock deliverable to the grantee upon exercise, pursuant to the terms of the Plan and this Stock Option Agreement, shall be subject to income tax withholding as provided in Section 10 of the Plan. Subject to the Committee's consent (which shall not be unreasonably withheld), a grantee may elect to satisfy all or part of such requirements by delivery of unrestricted shares of Stock owned by the grantee as provided in Section 10.2 of the Plan.

Section 6. Agreement Provisions to Prevail. This Stock Option Agreement shall be subject to all of the terms and provisions of the Plan, which are incorporated hereby and made a part hereof, including, without limitation, the provisions of Section 8 of the Plan (generally relating to consents required by securities and other laws) and Section 11 of the Plan (generally relating to the effects of certain reorganizations and other extraordinary transactions and providing the Committee with the ability to adjust performance targets). In the event there is any inconsistency between the provisions of this Stock Option Agreement and the Plan, the provisions of this Stock Option Agreement shall govern.

Section 7. Grantee's Acknowledgments. By entering into this Stock Option Agreement, the grantee agrees and acknowledges that (a) he has received and read a copy of the Plan, including Section 14.3 of the Plan (generally relating to waivers of claims to continued exercisability of awards, damages and severance entitlements related to non-continuation of awards), and accepts this option upon all of the terms thereof, and (b) no member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award thereunder or under this Stock Option Agreement.

Section 8. Stockholder Restrictions.

(a) Restrictions on Transfer of Stock Acquired by Option Exercise.

(i) Limitation on Transfer. The grantee shall not sell, give, assign, hypothecate, pledge, encumber, grant a security interest in or otherwise dispose of (whether by operation of law or otherwise) (each a "transfer") any Stock or any right, title or interest therein or thereto, except in accordance with the provisions of this Agreement. Any attempt to transfer any Stock or any rights hereunder in violation of the preceding sentence shall be null and void ab initio.

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(ii) Permitted Transfers. At any time after December 31, 2003, the grantee may, subject to this Section 8(a)(ii), Section 8(a)(iii) and Section 8(b), transfer all, but not less than all, of the Stock owned by the grantee to any Person other than a Person involved with the medical or employee staffing industry other than through the Company (each a "Permitted Transferee"); provided that the consideration for such transfer shall consist solely of cash. No such transfer to a Permitted Transferee shall be effective unless such Permitted Transferee becomes a party to a separate agreement setting forth substantially the same terms as this Section 8. No Permitted Transferee of Stock pursuant to this Section 8(a)(ii) shall thereafter re-transfer such Stock except in accordance with this Section 8(a)(ii) and Section 8(a)(iii).

(iii) Permitted Transfer Procedures. The grantee shall give notice to the Company and AMN Acquisition Corp., a Delaware corporation ("AMN") of its intention to make any transfer permitted under Section 8(a)(ii) not less than thirty (30) calendar days prior to effecting such transfer, which notice shall state the name and address of the party to whom such transfer is proposed and the Stock proposed to be transferred.

(b) Proposed Voluntary Transfers by the Grantee: Right of First Refusal.

(i) Offering Notice. If after December 31, 2003 the grantee has received a bona fide offer from a Person (the "Third Party Purchaser") to pay for cash (a "Third Party Offer") all of its Stock (the "Offered Stock") and the grantee desires to accept the Third Party Offer, then the grantee (the "Selling Stockholder") shall make an offer (the "Offer") to sell the Offered Stock to AMN and the Company by sending written notice (the "Offering Notice") to the Company and AMN, which notice shall state (x) the number of shares of Offered Stock and (y) all material terms and conditions of such proposed sale (including the proposed purchase price per share of Stock).

(ii) Offer Price. Upon receipt of the Offering Notice, AMN or its designee and the Company (to the extent that AMN or its designee does not exercise its right of first refusal for the Offered Stock) shall have the right, but not the obligation, to purchase collectively all, but not less than all, of the Offered Stock. If the Offer is accepted by AMN's designee, AMN shall remain responsible for such designee's performance hereunder. The right of first refusal shall be exercisable with respect to the Offered Stock (i) by AMN or its designee and (ii) by the Company, to the extent that AMN or its designee does not exercise its right of first refusal for all of the Offered Stock, by written notice to the Selling Stockholder (with a copy to the Company) within twenty (20) calendar days (in the case of AMN) and within thirty (30) calendar days (in the case of the Company) of receipt of the Offering Notice. Failure by AMN or the

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Company to respond within the applicable Notice Period shall be regarded as a rejection of the Offer.

(iii) Sell Option. If all of the Offered Stock has not been acquired by AMN or its designee or the Company, the Selling Stockholder(s) shall have the right to sell such Stock to the Third Party Offeror on the terms and conditions of the Third Party Offer; provided, that any such sale must be consummated within 45 calendar days of the date of the Offering Notice; provided however, that if compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 is necessary to consummate such sale, the 45-day period may be extended to the end of the waiting period thereunder (but in no event to more than 75 calendar days after the date of the Offering Notice). In the event that such sale is not consummated within such 45-day period (as extended if applicable) for any reason, then the restrictions provided for herein shall again become effective, and no transfer of such Offered Stock may be made thereafter by such Selling Stockholder(s) without again complying with this Section 8(b)(iii).

(c) Drag-Along Right.

(i) Sale of the Company. In the event AMN (the "Initiating Seller") proposes to sell any of its Stock in one or more related transactions, including without limitation, a merger or consolidation (a "Drag-Along Sale") to a bona fide third party purchaser (the "Proposed Transferee") on an arm's length basis, the Initiating Seller shall have the right (the "Drag-Along Right") to require the grantee (the "Drag-Along Seller") to sell, and the Drag-Along Seller hereby agrees to sell, to the Proposed Transferee:

(1) until AMN has sold (or will have sold as a result of such sale (assuming no tag-along rights are exercised on such sale)) Stock to a third party in an amount equal to at least 75 percent (75%) of the Stock owned by AMN as of the date hereof (the "Threshold Event"), that number of shares of Stock (but not less than such number of shares of Stock) which is equal to the product of (x) the number of Shares held by the grantee and (y) a fraction (A) the numerator of which is the number of outstanding shares of Stock proposed to be sold by the Initiating Seller and (B) the denominator of which is the number of shares of Stock owned by the Initiating Seller; and

(2) from and after the Threshold Event, all, but not less than all, of its Stock (such amount referred to in clause (1) or (2), as the case may be, for the grantee being herein referred to as the "Drag-Along Amount").

(ii) Sale Notice. The Initiating Seller shall notify the Company, and the Company shall promptly notify the Drag-Along Seller in writing of such proposed Transfer (the "Sale Notice"). The Sale Notice shall set forth (a) the name and address of the Proposed Transferee and (b)

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a copy of the written proposal pursuant to which the Drag-Along Sale will be effected, containing all of the material terms and conditions thereof, including (1) the number of shares of Stock (calculated on a fully diluted, as converted basis) proposed to be transferred by the Initiating Seller, (2) the applicable Drag-Along Amount, (3) the price per share of Stock to be paid, (4) the terms and conditions of payment offered by the Proposed Transferee, (5) whether the Initiating Seller has determined to exercise the Drag-Along Right, (6) in the event the Initiating Seller has determined to exercise the Drag-Along Right, that the Proposed Transferee has been informed of the Drag-Along Right provided for in this Section 8(c) and has agreed to purchase the applicable Drag-Along Amount in accordance with the terms hereof and (7) the date and location of and procedures for selling Stock to the Proposed Transferee.

(iii) Purchase of Drag-Along Amount. The Stock purchased from the Drag-Along Seller by the Proposed Transferee pursuant to this Section 8(c) shall be paid for at the same price per share and upon terms and conditions no less favorable than the terms and conditions applicable to the Stock to be sold by the Initiating Seller.

(d) Stock Certificate Legend: Recording of Transfer. A copy of this Agreement shall be filed with the Secretary of the Company and kept with the records of the Company. Each certificate representing Stock now held or hereafter acquired by the grantee shall, at the option of the Company, for as long as this Section 8 is effective, bear a legend as follows:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER SUCH ACT AND UNDER ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER HEREOF THAT SUCH REGISTRATION IS NOT REQUIRED AS TO SUCH SALE OR OFFER.

THE TRANSFER AND PLEDGE OF ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY THE TERMS OF THIS STOCK OPTION AGREEMENT, DATED AS OF DECEMBER 13, 2000, AMONG THE COMPANY AND THE GRANTEE, A COPY OF WHICH MAY BE INSPECTED AT THE COMPANY'S PRINCIPAL OFFICE.

(e) All Transfers in Compliance with Law and Subject to this Agreement. Any transfer of Stock permitted or required by this Agreement must be in

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compliance with the applicable provisions of this Agreement and with federal and state securities laws, including, without limitation, the Securities Act.

(f) Specific Performance. The parties hereto intend that each of the parties have the right to seek damages and/or specific performance in the event that any other party hereto fails to perform such party's obligations hereunder. Therefore, if any party shall institute any action or proceeding to enforce the provisions hereof, any party against whom such action or proceeding is brought hereby waives any claim or defense therein that the plaintiff party has an adequate remedy at law.

(g) Definitions. For purposes hereof, the following terms shall have the meanings set forth below:

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization, governmental body or other entity.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Stock" means, with respect to each Stockholder, all shares, whether now owned or hereafter acquired, of Common Stock owned by such Stockholder.

(h) Term. This entire Section 8 shall terminate upon the closing of a bona fide initial public offering of Common Stock of the Company.

Section 9. Nontransferability. No option granted to the grantee under the Plan or this Stock Option Agreement shall be assignable or transferable by the grantee (whether by operation of law or otherwise and whether voluntarily or involuntarily), other than by will or by the laws of descent and distribution. During the lifetime of the grantee, all rights granted to the grantee under the Plan or under this Stock Option Agreement shall be exercisable only by the grantee or the grantee's court appointed legal representative. Notwithstanding the foregoing, with the Committee's consent, the option may be transferred to one or more members of the grantee's immediate family or trusts all of the beneficiaries (other than contingent beneficiaries) of which are members of the grantee's immediate family.

Section 10. Forfeiture for Non-Compete Violation.

(a) Non-Compete. The grantee agrees that during the term of grantee's employment and for a period of two years thereafter (the "Coverage Period") the grantee will not engage in, consult with, participate in, hold a position as shareholder, director, officer, consultant, employee, partner or investor, or otherwise assist any business entity (i) in any State of the United States of America or (ii) in any other country in which the Company has business activities, in either case, that is engaged in any activities which are competitive with the business of providing healthcare or other personnel on a temporary basis to hospitals, healthcare facilities or other entities and any

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and all business activities reasonably related thereto in which the Company or any of its divisions, affiliates or subsidiaries are then engaged.

(b) Non-Solicit. The grantee agrees that during the Coverage Period, he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the Term was a traveling nurse or other healthcare professional, employee, customer, client or supplier of the Company.

(c) Confidential and Proprietary Information. The grantee agrees that he will not, at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Grantee's obligation under this Section 10(c) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of grantee; or (iii) is hereafter disclosed to grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Grantee recognizes that all such information, whether developed by the grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of employment, grantee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

(d) Forfeiture for Violations. If the grantee shall at any time violate the provisions of Section 10(a), (b), or (c), the grantee shall immediately forfeit all options (whether vested or unvested) and any exercise of an option which occurs after (or within 6 months before) any such violation shall be void ab initio.

Section 11. Execution of Agreement. Notwithstanding anything contained in this Stock Option Agreement to the contrary, no option may be exercised until the grantee has returned an executed copy of this Stock Option Agreement to the Company.

Section 12. Notices. Any notice to be given to the Company hereunder shall be in writing and shall be addressed to 12235 El Camino Real, Suite 200, San Diego,

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California 92130 or at such other address as the Company may hereafter designate to the grantee by notice as provided herein. Any notice to be given to the grantee hereunder shall be addressed to the grantee at the address set forth below or at such other address as the grantee may hereafter designate to the Company by notice as provided herein. Notices hereunder shall be deemed to have been duly given when received by personal delivery or by registered or certified mail to the party entitled to receive the same.

Section 13. Reorganization Event. The option awarded hereunder may be subject, in the Committee's discretion, to termination on account of a Reorganization Event affecting the Company, as described in Section 17 of the Plan.

Section 14. Successors and Assigns. This Stock Option Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent set forth in the Plan, the heirs and personal representatives of the grantee.

Section 15. Governing Law. This Agreement shall be governed by the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State.

Section 16. Modifications to Agreement. This Agreement may not be altered, modified, changed or discharged, except by a writing signed by or on behalf of both the Company and the grantee.

IN WITNESS WHEREOF, the parties hereto have executed this Stock Option Agreement as of the date and year first above written.

AMN HOLDINGS, INC.

By: /s/ Diane K. Stumph

Title: CFO

/s/ Steven C. Francis

Grantee

P.O. Box 675770
Rancho Santa Fe, CA 92067

(Address)

EXHIBIT 10.28

2000 Options

Amendment
to
Performance Stock Option Plan Agreement

AMENDMENT, agreed to as of this 24th day of July, 2001 between AMN Healthcare Services, Inc., a Delaware corporation (the "Company"), and the person whose name appears on the signature page hereto (the "Optionee").

WHEREAS, the Company has previously entered in a nonqualified stock option agreement under the Company's Performance Stock Option Plan, dated December 13, 2000 (the "Agreement");

WHEREAS, the Company desires to amend the Agreement to change the accounting treatment of the options granted under the Agreement;

WHEREAS, the Optionee desires to amend the Agreement to secure the benefits of the Amendment;

NOW, THEREFORE, the Company and the Optionee agree as follows:

The following amendments to the Agreement shall be effective as of the close of the sale of no less than $100 million of the Company's Common Stock in an underwritten public offering of such Common Stock that is consummated on or before December 31, 2001 (the "IPO").

1. Section 2 of the Agreement is amended to read in its entirety as follows:

"Section 2. Vesting and Exercisability

(a) Vesting. Subject to the provisions of Section 10, the option shall become fully vested upon consummation of the IPO. Notwithstanding the vesting of the option in accordance with this Section 2(a), the option shall not become exercisable other than in accordance with the provisions of Section 2(b) and 2(c) hereof.

(b) Exercisability. Upon the occurrence of the IPO, the option shall become exercisable in accordance with the following schedule:

2,886.2 shares on December 31, 2001, or if later, upon the expiration of the underwriters' lock-up period following the IPO (the "Lock-Up Period");

2,886.1 shares on December 31, 2002;

2,886.1 shares on December 31, 2003;

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2,886.1 shares on December 31, 2004;

Each of the foregoing dates shall hereinafter be referred to as an "Exercisability Date".

(c) Change of Control Acceleration. Notwithstanding any provision to the contrary, the option shall become fully vested and exercisable on the date on which HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") have disposed of 75% or more of its ownership position.

(d) Expiration of Option. The option shall terminate and cease to be exercisable on December 31, 2009."

2. Section 4 of the Agreement is amended to read in its entirety as follows:

"Section 4. Termination of Employment

(a) Exercisability. If a grantee's employment with the Company terminates for any reason, other than by reason of the grantee's death or disability, the Exercisability Dates under Section 2(b) shall be of no further force or effect and the then-vested and non-exercisable portion of the option shall instead become exercisable at a rate of 25% for four years following the expiration of such grantee's "Hiatus Lock-Up Period", beginning on the first anniversary of the expiration of such period, and ending on the fourth anniversary of such period; provided, however, that the option shall become fully exercisable by December 1, 2009. Upon termination of a grantee's employment by reason of death or disability, the provisions of this Section 4(a) shall be inapplicable, and such grantee's option shall continue to become exercisable in accordance with the provisions of Section 2(b).

For purposes of this Section 4(a), "Hiatus Lock-Up Period" shall mean, in the case of an employee terminating employment more than one year after the IPO, the two-year period immediately following his termination, and, in the case of an employee terminating employment within one year after the IPO, the three-year period immediately following his termination.

(b) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person."

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AMN HEALTHCARE SERVICES, INC.

/s/ Susan Nowakowski

By: Chief Operating Officer

STEVEN FRANCIS

/s/ Steven Francis

By:

Exhibit 10.29

New Option Grants

AMN HOLDINGS, INC.
1999 SUPER-PERFORMANCE STOCK OPTION PLAN

Nonqualified Stock Option Agreement

STOCK OPTION AGREEMENT dated December 13, 2000, between AMN HOLDINGS, INC., a Delaware corporation (the "Company"), and Steven Francis (the "grantee").

All words and phrases not otherwise expressly defined herein shall have the same meanings as are ascribed to such words and phrases in the Plan document.

The Committee has determined that the objectives of the Plan will be furthered by granting to the grantee an option pursuant to the Plan.

In consideration of the foregoing and of the mutual undertakings set forth in this Stock Option Agreement, the Company and the grantee agree as follows:

SECTION 1. Grant of Option. The Company hereby grants to the grantee a nonqualified stock option to purchase 5,772.1 shares of Stock at a purchase price of $287.84 per share.

SECTION 2. Exercisability.

(a) In General. Subject to Section 4 hereof, the option shall become vested and exercisable if, and only if certain performance targets are met, as follows:

Fiscal Year	EBITDA	Number of Shares as to which Option Becomes Exercisable
2001	at least $38,307,000	1,443.1
2002	at least $45,845,000	1,443.0
2003	at least $52,734,000	1,443.0
2004	at least $60,656,000	1,443.0

Any portion of the option that becomes exercisable pursuant to the above shall become exercisable as of the date of delivery of audited financial statements by the Company's independent auditor for the applicable Fiscal Year (in each case, the "Fiscal Year Vesting Date"), provided that the grantee was employed on the last day of the applicable Fiscal Year.

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(b) Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") in the form of cash and marketable securities exceeds, on an aggregate basis (after taking into account any prior sales by HWP of any portion of its investment in the Company), $580.81 per share of Stock, the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal Year in which a Change of Control occurs and, if any, later Fiscal Years shall become exercisable, effective immediately prior to such event.

(c) Expiration of Option.

(i) Generally. Subject to the provisions of this Section 2(c) and Section 4, the option shall terminate and cease to be exercisable on December 31, 2009.

(ii) Special Rule. Notwithstanding the provisions of Section 2(c)(i), if the Company does not meet the performance target established in Section 2(a) for a Fiscal Year, that portion of the option which was eligible to become vested with respect to such Fiscal Year shall immediately terminate.

SECTION 3. Method of Option Exercise. The option or any part thereof may be exercised only by giving to the Company written notice of exercise in the form prescribed by the Committee. Full payment of the purchase price shall be made on the option exercise date by certified or official bank check or, in the Committee's discretion (which shall not be unreasonably withheld), by personal check (subject to collection), payable to the Company, or delivery of shares of Stock already owned by the grantee for at least six months prior to the option exercise date as described in Section 5.4(b)(iii) of the Plan. The grantee shall have no right to pay the option exercise price, or to receive shares of Stock with respect to an option exercise, prior to the option exercise date. For purposes of this Stock Option Agreement, the "option exercise date" shall be deemed to be the first business day immediately following the date written notice of exercise is received by the Company.

SECTION 4. Termination of Employment.

(a) Unvested Options.

(i) General Rule. All unvested portions of an option granted to a grantee shall terminate and no longer be exercisable upon such grantee's termination of employment for any reason, except to the extent that options may become exercisable post-employment in accordance with Section 5.5 of the Plan or may

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remain eligible for vesting pursuant to Section 4(a)(ii) of this Agreement.

(ii) Termination Before Performance Verified. Notwithstanding Section 4(a)(i), if a grantee terminates employment after the end of a Fiscal Year, but before the Fiscal Year Vesting Date, (if applicable), the portion of such grantee's option that was eligible to vest upon delivery of audited financial statements confirming that performance targets were met for such Fiscal Year shall remain outstanding and eligible for vesting until delivery of such audited financial statements. Thereafter, the unvested portion of such option shall immediately terminate and the treatment of the vested portion of the option shall be governed by Section 4(b).

(b) Vested Options.

(i) Death and Disability. Unless otherwise provided herein, if a grantee's employment with the Company and its subsidiaries terminates by reason of death or Disability (as defined in a grantee's employment agreement, if applicable, or if not applicable, as defined in section 22(e)(3) of the Code), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee or, as the case may be, by such grantee's court-appointed legal representative or, in the case of the grantee's death, by the person or persons to whom such option passes under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (x) the later of (1) one year after the grantee's termination by reason of death or Disability and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, one year after the date of delivery of audited financial statements and (y) the date on which such portion of the option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement.

(ii) Regular Termination; Leaves of Absence. Unless otherwise provided herein, if the grantee's employment terminates for reasons other than as provided in Section 4(b)(i), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii)

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of this Agreement may be exercised by such grantee until the earlier of (x) the later of (1) 90 days after the grantee's date of termination and (2) with respect to any portion of the Option that vests in accordance with Section 4(a)(ii) of this Agreement, 90 days after the date of delivery of audited financial statements, and (y) the date on which such option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement. The Committee may in its discretion determine (A) whether any leave of absence (including short-term or long-term disability or medical leave) shall constitute a termination of employment for purposes of the Plan and (B) the impact, if any, of any such leave on outstanding options under the Plan.

(c) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person.

SECTION 5. Withholding Tax Requirements. Shares of Stock deliverable to the grantee upon exercise, pursuant to the terms of the Plan and this Stock Option Agreement, shall be subject to income tax withholding as provided in Section 10 of the Plan. Subject to the Committee's consent (which shall not be unreasonably withheld), a grantee may elect to satisfy all or part of such requirements by delivery of unrestricted shares of Stock owned by the grantee as provided in Section 10.2 of the Plan.

SECTION 6. Agreement Provisions to Prevail. This Stock Option Agreement shall be subject to all of the terms and provisions of the Plan, which are incorporated hereby and made a part hereof, including, without limitation, the provisions of Section 8 of the Plan (generally relating to consents required by securities and other laws) and Section 11 of the Plan (generally relating to the effects of certain reorganizations and other extraordinary transactions and providing the Committee with the ability to adjust performance targets). In the event there is any inconsistency between the provisions of this Stock Option Agreement and the Plan, the provisions of this Stock Option Agreement shall govern.

SECTION 7. Grantee's Acknowledgments. By entering into this Stock Option Agreement, the grantee agrees and acknowledges that (a) he has received and read a copy of the Plan, including Section 14.3 of the Plan (generally relating to waivers of claims to continued exercisability of awards, damages and severance entitlements related to non-continuation of awards), and accepts this option upon all of the terms thereof, and (b) no member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award thereunder or under this Stock Option Agreement.

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SECTION 8. Stockholder Restrictions.

(a) Restrictions on Transfer of Stock Acquired by Option Exercise.

(i) Limitation on Transfer. The grantee shall not sell, give, assign, hypothecate, pledge, encumber, grant a security interest in or otherwise dispose of (whether by operation of law or otherwise) (each a "transfer") any Stock or any right, title or interest therein or thereto, except in accordance with the provisions of this Agreement. Any attempt to transfer any Stock or any rights hereunder in violation of the preceding sentence shall be null and void ab initio.

(ii) Permitted Transfers. At any time after December 31, 2003, the grantee may, subject to this Section 8(a)(ii), Section 8(a)(iii) and Section 8(b), transfer all, but not less than all, of the Stock owned by the grantee to any Person other than a Person involved with the medical or employee staffing industry other than through the Company (each a "Permitted Transferee"); provided that the consideration for such transfer shall consist solely of cash. No such transfer to a Permitted Transferee shall be effective unless such Permitted Transferee becomes a party to a separate agreement setting forth substantially the same terms as this Section 8. No Permitted Transferee of Stock pursuant to this Section 8(a)(ii) shall thereafter re-transfer such Stock except in accordance with this Section 8(a)(ii) and Section 8(a)(iii).

(iii) Permitted Transfer Procedures. The grantee shall give notice to the Company and AMN Acquisition Corp., a Delaware corporation ("AMN") of its intention to make any transfer permitted under Section 8(a)(ii) not less than thirty (30) calendar days prior to effecting such transfer, which notice shall state the name and address of the party to whom such transfer is proposed and the Stock proposed to be transferred.

(b) Proposed Voluntary Transfers by the Grantee; Right of First Refusal.

(i) Offering Notice. If after December 31, 2003 the grantee has received a bona fide offer from a Person (the "Third Party Purchaser") to pay for cash (a "Third Party Offer") all of its Stock (the "Offered Stock") and the grantee desires to accept the Third Party Offer, then the grantee (the "Selling Stockholder") shall make an offer (the "Offer") to sell the Offered Stock to AMN and the Company by sending written notice (the "Offering

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Notice") to the Company and AMN, which notice shall state (x) the number of shares of Offered Stock and (y) all material terms and conditions of such proposed sale (including the proposed purchase price per share of Stock).

(ii) Offer Price. Upon receipt of the Offering Notice, AMN or its designee and the Company (to the extent that AMN or its designee does not exercise its right of first refusal for the Offered Stock) shall have the right, but not the obligation, to purchase collectively all, but not less than all, of the Offered Stock. If the Offer is accepted by AMN's designee, AMN shall remain responsible for such designee's performance hereunder. The right of first refusal shall be exercisable with respect to the Offered Stock (i) by AMN or its designee and (ii) by the Company, to the extent that AMN or its designee does not exercise its right of first refusal for all of the Offered Stock, by written notice to the Selling Stockholder (with a copy to the Company) within twenty (20) calendar days (in the case of AMN) and within thirty (30) calendar days (in the case of the Company) of receipt of the Offering Notice. Failure by AMN or the Company to respond within the applicable Notice Period shall be regarded as a rejection of the Offer.

(iii) Sell Option. If all of the Offered Stock has not been acquired by AMN or its designee or the Company, the Selling Stockholder(s) shall have the right to sell such Stock to the Third Party Offeror on the terms and conditions of the Third Party Offer; provided, that any such sale must be consummated within 45 calendar days of the date of the Offering Notice; provided however, that if compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 is necessary to consummate such sale, the 45-day period may be extended to the end of the waiting period thereunder (but in no event to more than 75 calendar days after the date of the Offering Notice). In the event that such sale is not consummated within such 45-day period (as extended if applicable) for any reason, then the restrictions provided for herein shall again become effective, and no transfer of such Offered Stock may be made thereafter by such Selling Stockholder(s) without again complying with this Section 8(b)(iii).

(c) Drag-Along Right.

(i) Sale of the Company. In the event AMN (the "Initiating Seller") proposes to sell any of its Stock in one or more related transactions, including without limitation, a merger or

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consolidation (a "Drag-Along Sale") to a bona fide party purchaser (the "Proposed Transferee") on an arm's length basis, the Initiating Seller shall have the right (the "Drag-Along Right") to require the grantee (the "Drag-Along Seller") to sell, and the Drag-Along Seller hereby agrees to sell, to the Proposed Transferee:

(1) until AMN has sold (or will have sold as a result of such sale (assuming no tag-along rights are exercised on such sale)) Stock to a third party in an amount equal to at least 75 percent (75%) of the Stock owned by AMN as of the date hereof (the "Threshold Event"), that number of shares of Stock (but not less than such number of shares of Stock) which is equal to the product of (x) the number of Shares held by the grantee and (y) a fraction (A) the numerator of which is the number of outstanding shares of Stock proposed to be sold by the Initiating Seller and (B) the denominator of which is the number of shares of Stock owned by the Initiating Seller; and

(2) from and after the Threshold Event, all, but not less than all, of its Stock (such amount referred to in clause (1) or (2), as the case may be, for the grantee being herein referred to as the "Drag-Along Amount").

(ii) Sale Notice. The Initiating Seller shall notify the Company, and the Company shall promptly notify the Drag-Along Seller in writing of such proposed Transfer (the "Sale Notice"). The Sale Notice shall set forth (a) the name and address of the Proposed Transferee and (b) a copy of the written proposal pursuant to which the Drag-Along Sale will be effected, containing all of the material terms and conditions thereof including (1) the number of shares of Stock (calculated on a fully diluted, as converted basis) proposed to be transferred by the Initiating Seller, (2) the applicable Drag-Along Amount, (3) the price per share of Stock to be paid, (4) the terms and conditions of payment offered by the Proposed Transferee, (5) whether the Initiating Seller has determined to exercise the Drag-Along Right, (6) in the event the Initiating Seller has determined to exercise the Drag-Along Right, that the Proposed Transferee has been informed of the Drag-Along Right provided for in this Section 8(c) and has agreed to purchase the applicable Drag-Along Amount in accordance with the terms hereof and (7) the date and location of and procedures for selling Stock to the Proposed Transferee.

(iii) Purchase of Drag-Along Amount. The Stock purchased from the Drag-Along Seller by the Proposed Transferee pursuant to this Section 8(c) shall be paid for at the same price per share and upon terms and conditions no less favorable than the terms and conditions applicable to the Stock to be sold by the Initiating Seller.

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(d) Stock Certificate Legend; Recording of Transfer. A copy of this Agreement shall be filed with the Secretary of the Company and kept with the records of the Company. Each certificate representing Stock now held or hereafter acquired by the grantee shall, at the option of the Company, for as long as this Section 8 is effective, bear a legend as follows:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER SUCH ACT AND UNDER ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER HEREOF THAT SUCH REGISTRATION IS NOT REQUIRED AS TO SUCH SALE OR OFFER.
>
> THE TRANSFER AND PLEDGE OF ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY THE TERMS OF THIS STOCK OPTION AGREEMENT, DATED AS OF DECEMBER 13, 2000, AMONG THE COMPANY AND THE GRANTEE, A COPY OF WHICH MAY BE INSPECTED AT THE COMPANY'S PRINCIPAL OFFICE.

(e) All Transfers in Compliance with Law and Subject to this Assignment. Any transfer of Stock permitted or required by this Agreement must be in compliance with the applicable provisions of this Agreement and with federal and state securities laws, including, without limitation, the Securities Act.

(f) Specific Performance. The parties hereto intend that each of the parties have the right to seek damages and/or specific performance in the event that any other party hereto fails to perform such party's obligations hereunder. Therefore, if any party shall institute any action or proceeding to enforce the provisions hereof, any party against whom such action or proceeding is brought hereby waives any claim or defense therein that the plaintiff party has an adequate remedy at law.

(g) Definitions. For purposes hereof, the following terms shall have the meanings set forth below:

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization, governmental body or other entity.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

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"Stock" means, with respect to each Stockholder, all shares, whether now owned or hereafter acquired, of Common Stock owned by such Stockholder.

(h) Term. This entire Section 8 shall terminate upon the closing of a bona fide initial public offering of Common Stock of the Company.

SECTION 9. Nontransferability. No option granted to the grantee under the Plan or this Stock Option Agreement shall be assignable or transferable by the grantee (whether by operation of law or otherwise and whether voluntarily or involuntarily), other than by will or by the laws of descent and distribution. During the lifetime of the grantee, all rights granted to the grantee under the Plan or under this Stock Option Agreement shall be exercisable only by the grantee or the grantee's court appointed legal representative. Notwithstanding the foregoing, with the Committee's consent, the option may be transferred to one or more members of the grantee's immediate family or trusts all of the beneficiaries (other than contingent beneficiaries) of which are members of the grantee's immediate family.

SECTION 10. Forfeiture for Non-Compete Violation.

(a) Non-Compete. The grantee agrees that during the term of grantee's employment and for a period of two years thereafter (the "Coverage Period") the grantee will not engage in, consult with, participate in, hold a position as shareholder, director, officer, consultant, employee, partner or investor, or otherwise assist any business entity (i) in any State of the United States of America or (ii) in any other country in which the Company has business activities, in either case, that is engaged in any activities which are competitive with the business of providing healthcare or other personnel on a temporary basis to hospitals, healthcare facilities or other entities and any and all business activities reasonably related thereto in which the Company or any of its divisions, affiliates or subsidiaries are then engaged.

(b) Non-Solicit. The grantee agrees that during the Coverage Period, he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the Term was a traveling nurse or other healthcare professional, employee, customer, client or supplier of the Company.

(c) Confidential and Proprietary Information. The grantee agrees that he will not, at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences,

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pricing arrangements, requirements and practices. Grantee's obligation under this Section 10(c) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of grantee; or (iii) is hereafter disclosed to grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Grantee recognizes that all such information, whether developed by the grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of employment, grantee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

(d) Forfeiture for Violations. If the grantee shall at any time violate the provisions of Section 10(a), (b), or (c), the grantee shall immediately forfeit all options (whether vested or unvested) and any exercise of an option which occurs after (or within 6 months before) any such violation shall be void ab initio.

SECTION 11. Execution of Agreement. Notwithstanding anything contained in this Stock Option Agreement to the contrary, no option may be exercised until the grantee has returned an executed copy of this Stock Option Agreement to the Company.

SECTION 12. Notice. Any notice to be given to the Company hereunder shall be in writing and shall be addressed to 12235 El Camino Real, Suite 200, San Diego, California 92130 or at such other address as the Company may hereafter designate to the grantee by notice as provided herein. Any notice to be given to the grantee hereunder shall be addressed to the grantee at the address set forth below or at such other address as the grantee may hereafter designate to the Company by notice as provided herein. Notices hereunder shall be deemed to have been duly given when received by personal delivery or by registered or certified mail to the party entitled to receive the same.

SECTION 13. Reorganization Event. The option awarded hereunder may be subject, in the Committee's discretion, to termination on account of a Reorganization Event affecting the Company, as described in Section 17 of the Plan.

SECTION 14. Successors and Assigns. This Stock Option Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent set forth in the Plan, the heirs and personal representatives of the grantee.

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SECTION 15. Governing Law. This Agreement shall be governed by the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State.

SECTION 16. Modifications to Agreement. This Agreement may not be altered, modified, changed or discharged, except by a writing signed by or on behalf of both the Company and the grantee.

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IN WITNESS WHEREOF, the parties hereto have executed this Stock Option Agreement as of the date and year first above written.

AMN HOLDINGS, INC.

By: /s/ Diane K. Stumph

Title: CFO

/s/ Steven C. Francis

Grantee

Address

EXHIBIT 10.30

2000 Options

Amendment
to
Super-Performance Stock Option Plan Agreement

AMENDMENT, agreed to as of this 24th day of July, 2001 between AMN Healthcare Services, Inc., a Delaware corporation (the "Company"), and the person whose name appears on the signature page hereto (the "Optionee").

WHEREAS, the Company has previously entered in a nonqualified stock option agreement under the Company's Super-Performance Stock Option Plan, dated December 13, 2000 (the "Agreement");

WHEREAS, the Company desires to amend the Agreement to change the accounting treatment of the options granted under the Agreement;

WHEREAS, the Optionee desires to amend the Agreement to secure the benefits of the Amendment;

NOW, THEREFORE, the Company and the Optionee agree as follows:

The following amendments to the Agreement shall be effective as of the close of the sale of no less than $100 million of the Company's Common Stock in an underwritten public offering of such Common Stock that is consummated on or before December 31, 2001 (the "IPO").

1. The heading for Section 2 of the Agreement is amended to read in its entirety as follows:

"Section 2. Vesting and Exercisability

(a) Vesting. Subject to the provisions of Section 10, the option shall become fully vested upon consummation of the IPO. Notwithstanding the vesting of the option in accordance with this Section 2(a), the option shall not become exercisable other than in accordance with the provisions of Section 2(b) and 2(c) hereof.

(b) Exercisability. Upon the occurrence of the IPO, the option shall become exercisable in accordance with the following schedule:

1,443.1 shares on December 31, 2001, or if later, upon the expiration of the underwriters' lock-up period following the IPO (the "Lock-Up Period"); expiration of the Lock-Up Period;

1,443.0 shares on December 31, 2002;

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1,443.0 shares on December 31, 2003;

1,443.0 shares on December 31, 2004;

Each of the foregoing dates shall hereinafter be referred to as an "Exercisability Date".

(c) Change of Control Acceleration. Notwithstanding any provision to the contrary, the option shall become fully vested and exercisable on the date on which HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") have disposed of 75% or more of its ownership position.

(d) Expiration of Option. The option shall terminate and cease to be exercisable on December 31, 2009."

2. Section 4 of the Agreement is amended to read in its entirety as follows:

"Section 4. Termination of Employment

(a) Exercisability. If a grantee's employment with the Company terminates for any reason, other than by reason of the grantee's death or disability, the Exercisability Dates under Section 2(b) shall be of no further force or effect and the then-vested and non-exercisable portion of the option shall instead become exercisable at a rate of 25% for four years following the expiration of such grantee's "Hiatus Lock-Up Period", beginning on the first anniversary of the expiration of such period, and ending on the fourth anniversary of such period; provided, however, that the option shall become fully exercisable by December 1, 2009. Upon termination of a grantee's employment by reason of death or disability, the provisions of this Section 4(a) shall be inapplicable, and such grantee's option shall continue to become exercisable in accordance with the provisions of Section 2(b).

For purposes of this Section 4(a), "Hiatus Lock-Up Period" shall mean, in the case of an employee terminating employment more than one year after the IPO, the two-year period immediately following his termination, and, in the case of an employee terminating employment within one year after the IPO, the three-year period immediately following his termination.

(b) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to

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terminate the employment of the grantee or any other person."

AMN HEALTHCARE SERVICES, INC.

/s/ Susan Nowakowski

By: Chief Operating Officer

STEVEN FRANCIS

/s/ Steven Francis

By:

Exhibit 10.31

New Option Grants

AMN HOLDINGS, INC.
1999 PERFORMANCE STOCK OPTION PLAN

Nonqualified Stock Option Agreement

STOCK OPTION AGREEMENT dated December 13, 2000, between AMN HOLDINGS, INC., a Delaware corporation (the "Company"), and Susan Nowakowski (the "grantee").

All words and phrases not otherwise expressly defined herein shall have the same meanings as are ascribed to such words and phrases in the Plan document,

The Committee has determined that the objectives of the Plan will be furthered by granting to the grantee an option pursuant to the Plan.

In consideration of the foregoing and of the mutual undertakings set forth in this Stock Option Agreement, the Company and the grantee agree as follows:

SECTION 1. Grant of Option. The Company hereby grants to the grantee a nonqualified stock option to purchase 1,847.2 shares of Stock at a purchase price of $287.84 per share.

SECTION 2. Exercisability.

(a) In General. Subject to Section 4 hereof, the option shall become vested and exercisable if, and only if certain performance targets are met, as follows:

Fiscal Year	EBITDA	Number of Shares as to which Option Becomes Exercisable
2001	at least $33,310,000	461.8
2002	at least $39,865,000	461.8
2003	at least $45,856,000	461.8
2004	at least $52,745,000	461.8

Any portion of the option that becomes exercisable pursuant to the above shall become exercisable as of the date of delivery of audited financial statements by the Company's independent auditor for the applicable Fiscal Year (in each case, the "Fiscal Year Vesting Date"), provided that the grantee was employed on the last day of the applicable Fiscal Year.

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(b) Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") in the form of cash and marketable securities exceeds, on an aggregate basis (after taking into account any prior sales by HWP of any portion of its investment in the Company), $580.81 per share of Stock, the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal Year in which a Change of Control occurs and, if any, later Fiscal Years shall become exercisable, effective immediately prior to such event.

(c) Expiration of Option.

(i) Generally. Subject to the provisions of this Section 2(c) and Section 4, the option shall terminate and cease to be exercisable on December 31, 2009.

(ii) Special Rule. Notwithstanding the provisions of Section 2(c)(i), if the Company does not meet the performance target established in Section 2(a) for a Fiscal Year, that portion of the option which was eligible to become vested with respect to such Fiscal Year shall immediately terminate.

SECTION 3. Method of Option Exercise. The option or any part thereof may be exercised only by giving to the Company written notice of exercise in the form prescribed by the Committee. Full payment of the purchase price shall be made on the option exercise date by certified or official bank check or, in the Committee's discretion (which shall not be unreasonably withheld), by personal check (subject to collection), payable to the Company, or delivery of shares of Stock already owned by the grantee for at least six months prior to the option exercise date as described in Section 5.4(b)(iii) of the Plan. The grantee shall have no right to pay the option exercise price, or to receive shares of Stock with respect to an option exercise, prior to the option exercise date. For purposes of this Stock Option Agreement, the "option exercise date" shall be deemed to be the first business day immediately following the date written notice of exercise is received by the Company.

SECTION 4. Termination of Employment.

(a) Unvested Options.

(i) General Rule. All unvested portions of an option granted to a grantee shall terminate and no longer be exercisable upon such grantee's termination of employment for any reason, except to the extent that options may become exercisable post-employment in accordance with Section 5.5 of the Plan or may remain eligible for vesting pursuant to Section 4(a)(ii) of this Agreement.

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(ii) Termination Before Performance Verified. Notwithstanding Section 4(a)(i), if a grantee terminates employment after the end of a Fiscal Year, but before the Fiscal Year Vesting Date, (if applicable), the portion of such grantee's option that was eligible to vest upon delivery of audited financial statements confirming that performance targets were met for such Fiscal Year shall remain outstanding and eligible for vesting until delivery of such audited financial statements. Thereafter, the unvested portion of such option shall immediately terminate and the treatment of the vested portion of the option shall be governed by Section 4(b).

(b) Vested Options.

(i) Death and Disability. Unless otherwise provided herein, if a grantee's employment with the Company and its subsidiaries terminates by reason of death or Disability (as defined in a grantee's employment agreement, if applicable, or if not applicable, as defined in section 22(e)(3) of the Code), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee or, as the case may be, by such grantee's court-appointed legal representative or, in the case of the grantee's death, by the person or persons to whom such option passes under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (x) the later of (1) one year after the grantee's termination by reason of death or Disability and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, one year after the date of delivery of audited financial statements and (y) the date on which such portion of the option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement.

(ii) Regular Termination; Leaves of Absence. Unless otherwise provided herein, if the grantee's employment terminates for reasons other than as provided in Section 4(b)(i), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee until the earlier of (x) the later of (1) 90 days after the grantee's date of termination and (2) with respect to any portion of the Option that vests in accordance with Section 4(a)(ii) of this Agreement, 90 days after the date of delivery of audited financial statements, and (y) the date on which such option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement. The Committee may in its discretion determine (A) whether any leave of absence (including short-term or long-term disability or medical leave) shall constitute a termination of employment for purposes

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of the Plan and (B) the impact, if any, of any such leave on outstanding options under the Plan.

(c) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person.

SECTION 5. Withholding Tax Requirements. Shares of Stock deliverable to the grantee upon exercise, pursuant to the terms of the Plan and this Stock Option Agreement, shall be subject to income tax withholding as provided in Section 10 of the Plan. Subject to the Committee's consent (which shall not be unreasonably withheld), a grantee may elect to satisfy all or part of such requirements by delivery of unrestricted shares of Stock owned by the grantee as provided in Section 10.2 of the Plan.

SECTION 6. Agreement Provisions to Prevail. This Stock Option Agreement shall be subject to all of the terms and provisions of the Plan, which are incorporated hereby and made a part hereof, including, without limitation, the provisions of Section 8 of the Plan (generally relating to consents required by securities and other laws) and Section 11 of the Plan (generally relating to the effects of certain reorganizations and other extraordinary transactions and providing the Committee with the ability to adjust performance targets). In the event there is any inconsistency between the provisions of this Stock Option Agreement and the Plan, the provisions of this Stock Option Agreement shall govern.

SECTION 7. Grantee's Acknowledgments. By entering into this Stock Option Agreement, the grantee agrees and acknowledges that (a) he has received and read a copy of the Plan, including Section 14.3 of the Plan (generally relating to waivers of claims to continued exercisability of awards, damages and severance entitlements related to non-continuation of awards), and accepts this option upon all of the terms thereof, and (b) no member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award thereunder or under this Stock Option Agreement.

SECTION 8. Stockholder Restrictions

(a) Restrictions on Transfer of Stock Acquired by Option Exercise.

(i) Limitation on Transfer. The grantee shall not sell, give, assign, hypothecate, pledge, encumber, grant a security interest in or otherwise dispose of (whether by operation of law or otherwise) (each a "transfer") any Stock or any right, title or interest therein or thereto, except in accordance with the provisions of this Agreement. Any attempt to transfer any Stock or any rights hereunder in violation of the preceding sentence shall be null and void ab initio.

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(ii) Permitted Transfers. At any time after December 31, 2003, the grantee may, subject to this Section 8(a)(ii), Section 8(a)(iii) and Section 8(b), transfer all, but not less than all, of the Stock owned by the grantee to any Person other than a Person involved with the medical or employee staffing industry other than through the Company (each a "Permitted Transferee"); provided that the consideration for such transfer shall consist solely of cash. No such transfer to a Permitted Transferee shall be effective unless such Permitted Transferee becomes a party to a separate agreement setting forth substantially the same terms as this Section 8. No Permitted Transferee of Stock pursuant to this Section 8(a)(ii) shall thereafter re-transfer such Stock except in accordance with this Section 8(a)(ii) and Section 8(a)(iii).

(iii) Permitted Transfer Procedures. The grantee shall give notice to the Company and AMN Acquisition Corp., a Delaware corporation ("AMN") of its intention to make any transfer permitted under Section 8(a)(ii) not less than thirty (30) calendar days prior to effecting such transfer, which notice shall state the name and address of the party to whom such transfer is proposed and the Stock proposed to be transferred.

(b) Proposed Voluntary Transfers by the Grantee; Right of First Refusal.

(i) Offering Notice. If after December 31, 2003 the grantee has received a bona fide offer from a Person (the "Third Party Purchaser") to pay for cash (a "Third Party Offer") all of its Stock (the "Offered Stock") and the grantee desires to accept the Third Party Offer, then the grantee (the "Selling Stockholder") shall make an offer (the "Offer") to sell the Offered Stock to AMN and the Company by sending written notice (the "Offering Notice") to the Company and AMN, which notice shall state (x) the number of shares of Offered Stock and (y) all material terms and conditions of such proposed sale (including the proposed purchase price per share of Stock).

(ii) Offer Price. Upon receipt of the Offering Notice, AMN or its designee and the Company (to the extent that AMN or its designee does not exercise its right of first refusal for the Offered Stock) shall have the right, but not the obligation, to purchase collectively all, but not less than all, of the Offered Stock. If the Offer is accepted by AMN's designee, AMN shall remain responsible for such designee's performance hereunder. The right of first refusal shall be exercisable with respect to the Offered Stock (i) by AMN or its designee and (ii) by the Company, to the extent that AMN or its designee does not exercise its right of first refusal for all of the Offered Stock, by written notice to the Selling Stockholder (with a copy to the Company) within twenty (20) calendar days (in the case of AMN) and within thirty (30) calendar days (in the case of the Company) of receipt of the Offering Notice. Failure by AMN or the

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Company to respond within the applicable Notice Period shall be regarded as a rejection of the Offer.

(iii) Sell Option. If all of the Offered Stock has not been acquired by AMN or its designee or the Company, the Selling Stockholder(s) shall have the right to sell such Stock to the Third Party Offeror on the terms and conditions of the Third Party Offer; provided, that any such sale must be consummated within 45 calendar days of the date of the Offering Notice; provided however, that if compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 is necessary to consummate such sale, the 45-day period may be extended to the end of the waiting period thereunder (but in no event no more than 75 calendar days after the date of the Offering Notice). In the event that such sale is not consummated within such 45-day period (as extended if applicable) for any reason, then the restrictions provided for herein shall again become effective, and no transfer of such Offered Stock may be made thereafter by such Selling Stockholder(s) without again complying with this Section 8(b)(iii).

(c) Drag-Along Right.

(i) Sale of the Company. In the event AMN (the "Initiating Seller") proposes to sell any of its Stock in one or more related transactions, including without limitation, a merger or consolidation (a "Drag-Along Sale") to a bona fide third party purchaser (the "Proposed Transferee") on an arm's-length basis, the Initiating Seller shall have the right (the "Drag-Along Right") to require the grantee (the "Drag-Along Seller") to sell, and the Drag-Along Seller hereby agrees to sell, to the Proposed Transferee:

(1) until AMN has sold (or will have sold as a result of such sale (assuming no tag-along rights are exercised on such sale)) Stock to a third party in an amount equal to at least 75 percent (75%) of the Stock owned by AMN as of the date hereof (the "Threshold Event"), that number of shares of Stock (but not less than such number of shares of Stock) which is equal to the product of (x) the number of Shares held by the grantee and (y) a fraction (A) the numerator of which is the number of outstanding shares of Stock proposed to be sold by the Initiating Seller and (B) the denominator of which is the number of shares of Stock owned by the Initiating Seller; and

(2) from and after the Threshold Event, all, but not less than all, of its Stock (such amount referred to in clause (1) or (2), as the case may be, for the grantee being herein referred to as the "Drag-Along Amount").

(ii) Sale Notice. The Initiating Seller shall notify the Company, and the Company shall promptly notify the Drag-Along Seller in writing of such proposed Transfer (the "Sale Notice"). The Sale Notice shall set forth (a) the name and address of the Proposed Transferee and

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(b) a copy of the written proposal pursuant to which the Drag-Along Sale will be effected, containing all of the material terms and conditions thereof, including (1) the number of shares of Stock (calculated on a fully diluted, as converted basis) proposed to be transferred by the Initiating Seller, (2) the applicable Drag-Along Amount, (3) the price per share of Stock to be paid, (4) the terms and conditions of payment offered by the Proposed Transferee, (5) whether the Initiating Seller has determined to exercise the Drag-Along Right, (6) in the event the Initiating Seller has determined to exercise the Drag-Along Right, that the Proposed Transferee has been informed of the Drag-Along Right provided for in this Section 8(c) and has agreed to purchase the applicable Drag-Along Amount in accordance with the terms hereof and (7) the date and location of and procedures for selling Stock to the Proposed Transferee.

(iii) Purchase of Drag-Along Amount. The Stock purchased from the Drag-Along Seller by the Proposed Transferee pursuant to this Section 8(c) shall be paid for at the same price per share and upon terms and conditions no less favorable than the terms and conditions applicable to the Stock to be sold by the Initiating Seller.

(d) Stock Certificate Legend; Recording of Transfer. A copy of this Agreement shall be filed with the Secretary of the Company and kept with the records of the Company. Each certificate representing Stock now held or hereafter acquired by the grantee shall, at the option of the Company, for as long as this Section 8 is effective, bear a legend as follows:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER SUCH ACT AND UNDER ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER HEREOF THAT SUCH REGISTRATION IS NOT REQUIRED AS TO SUCH SALE OR OFFER.

THE TRANSFER AND PLEDGE OF ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY THE TERMS OF THIS STOCK OPTION AGREEMENT, DATED AS OF DECEMBER 13, 2000, AMONG THE COMPANY AND THE GRANTEE, A COPY OF WHICH MAY BE INSPECTED AT THE COMPANY'S PRINCIPAL OFFICE.

(e) All Transfers in Compliance with Law and Subject to this Agreement. Any transfer of Stock permitted or required by this Agreement must be in compliance

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with the applicable provisions of this Agreement and with federal and state securities laws, including, without limitation, the Securities Act.

(f) Specific Performance. The parties hereto intend that each of the parties have the right to seek damages and/or specific performance in the event that any other party hereto fails to perform such party's obligations hereunder. Therefore, if any party shall institute any action or proceeding to enforce the provisions hereof, any party against whom such action or proceeding is brought hereby waives any claim or defense therein that the plaintiff party has an adequate remedy at law.

(g) Definitions. For purposes hereof, the following term shall have the meanings set forth below:

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization, governmental body or other entity.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Stock" means, with respect to each Stockholder, all shares, whether now owned or hereafter acquired, of Common Stock owned by such Stockholder.

(h) Term. This entire Section 8 shall terminate upon the closing of a bona fide initial public offering of Common Stock of the Company.

SECTION 9. Nontransferability. No option granted to the grantee under the Plan or this Stock Option Agreement shall be assignable or transferable by the grantee (whether by operation of law or otherwise and whether voluntarily or involuntarily), other than by will or by the laws of descent and distribution. During the lifetime of the grantee, all rights granted to the grantee under the Plan or under this Stock Option Agreement shall be exercisable only by the grantee or the grantee's court appointed legal representative. Notwithstanding the foregoing, with the Committee's consent, the option may be transferred to one or more members of the grantee's immediate family or trusts all of the beneficiaries (other than contingent beneficiaries) of which are members of the grantee's immediate family.

SECTION 10. Forfeiture for Non-Compete Violation.

(a) Non-Compete. The grantee agrees that during the term of grantee's employment and for a period of two years thereafter (the "Coverage Period") the grantee will not engage in, consult with, participate in, hold a position as shareholder, director, officer, consultant, employee, partner or investor, or otherwise assist any business entity (i) in any State of the United States of America or (ii) in any other country in which the Company has business activities, in either case, that is engaged in any activities which are competitive with the business of providing healthcare or other personnel on a temporary basis to hospitals, healthcare facilities or other entities and any and all business activities

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reasonably related thereto in which the Company or any of its divisions, affiliates or subsidiaries are then engaged.

(b) Non-Solicit. The grantee agrees that during the Coverage Period, he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the Term was a traveling nurse or other healthcare professional, employee, customer, client or supplier of the Company.

(c) Confidential and Proprietary Information. The grantee agrees that he will not, at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Grantee's obligation under this Section 10(c) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of grantee; or (iii) is hereafter disclosed to grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Grantee recognizes that all such information, whether developed by the grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of employment, grantee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him,

(d) Forfeiture for Violations. If the grantee shall at any time violate the provisions of Section 10(a), (b), or (c), the grantee shall immediately forfeit all options (whether vested or unvested) and any exercise of an option which occurs after (or within 6 months before) any such violation shall be void ab initio.

SECTION 11. Execution of Agreement. Notwithstanding anything contained in this Stock Option Agreement to the contrary, no option may be exercised until the grantee has returned an executed copy of this Stock Option Agreement to the Company.

SECTION 12. Notices. Any notice to be given to the Company hereunder shall be in writing and shall be addressed to 12235 El Camino Real, Suite 200, San Diego,

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California 92130 or at such other address as the Company may hereafter designate to the grantee by notice as provided herein. Any notice to be given to the grantee hereunder shall be addressed to the grantee at the address set forth below or at such other address as the grantee may hereafter designate to the Company by notice as provided herein. Notices hereunder shall be deemed to have been duly given when received by personal delivery or by registered or certified mail to the party entitled to receive the same.

SECTION 13. Reorganization Event. The option awarded hereunder may be subject, in the Committee's discretion, to termination on account of a Reorganization Event affecting the Company, as described in Section 17 of the Plan.

SECTION 14. Successors and Assigns. This Stock Option Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent set forth in the Plan, the heirs and personal representatives of the grantee.

SECTION 15. Governing Law. This Agreement shall be governed by the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State.

SECTION 16. Modifications to Agreement. This Agreement may not be altered, modified, changed or discharged, except by a writing signed by or on behalf of both the Company and the grantee.

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IN WITNESS WHEREOF, the parties hereto have executed this Stock Option Agreement as of the date and year first above written.

AMN HOLDINGS, INC.

By: /s/Steven C. Francis

Title:

/s/ Susan Nowakowski

Grantee

P.O. Box 3577
Rancho Santa Fe, CA 92067

(Address)

EXHIBIT 10.32

2000 Options

Amendment
to
Performance Stock Option Plan Agreement

AMENDMENT, agreed to as of this 24th day of July, 2001 between AMN Healthcare Services, Inc., a Delaware corporation (the "Company"), and the person whose name appears on the signature page hereto (the "Optionee").

WHEREAS, the Company has previously entered in a nonqualified stock option agreement under the Company's Performance Stock Option Plan, dated December 13, 2000 (the "Agreement");

WHEREAS, the Company desires to amend the Agreement to change the accounting treatment of the options granted under the Agreement;

WHEREAS, the Optionee desires to amend the Agreement to secure the benefits of the Amendment;

NOW, THEREFORE, the Company and the Optionee agree as follows:

The following amendments to the Agreement shall be effective as of the close of the sale of no less than $100 million of the Company's Common Stock in an underwritten public offering of such Common Stock that is consummated on or before December 31, 2001 (the "IPO").

1. Section 2 of the Agreement is amended to read in its entirety as follows:

"Section 2. Vesting and Exercisability

(a) Vesting. Subject to the provisions of Section 10, the option shall become fully vested upon consummation of the IPO. Notwithstanding the vesting of the option in accordance with this Section 2(a), the option shall not become exercisable other than in accordance with the provisions of Section 2(b) and 2(c) hereof.

(b) Exercisability. Upon the occurrence of the IPO, the option shall become exercisable in accordance with the following schedule:

461.8 shares on December 31, 2001, or if later, upon the expiration of the underwriters' lock-up period following the IPO (the "Lock-Up Period");

461.8 shares on December 31, 2002;

461.8 shares on December 31, 2003;

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461.8 shares on December 31, 2004;

Each of the foregoing dates shall hereinafter be referred to as an "Exercisability Date".

(c) Change of Control Acceleration. Notwithstanding any provision to the contrary, the option shall become fully vested and exercisable on the date on which HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") have disposed of 75% or more of its ownership position.

(d) Expiration of Option. The option shall terminate and cease to be exercisable on December 31, 2009."

2. Section 4 of the Agreement is amended to read in its entirety as follows:

"Section 4. Termination of Employment

(a) Exercisability. If a grantee's employment with the Company terminates for any reason, other than by reason of the grantee's death or disability, the Exercisability Dates under Section 2(b) shall be of no further force or effect and the then-vested and non-exercisable portion of the option shall instead become exercisable at a rate of 25% for four years following the expiration of such grantee's "Hiatus Lock-Up Period", beginning on the first anniversary of the expiration of such period, and ending on the fourth anniversary of such period; provided, however, that the option shall become fully exercisable by December 1, 2009. Upon termination of a grantee's employment by reason of death or disability, the provisions of this Section 4(a) shall be inapplicable, and such grantee's option shall continue to become exercisable in accordance with the provisions of Section 2(b).

For purposes of this Section 4(a), "Hiatus Lock-Up Period" shall mean, in the case of an employee terminating employment more than one year after the IPO, the two-year period immediately following his termination, and, in the case of an employee terminating employment within one year after the IPO, the three-year period immediately following his termination.

(b) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person."

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AMN HEALTHCARE SERVICES, INC.

/s/ Steven C. Francis

By: Steven C. Francis, President & CEO

SUSAN NOWAKOWSKI

/s/ Susan Nowakowski

By:

Exhibit 10.33

New Option Grants

AMN HOLDINGS, INC.
1999 SUPER-PERFORMANCE STOCK OPTION PLAN

Nonqualified Stock Option Agreement

STOCK OPTION AGREEMENT dated December 13, 2000, between AMN HOLDINGS, INC., a Delaware corporation (the "Company"), and Susan Nowakowski (the "grantee").

All words and phrases not otherwise expressly defined herein shall have the same meanings as are ascribed to such words and phrases in the Plan document.

The Committee has determined that the objectives of the Plan will be furthered by granting to the grantee an option pursuant to the Plan.

In consideration of the foregoing and of the mutual undertakings set forth in this Stock Option Agreement, the Company and the grantee agree as follows:

SECTION 1. Grant of Option. The Company hereby grants to the grantee a nonqualified stock option to purchase 923.6 shares of Stock at a purchase price of $287.84 per share.

SECTION 2. Exercisability.

(a) In General. Subject to Section 4 hereof, the option shall become vested and exercisable if, and only if certain performance targets are met, as follows:

Fiscal Year	EBITDA	Number of Shares as to which Option Becomes Exercisable
2001	at least $38,307,000	230.9
2002	at least $45,845,000	230.9
2003	at least $52,734,000	230.9
2004	at least $60,656,000	230.9

Any portion of the option that becomes exercisable pursuant to the above shall become exercisable as of the date of delivery of audited financial statements by the Company's independent auditor for the applicable Fiscal Year (in each case, the "Fiscal Year Vesting Date"), provided that the grantee was employed on the last day of the applicable Fiscal Year.

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(b) Change of Control Acceleration. Notwithstanding the foregoing, in the event a Change of Control occurs prior to December 31, 2003, in which the net proceeds actually received by HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") in the form of cash and marketable securities exceeds, on an aggregate basis (after taking into account any prior sales by HWP of any portion of its investment in the Company), $580.81 per share of Stock, the portion of the option which was eligible to become vested pursuant to Section 2(a) with respect to the Fiscal Year in which a Change of Control occurs and, if any, later Fiscal Years shall become exercisable, effective immediately prior to such event.

(c) Expiration of Option.

(i) Generally. Subject to the provisions of this Section 2(c) and Section 4, the option shall terminate and cease to be exercisable on December 31, 2009.

(ii) Special Rule. Notwithstanding the provisions of Section 2(c)(i), if the Company does not meet the performance target established in Section 2(a) for a Fiscal Year, that portion of the option which was eligible to become vested with respect to such Fiscal Year shall immediately terminate.

SECTION 3. Method of Option Exercise. The option or any part thereof may be exercised only by giving to the Company written notice of exercise in the form prescribed by the Committee. Full payment of the purchase price shall be made on the option exercise date by certified or official bank check or, in the Committee's discretion (which shall not be unreasonably withheld), by personal check (subject to collection), payable to the Company, or delivery of shares of Stock already owned by the grantee for at least six months prior to the option exercise date as described in Section 5.4(b)(iii) of the Plan. The grantee shall have no right to pay the option exercise price, or to receive shares of Stock with respect to an option exercise, prior to the option exercise date. For purposes of this Stock Option Agreement, the "option exercise date" shall be deemed to be the first business day immediately following the date written notice of exercise is received by the Company.

SECTION 4. Termination of Employment.

(a) Unvested Options.

(i) General Rule. All unvested portions of an option granted to a grantee shall terminate and no longer be exercisable upon such grantee's termination of employment for any reason, except to the extent that options may become exercisable post-employment in accordance with Section 5.5 of the Plan or may remain eligible for vesting pursuant to Section 4(a)(ii) of this Agreement.

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(ii) Termination Before Performance Verified. Notwithstanding Section 4(a)(i), if a grantee terminates employment after the end of a Fiscal Year, but before the Fiscal Year Vesting Date, (if applicable), the portion of such grantee's option that was eligible to vest upon delivery of audited financial statements confirming that performance targets were met for such Fiscal Year shall remain outstanding and eligible for vesting until delivery of such audited financial statements. Thereafter, the unvested portion of such option shall immediately terminate and the treatment of the vested portion of the option shall be governed by Section 4(b).

(b) Vested Options.

(i) Death and Disability. Unless otherwise provided herein, if a grantee's employment with the Company and its subsidiaries terminates by reason of death or Disability (as defined in a grantee's employment agreement, if applicable, or if not applicable, as defined in section 22(e)(3) of the Code), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee or, as the case may be, by such grantee's court-appointed legal representative or, in the case of the grantee's death, by the person or persons to whom such option passes under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) until the earlier of (x) the later of (1) one year after the grantee's termination by reason of death or Disability and (2) with respect to any portion of the option that vests in accordance with Section 4(a)(ii) of this Agreement, one year after the date of delivery of audited financial statements and (y) the date on which such portion of the option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement.

(ii) Regular Termination: Leaves of Absence. Unless otherwise provided herein, if the grantee's employment terminates for reasons other than as provided in Section 4(b)(i), the portion, if any, of the option granted to such grantee which was exercisable immediately prior to such termination of employment or which becomes exercisable thereafter in accordance with Section 4(a)(ii) of this Agreement may be exercised by such grantee until the earlier of (x) the later of (1) 90 days after the grantee's date of termination and (2) with respect to any portion of the Option that vests in accordance with Section 4(a)(ii) of this Agreement, 90 days after the date of delivery of audited financial statements, and (y) the date on which such option terminates or expires in accordance with the provisions of the Plan and the other provisions of this Stock Option Agreement. The Committee may in its discretion determine (A) whether any leave of absence (including short-term or long-term disability or medical leave) shall constitute a termination of employment for purposes of

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the Plan and (B) the impact, if any, of any such leave on outstanding options under the Plan.

(c) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to terminate the employment of the grantee or any other person.

SECTION 5. Withholding Tax Requirements. Shares of Stock deliverable to the grantee upon exercise, pursuant to the terms of the Plan and this Stock Option Agreement, shall be subject to income tax withholding as provided in Section 10 of the Plan. Subject to the Committee's consent (which shall not be unreasonably withheld), a grantee may elect to satisfy all or part of such requirements by delivery of unrestricted shares of Stock owned by the grantee as provided in Section 10.2 of the Plan.

SECTION 6. Agreement Provisions to Prevail. This Stock Option Agreement shall be subject to all of the terms and provisions of the Plan, which are incorporated hereby and made a part hereof, including, without limitation, the provisions of Section 8 of the Plan (generally relating to consents required by securities and other laws) and Section 11 of the Plan (generally relating to the effects of certain reorganizations and other extraordinary transactions and providing the Committee with the ability to adjust performance targets). In the event there is any inconsistency between the provisions of this Stock Option Agreement and the Plan, the provisions of this Stock Option Agreement shall govern.

SECTION 7. Grantee's Acknowledgments. By entering into this Stock Option Agreement, the grantee agrees and acknowledges that (a) he has received and read a copy of the Plan, including Section 14.3 of the Plan (generally relating to waivers of claims to continued exercisability of awards, damages and severance entitlements related to non-continuation of awards), and accepts this option upon all of the terms thereof, and (b) no member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any award thereunder or under this Stock Option Agreement.

SECTION 8. Stockholder Restrictions.

(a) Restrictions on Transfer of Stock Acquired by Option Exercise.

(i) Limitation on Transfer. The grantee shall not sell, give, assign, hypothecate, pledge, encumber, grant a security interest in or otherwise dispose of (whether by operation of law or otherwise) (each a "transfer") any Stock or any right, title or interest therein or thereto, except in accordance with the provisions of this Agreement. Any attempt to transfer any Stock or any rights hereunder in violation of the preceding sentence shall be null and void ab initio.

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(ii) Permitted Transfers. At any time after December 31, 2003, the grantee may, subject to this Section 8(a)(ii), Section 8(a)(iii) and Section 8(b), transfer all, but not less than all, of the Stock owned by the grantee to any Person other than a Person involved with the medical or employee staffing industry other than through the Company (each a "Permitted Transferee"); provided that the consideration for such transfer shaft consist solely of cash. No such transfer to a Permitted Transferee shall be effective unless such Permitted Transferee becomes a party to a separate agreement setting forth substantially the same terms as this Section 8. No Permitted Transferee of Stock pursuant to this Section 8(a)(ii) shall thereafter re-transfer such Stock except in accordance with this Section 8(a)(ii) and Section 8(a)(iii).

(iii) Permitted Transfer Procedures. The grantee shall give notice to the Company and AMN Acquisition Corp., a Delaware corporation ("AMN") of its intention to make any transfer permitted under Section 8(a)(ii) not less than thirty (30) calendar days prior to effecting such transfer, which notice shall state the name and address of the party to whom such transfer is proposed and the Stock proposed to be transferred.

(b) Proposed Voluntary Transfers by the Grantee: Right of First Refusal.

(i) Offering Notice. If after December 31, 2003 the grantee has received a bona fide offer from a Person (the "Third Party Purchaser") to pay for cash (a "Third Party Offer") all of its Stock (the "Offered Stock") and the grantee desires to accept the Third Party Offer, then the grantee (the "Selling Stockholder") shall make an offer (the "Offer") to sell the Offered Stock to AMN and the Company by sending written notice (the "Offering Notice") to the Company and AMN, which notice shall state (x) the number of shares of Offered Stock and (y) all material terms and conditions of such proposed sale (including the proposed purchase price per share of Stock).

(ii) Offer Price. Upon receipt of the Offering Notice, AMN or its designee and the Company (to the extent that AMN or its designee does not exercise its right of first refusal for the Offered Stock) shall have the right, but not the obligation, to purchase collectively all, but not less than all, of the Offered Stock. If the Offer is accepted by AMN's designee, AMN shall remain responsible for such designee's performance hereunder. The right of first refusal shall be exercisable with respect to the Offered Stock (i) by AMN or its designee and (ii) by the Company, to the extent that AMN or its designee does not exercise its right of first refusal for all of the Offered Stock, by written notice to the Selling Stockholder (with a copy to the Company) within twenty (20) calendar days (in the case of AMN) and within thirty (30) calendar days (in the case of the Company) of

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receipt of the Offering Notice. Failure by AMN or the Company to respond within the applicable Notice Period shall be regarded as a rejection of the Offer.

(iii) Sell Option. If all of the Offered Stock has not been acquired by AMN or its designee or the Company, the Selling Stockholder(s) shall have the right to sell such Stock to the Third Party Offeror on the terms and conditions of the Third Party Offer; provided, that any such sale must be consummated within 45 calendar days of the date of the Offering Notice; provided however, that if compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 is necessary to consummate such sale, the 45-day period may be extended to the end of the waiting period thereunder (but in no event to more than 75 calendar days after the date of the Offering Notice). In the event that such sale is not consummated within such 45-day period (as extended if applicable) for any reason, then the restrictions provided for herein shall again become effective, and no transfer of such Offered Stock may be made thereafter by such Selling Stockholder(s) without again complying with this Section 8(b)(iii).

(c) Drag-Along Right.

(i) Sale of the Company. In the event AMN (the "Initiating Seller") proposes to sell any of its Stock in one or more related transactions, including without limitation, a merger or consolidation (a "Drag-Along Sale") to a bona fide third party purchaser (the "Proposed Transferee") on an arm's length basis, the Initiating Seller shall have the right (the "Drag-Along Right") to require the grantee (the "Drag-Along Seller") to sell, and the Drag-Along Seller hereby agrees to sell, to the Proposed Transferee:

(1) until AMN has sold (or will have sold as a result of such sale (assuming no tag-along rights are exercised on such sale)) Stock to a third party in an amount equal to at least 75 percent (75%) of the Stock owned by AMN as of the date hereof (the "Threshold Event"), that number of shares of Stock (but not less than such number of shares of Stock) which is equal to the product of (x) the number of Shares held by the grantee and (y) a fraction (A) the numerator of which is the number of outstanding shares of Stock proposed to be sold by the Initiating Seller and (B) the denominator of which is the number of shares of Stock owned by the Initiating Seller; and

(2) from and after the Threshold Event, all, but not less than all, of its Stock (such amount referred to in clause (1) or (2), as the case may be, for the grantee being herein referred to as the "Drag-Along Amount").

(ii) Sale Notice. The Initiating Seller shall notify the Company, and the Company shall promptly notify the Drag-Along Seller in writing of

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such proposed Transfer (the "Sale Notice"). The Sale Notice shall set forth (a) the name and address of the Proposed Transferee and (b) a copy of the written proposal pursuant to which the Drag-Along Sale will be effected, containing all of the material terms and conditions thereof, including (1) the number of shares of Stock (calculated on a fully diluted, as converted basis) proposed to be transferred by the Initiating Seller, (2) the applicable Drag-Along Amount, (3) the price per share of Stock to be paid, (4) the terms and conditions of payment offered by the Proposed Transferee, (5) whether the Initiating Seller has determined to exercise the Drag-Along Right, (6) in the event the Initiating Seller has determined to exercise the Drag-Along Right, that the Proposed Transferee has been informed of the Drag-Along Right provided for in this Section 8(c) and has agreed to purchase the applicable Drag-Along Amount in accordance with the terms hereof and (7) the date and location of and procedures for selling Stock to the Proposed Transferee.

(iii) Purchase of Drag-Along Amount. The Stock purchased from the Drag-Along Seller by the Proposed Transferee pursuant to this Section 8(c) shall be paid for at the same price per share and upon terms and conditions no less favorable than the terms and conditions applicable to the Stock to be sold by the Initiating Seller.

(d) Stock Certificate Legend: Recording of Transfer. A copy of this Agreement shall be filed with the Secretary of the Company and kept with the records of the Company. Each certificate representing Stock now held or hereafter acquired by the grantee shall, at the option of the Company, for as long as this Section 8 is effective, bear a legend as follows:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER SUCH ACT AND UNDER ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER HEREOF THAT SUCH REGISTRATION IS NOT REQUIRED AS TO SUCH SALE OR OFFER.

THE TRANSFER AND PLEDGE OF ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY THE TERMS OF THIS STOCK OPTION AGREEMENT, DATED AS OF DECEMBER 13, 2000, AMONG THE COMPANY AND THE GRANTEE, A COPY OF WHICH MAY BE INSPECTED AT THE COMPANY'S PRINCIPAL OFFICE.

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(e) All Transfers in Compliance with Law and Subject to this Assignment. Any transfer of Stock permitted or required by this Agreement must be in compliance with the applicable provisions of this Agreement and with federal and state securities laws, including, without limitation, the Securities Act.

(f) Specific Performance. The parties hereto intend that each of the parties have the right to seek damages and/or specific performance in the event that any other party hereto fails to perform such party's obligations hereunder. Therefore, if any party shall institute any action or proceeding to enforce the provisions hereof, any party against whom such action or proceeding is brought hereby waives any claim or defense therein that the plaintiff party has an adequate remedy at law.

(g) Definitions. For purposes hereof, the following terms shall have the meanings set forth below:

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization, governmental body or other entity.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Stock" means, with respect to each Stockholder, all shares, whether now owned or hereafter acquired, of Common Stock owned by such Stockholder.

(h) Term. This entire Section 8 shall terminate upon the closing of a bona fide initial public offering of Common Stock of the Company.

SECTION 9. Nontransferability. No option granted to the grantee under the Plan or this Stock Option Agreement shall be assignable or transferable by the grantee (whether by operation of law or otherwise and whether voluntarily or involuntarily), other than by will or by the laws of descent and distribution. During the lifetime of the grantee, all rights granted to the grantee under the Plan or under this Stock Option Agreement shall be exercisable only by the grantee or the grantee's court appointed legal representative. Notwithstanding the foregoing, with the Committee's consent, the option may be transferred to one or more members of the grantee's immediate family or trusts all of the beneficiaries (other than contingent beneficiaries) of which are members of the grantee's immediate family.

SECTION 10. Forfeiture for Non-Compete Violation.

(a) Non-Compete. The grantee agrees that during the term of grantee's employment and for a period of two years thereafter (the "Coverage Period") the grantee will not engage in, consult with, participate in, hold a position as shareholder, director, officer, consultant, employee, partner or investor, or otherwise assist any business entity (i) in any State of the United States of America or (ii) in any other country

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in which the Company has business activities, in either case, that is engaged in any activities which are competitive with the business of providing healthcare or other personnel on a temporary basis to hospitals, healthcare facilities or other entities and any and all business activities reasonably related thereto in which the Company or any of its divisions, affiliates or subsidiaries are then engaged.

(b) Non-Solicit. The grantee agrees that during the Coverage Period, he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the Term was a traveling nurse or other healthcare professional, employee, customer, client or supplier of the Company.

(c) Confidential and Proprietary Information. The grantee agrees that he will not, at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Grantee's obligation under this Section 10(c) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of grantee; or (iii) is hereafter disclosed to grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Grantee recognizes that all such information, whether developed by the grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of employment, grantee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

(d) Forfeiture for Violations. If the grantee shall at any time violate the provisions of Section 10(a), (b), or (c), the grantee shall immediately forfeit all options (whether vested or unvested) and any exercise of an option which occurs after (or within 6 months before) any such violation shall be void ab initio.

SECTION 11. Execution of Agreement. Notwithstanding anything contained in this Stock Option Agreement to the contrary, no option may be exercised until the grantee has returned an executed copy of this Stock Option Agreement to the Company.

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SECTION 12. Notices. Any notice to be given to the Company hereunder shall be in writing and shall be addressed to 12235 El Camino Real, Suite 200, San Diego, California 92130 or at such other address as the Company may hereafter designate to the grantee by notice as provided herein. Any notice to be given to the grantee hereunder shall be addressed to the grantee at the address set forth below or at such other address as the grantee may hereafter designate to the Company by notice as provided herein. Notices hereunder shall be deemed to have been duly given when received by personal delivery or by registered or certified mail to the party entitled to receive the same.

SECTION 13. Reorganization Event. The option awarded hereunder may be subject, in the Committee's discretion, to termination on account of a Reorganization Event affecting the Company, as described in Section 17 of the Plan.

SECTION 14. Successors and Assigns. This Stock Option Agreement shall be binding upon and inure to die benefit of the parties hereto and the successors and assigns of the Company and, to the extent set forth in the Plan, the heirs and personal representatives of the grantee.

SECTION 15. Governing Law. This Agreement shall be governed by the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State.

SECTION 16. Modifications to Agreement. This Agreement may not be altered, modified, changed or discharged, except by a writing signed by or on behalf of both the Company and the grantee.

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IN WITNESS WHEREOF, the parties hereto have executed this Stock Option Agreement as of the date and year first above written.

AMN HOLDINGS, INC.

By:/s/ Steven C. Francis

Title: President

/s/ Susan R. Nowakowski

Grantee

P.O. Box 3577
Rancho Santa Fe, CA 92067

Address

EXHIBIT 10.34

2000 Options

Amendment
to
Super-Performance Stock Option Plan Agreement

AMENDMENT, agreed to as of this 24th day of July, 2001 between AMN Healthcare Services, Inc., a Delaware corporation (the "Company"), and the person whose name appears on the signature page hereto (the "Optionee").

WHEREAS, the Company has previously entered in a nonqualified stock option agreement under the Company's Super-Performance Stock Option Plan, dated December 13, 2000 (the "Agreement");

WHEREAS, the Company desires to amend the Agreement to change the accounting treatment of the options granted under the Agreement;

WHEREAS, the Optionee desires to amend the Agreement to secure the benefits of the Amendment;

NOW, THEREFORE, the Company and the Optionee agree as follows:

The following amendments to the Agreement shall be effective as of the close of the sale of no less than $100 million of the Company's Common Stock in an underwritten public offering of such Common Stock that is consummated on or before December 31, 2001 (the "IPO").

1. The heading for Section 2 of the Agreement is amended to read in its entirety as follows:

"Section 2. Vesting and Exercisability

(a) Vesting. Subject to the provisions of Section 10, the option shall become fully vested upon consummation of the IPO. Notwithstanding the vesting of the option in accordance with this Section 2(a), the option shall not become exercisable other than in accordance with the provisions of Section 2(b) and 2(c) hereof.

(b) Exercisability. Upon the occurrence of the IPO, the option shall become exercisable in accordance with the following schedule:

230.9 shares on December 31, 2001, or if later, upon the expiration of the underwriters' lock-up period following the IPO (the "Lock-Up Period"); expiration of the Lock-Up Period;

230.9 shares on December 31, 2002;

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230.9 shares on December 31, 2003;

230.9 shares on December 31, 2004;

Each of the foregoing dates shall hereinafter be referred to as an "Exercisability Date".

(c) Change of Control Acceleration. Notwithstanding any provision to the contrary, the option shall become fully vested and exercisable on the date on which HWH Capital Partners, L.P. and its affiliates (collectively, "HWP") have disposed of 75% or more of its ownership position.

(d) Expiration of Option. The option shall terminate and cease to be exercisable on December 31, 2009."

2. Section 4 of the Agreement is amended to read in its entirety as follows:

"Section 4. Termination of Employment

(a) Exercisability. If a grantee's employment with the Company terminates for any reason, other than by reason of the grantee's death or disability, the Exercisability Dates under Section 2(b) shall be of no further force or effect and the then-vested and non-exercisable portion of the option shall instead become exercisable at a rate of 25% for four years following the expiration of such grantee's "Hiatus Lock-Up Period", beginning on the first anniversary of the expiration of such period, and ending on the fourth anniversary of such period; provided, however, that the option shall become fully exercisable by December 1, 2009. Upon termination of a grantee's employment by reason of death or disability, the provisions of this Section 4(a) shall be inapplicable, and such grantee's option shall continue to become exercisable in accordance with the provisions of Section 2(b).

For purposes of this Section 4(a), "Hiatus Lock-Up Period" shall mean, in the case of an employee terminating employment more than one year after the IPO, the two-year period immediately following his termination, and, in the case of an employee terminating employment within one year after the IPO, the three-year period immediately following his termination.

(b) Right of Discharge Reserved. Nothing in the Plan or this Stock Option Agreement shall confer upon the grantee or any other person the right to continue in the employment of the Company or any of its subsidiaries or affect any right which the Company or any of its subsidiaries may have to

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terminate the employment of the grantee or any other person."

AMN HEALTHCARE SERVICES, INC.

/s/ Steven C. Francis

By: Steven C. Francis, President & CEO

SUSAN NOWAKOWSKI

/s/ Susan Nowakowski

By:

EXHIBIT 10.35

AMN HEALTHCARE SERVICES, INC.
2001 STOCK OPTION PLAN
STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (the "Agreement"), made this 24th day of July, 2001, by and between AMN Healthcare Services, Inc. (the "Company"), a Delaware corporation and Donald Myll (the "Optionee").

W I T N E S S E T H:
- - - - - - - - - - -

WHEREAS, the Company sponsors the AMN Healthcare Services, Inc. 2001 Stock Option Plan (the "Plan"), and desires to afford the Optionee the opportunity to acquire and maintain the Optionee's ownership of the Company's common stock, par value $.01 per share ("Stock") thereunder, thereby strengthening the Optionee's commitment to the welfare of the Company and Affiliates and promoting an identity of interest between stockholders and the Optionee.

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

1. DEFINITIONS.

The following definitions shall be applicable throughout the Agreement. Where defined terms are not defined herein, their meaning shall be that set forth in the Plan.

(a) "Affiliate" means (i) any entity that directly or indirectly is controlled by, or is under common control with the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee.

(b) "Board" means the Board of Directors of the Company.

(c) "Cause" means the Company or an Affiliate having "cause" to terminate an Optionee's employment or service, as defined in any existing employment, consulting or any other agreement between the Optionee and the Company or a Subsidiary or Affiliate, or, in the absence of such an employment, consulting or other agreement, upon (i) the determination by the Committee that the Optionee has ceased to perform his duties to the Company or an Affiliate (other than as a result of his incapacity due to physical or mental illness or injury), which failure amounts to an intentional and extended neglect of his duties to such party, (ii) the Committee's determination that the Optionee has engaged or is about to engage in conduct injurious to the Company or an Affiliate, (iii) the Optionee having been convicted of, or pleaded guilty or no contest to, a felony or a crime involving moral turpitude or (iv) the failure of the Optionee to follow the lawful instructions of the Board or his direct superiors; provided, however, that in the instances of clauses (i), (ii) and (iv), the Company or Affiliate, as applicable, must give

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the optionee twenty (20) days' prior written notice of the defaults constituting "cause" hereunder.

(d) "Change in Control" shall, unless in the case of a particular Option the applicable Stock Option Agreement states otherwise or contains a different definition of "Change in Control," be deemed to occur upon:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") (other than any of the following (each an "Excluded Person"): HWH Capital Partners, L.P., HWP Capital Partners II, L.P., HWH Nightingale Partners, L.P., HWP Nightingale Partners II, L.P., Haas Wheat & Partners, L.P., any Affiliate of any of the foregoing, or any such group of which any of the foregoing is a member) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of a majority of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, or the acquisition by a Person other than an Excluded Person of at least thirty percent (30%) of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, if at such time the Excluded Persons in the aggregate own a lesser percentage of such securities than the Person making such acquisition of such securities;

(ii) the dissolution or liquidation of the Company;

(iii) the sale of all or substantially all of the business or assets of the Company; or

(iv) the consummation of a merger, consolidation or similar form of corporate transaction involving the Company that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in the transaction (a "Business Combination"), if immediately following such Business Combination: (x) a Person (other than an Excluded Person), is or becomes the beneficial owner, directly or indirectly, of a majority of the combined voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), or (y) the Company's shareholders cease to beneficially own, directly or indirectly, in substantially the same proportion as they owned the then outstanding voting securities immediately prior to the Business Combination, a majority of the combined voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation). "Surviving Corporation" shall mean the corporation resulting from a Business Combination, and "Parent Corporation" shall mean the ultimate parent corporation that directly or indirectly has beneficial ownership of a majority of the combined voting power of the then outstanding voting securities of the Surviving Corporation entitled to vote generally in the election of directors.

(e) "Code" means the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include

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any amendments or successor provisions to such section and any regulations under such section.

(f) "Committee" means a committee of at least two people as the Board may appoint to administer the Plan or, if no such committee has been appointed by the Board, the Board. Unless the Board is acting as the Committee or the Board specifically determines otherwise, each member of the Committee shall, at the time he takes any action with respect to a Option under the Plan, be an Eligible Director, however the mere fact that a Committee member shall fail to qualify as an Eligible Director shall not invalidate any Option granted by the Committee which Option is otherwise validly made under the Plan.

(g) "Common Stock" means the common stock, par value $0.01 per share, of the Company.

(h) "Company" means AMN Healthcare Services, Inc.

(i) "Disability" means a condition entitling a person to receive benefits under the long-term disability plan of the Company, a Subsidiary or Affiliate, as may be applicable to the Optionee in question, or, in the absence of such a plan, the complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which the Optionee was employed or served when such disability commenced or, as determined by the Committee based upon medical evidence acceptable to it.

(j) "Effective Date" means July 24, 2001.

(k) "Eligible Director" means a person who is (i) a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act, or a person meeting any similar requirement under any successor rule or regulation and (ii) an "outside director" within the meaning of Section 162(m) of the Code, and the Treasury Regulations promulgated thereunder; provided, however, that clause (ii) shall apply only with respect to grants of Options with respect to which the Company's tax deduction could be limited by Section 162(m) of the Code if such clause did not apply.

(l) "Eligible Person" means any (i) individual regularly employed by the Company, a Subsidiary or Affiliate who satisfies all of the requirements of Section 6; provided, however, that no such employee covered by a collective bargaining agreement shall be an Eligible Person unless and to the extent that such eligibility is set forth in such collective bargaining agreement or in an agreement or instrument relating thereto; (ii) director of the Company, or Affiliate or (iii) consultant or advisor to the Company, a Subsidiary or Affiliate who is entitled to participate in an "employee benefit plan" within the meaning of 17 CFR Section 230.405 (which, as of the Effective Date, includes those who (A) are natural persons and (B) provide bona fide services to the Company other than in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities).

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(m) "Exchange Act" means the Securities Exchange Act of 1934.

(n) "Fair Market Value," on a given date means (i) if the Stock is listed on a national securities exchange, the mean between the highest and lowest sale prices reported as having occurred on the primary exchange with which the Stock is listed and traded on the date prior to such date, or, if there is no such sale on that date, then on the last preceding date on which such a sale was reported; (ii) if the Stock is not listed on any national securities exchange but is quoted in the National Market System of the National Association of Securities Dealers Automated Quotation System ("NASDAQ") on a last sale basis, the average between the high bid price and low ask price reported on the date prior to such date, or, if there is no such sale on that date, then on the last preceding date on which a sale was reported; or (iii) if the Stock is not listed on a national securities exchange nor quoted in the NASDAQ on a last sale basis, the amount determined by the Board to be the fair market value based upon a good faith attempt to value the Stock accurately and computed in accordance with applicable regulations of the Internal Revenue Service.

(o) "Grant Date" means the date on which the granting of an Option is authorized, or such other date as may be specified in such authorization or, if there is no such date, the date of this Stock Option Agreement.

(p) "Non-Qualified Stock Option" means an Option granted by the Committee to an Optionee under the Plan which is not an incentive stock option as described in Section 422 of the Code.

(q) "Normal Termination" means termination of employment or service with the Company and Affiliates:

(i) by the Optionee;

(ii) upon retirement;

(iii) on account of death or Disability; or

(iv) by the Company, a Subsidiary or Affiliate without Cause.

(r) "Option" means an award granted under Section 2.

(s) "Option Period" means the period described in Section 2.

(t) "Option Price" means the exercise price for an Option as described in Section 2.

(u) "Optionee" means an Eligible Person who has been selected by the Committee to participate in the Plan and to receive an Option pursuant to Section 2.

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(v) "Securities Act" means the Securities Act of 1933, as amended.

(w) "Stock" means the Common Stock or such other authorized shares of stock of the Company, as the Committee may from time to time authorize for use under the Plan.

(x) "Subsidiary" means any subsidiary of the Company as defined in Section 424(f) of the Code.

2. GRANT OF OPTION. Subject to the terms and conditions set forth herein, the Company hereby grants to the Optionee, during the period commencing on the date of this Agreement and ending the day prior to the tenth anniversary of the date hereof (the "Termination Date"), the right and option (the right to purchase any one share of Stock hereunder being an "Option") to purchase from the Company, at $392.04 per share (the "Option Price"), an aggregate of 10,643 shares of Stock (the "Option Shares"). The original ten-year term of such Option shall be referred to herein as the "Option Period". The Options are not intended to be "incentive stock options" within the meaning of Section 422 of the Code.

3. LIMITATIONS ON EXERCISE OF OPTION. As set forth in the Plan, and subject to the terms and conditions set forth herein, the Optionee may exercise 25% of the Option on and after the first annual anniversary of the Grant Date,(1) an additional 25% of the Option on and after the second anniversary of the Grant Date,(1) an additional 25% of the Option on and after the third anniversary of the Grant Date,(1) and a final 25% of the Option on and after the fourth anniversary of the Grant Date.(1)

4. TERMINATION OF EMPLOYMENT.

(a) If, prior to the end of the Option Period, the Optionee shall undergo a Normal Termination other than due to death or Disability, (i) the portion of the Option which is vested at the time of such Normal Termination shall be determined in accordance with Section 3, (ii) the portion of the Option which is not vested at the date of such Normal Termination shall expire on such date; and (iii) the portion of the Option which is vested at the date of such Normal Termination shall expire on the earlier of the Termination Date or the date that is three months after the date of such Normal Termination.

(b) If, prior to the end of the Option Period, the Optionee dies or incurs a Disability while still in the employ or service of the Company, a Subsidiary or Affiliate, or if the Optionee dies within three months following a Normal Termination, (i) the portion of the Option which is not vested at the date of such termination shall expire on such date; and (ii) the portion of the Option which is vested at the date of such termination shall expire on the earlier of the Termination Date or the date that is twelve

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(1) For purposes of this Section 3, the Grant Date is considered to be May 21, 2001.

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months after the date of such termination. In such event, the vested portion of the Option may be exercised as described above by the Optionee's personal representative or executor, or by the person or persons to whom the Optionee's rights under the Option pass by will or the applicable laws of descent and distribution.

(c) If, prior to the Termination Date, the Optionee is terminated from the employment or service with the Company for Cause or for reasons other than a Normal Termination, all portions of the Option then held by such Optionee (whether or not vested) shall expire immediately upon such cessation of employment or service.

5. METHOD OF EXERCISING OPTION.

(a) The Optionee may exercise any or all of the Options after the time they become vested pursuant to Section 3 hereof by delivering to the Committee a written notice of exercise (in a form designated by the Committee) signed by the Optionee stating the number of Options that the Optionee has elected to exercise at that time and tendering the full payment of the Option Price of the shares of Stock to be thereby purchased from the Company. Payment of the Option Price of the shares may be made in cash and/or shares of Stock valued at the Fair Market Value at the time the Option is exercised (including any means of attestation of ownership of a sufficient number of shares of Stock in lieu of actual delivery of such shares to the Company; provided, however, that such shares are not subject to any pledge or other security interest and have either been held by the Optionee for six months, previously acquired by the Optionee on the open market or meet such other requirements as the Committee may determine necessary in order to avoid an accounting earnings charge in respect of the Option), or, in the discretion of the Committee, either (i) in other property having a fair market value on the date of exercise equal to the Option Price, (ii) by delivering to the Committee a copy of irrevocable instructions to a stockbroker to deliver promptly to the Company an amount of loan proceeds, or proceeds of the sale of the Stock subject to the Option, sufficient to pay the Option Price, or (iii) by such other method as the Committee may allow.

(b) The Optionee may be required to pay to the Company or any Affiliate and the Company or any Affiliate shall have the right and is hereby authorized to withhold from any shares of Stock or other property deliverable under the Option or from any compensation or other amounts owing to the Optionee the amount (in cash, Stock or other property) of any required tax withholding and payroll taxes in respect of an Option, its exercise, or any payment or transfer under an Option or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(c) Without limiting the generality of clause (b) above, in the Committee's sole discretion the Optionee may satisfy, in whole or in part, the foregoing withholding liability (but no more than the minimum required withholding liability) by delivery of shares of Stock owned by the Optionee (which are not subject to any pledge or other security interest and which have been owned by the Participant for at least 6

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months or purchased on the open market) with a Fair Market Value equal to such withholding liability or by having the Company withhold from the number of shares of Stock otherwise issuable pursuant to the exercise of the Option a number of shares with a Fair Market Value equal to such withholding liability.

6. ISSUANCE OF SHARES. As promptly as practical after receipt of written notification of exercise and full payment of the Option Price together with any required income tax withholding, the Company shall issue or transfer to the Optionee, the number of shares with respect to which the Option has been so exercised (less shares withheld in satisfaction of tax withholding obligations, if any), and shall deliver to the Optionee a certificate or certificates therefor, registered in the Optionee's name. The shares delivered to the Optionee pursuant to this Section 6 shall be free and clear of all liens, fully paid and non-assessable.

7. COMPANY; OPTIONEE.

(a) The term "Company" as used in this Agreement with reference to employment shall include the Company, its Subsidiaries and its Affiliates, as appropriate.

(b) Whenever the word "Optionee" is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the beneficiaries, the executors, the administrators, or the person or persons to whom the Options may be transferred by will or by the laws of descent and distribution, the word "Optionee" shall be deemed to include such person or persons.

8. PURCHASE FOR INVESTMENT; LEGENDS. In the event that the offering of Option Shares with respect to which the Options are being exercised is not registered under the Securities Act, but an exemption is available that requires an investment representation or other representation, the Optionee, if electing to purchase Option Shares, shall represent that such Option Shares are being acquired for investment and not with a view to distribution thereof, and to make such other reasonable and customary representations regarding matters relevant to compliance with applicable securities laws as are deemed necessary by counsel to the Company. Stock certificates evidencing such unregistered Option Shares that are acquired upon exercise of the Options shall bear restrictive legends in substantially the following form and such other restrictive legends as are required or advisable under the provisions of any applicable laws or are provided for in the Shareholders Agreement or any other agreement to which Optionee is a party:

> THE SHARES REPRESENTED BY THIS STOCK CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), NOR UNDER ANY STATE SECURITIES LAWS AND SHALL NOT BE TRANSFERRED AT ANY TIME IN THE ABSENCE OF (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE

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SECURITIES LAWS WITH RESPECT TO SUCH SHARES AT SUCH TIME, OR (II) AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL, TO THE EFFECT THAT SUCH TRANSFER AT SUCH TIME WILL NOT VIOLATE THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS.

9. NON-TRANSFERABILITY. The Options are not transferable by the Optionee other than to a designated beneficiary upon death, by will or the laws of descent and distribution, or to a trust solely for the benefit of the Optionee or his immediate family, and are exercisable during the Optionee's lifetime only by him, or in the case of the Options being held by such a trust, by the trustee.

10. FORFEITURE FOR NON-COMPETE VIOLATION.

(a) Non-Compete. The grantee agrees that during the term of grantee's employment and for a period of two years thereafter (the "Coverage Period") the grantee will not engage in, consult with, participate in, hold a position as shareholder, director, officer, consultant, employee, partner or investor, or otherwise assist any business entity (i) in any State of the United States of America or (ii) in any other country in which the Company has business activities, in either case, that is engaged in any activities which are competitive with the business of providing healthcare or other personnel on a temporary basis to hospitals, healthcare facilities or other entities and any and all business activities reasonably related thereto in which the Company or any of its divisions, affiliates or subsidiaries are then engaged.

(b) Non-Solicit. The grantee agrees that during the Coverage Period, he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the Term was a traveling nurse or other healthcare professional, employee, customer, client or supplier of the Company.

(c) Confidential and Proprietary Information. The grantee agrees that he will not, at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Grantee's obligation under this Section 10(c) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of grantee; or (iii) is hereafter disclosed to grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except as an

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employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Grantee recognizes that all such information, whether developed by the grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of employment, grantee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

(d) Forfeiture for Violations. If the grantee shall at any time violate the provisions of Section 10(a), (b), or (c), the grantee shall immediately forfeit all options (whether vested or unvested) and any exercise of an option which occurs after (or within 6 months before) any such violation shall be void ab initio.

11. RIGHTS AS STOCKHOLDER. The Optionee or a transferee of the Options shall have no rights as a stockholder with respect to any share of Stock covered by the Options until the Optionee shall have become the holder of record of such share and no adjustment shall be made for dividends or distributions or other rights in respect of such share of Stock for which the record date is prior to the date upon which she shall become the holder of record thereof.

12. CHANGES IN CAPITAL STRUCTURE. Options granted under the Plan and any Stock Option Agreements, the maximum number of shares of Stock subject to all Options stated in Section 5(a) of the Plan and the maximum number of shares of Stock with respect to which any one person may be granted Options during any period stated in Section 5(d) of the Plan shall be subject to adjustment or substitution, as determined by the Committee in its sole discretion, as to the number, price or kind of a share of Stock or other consideration subject to such Options or as otherwise determined by the Committee to be equitable (i) in the event of changes in the outstanding Stock or in the capital structure of the Company by reason of stock or extraordinary cash dividends, stock splits, reverse stock splits, recapitalization, reorganizations, mergers, consolidations, combinations, exchanges, or other relevant changes in capitalization occurring after the Date of Grant of any such Option or (ii) in the event of any change in applicable laws or any change in circumstances which results in or would result in any substantial dilution or enlargement of the rights granted to, or available for, Participants, or which otherwise warrants equitable adjustment because it interferes with the intended operation of the Plan. Any adjustments under Section 11 of the Plan shall be made in a manner which does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act. Further, with respect to Options intended to qualify as "performance-based compensation" under Section 162(m) of the Code, such adjustments or substitutions shall be made only to the extent that the Committee determines that such adjustments or substitutions may be made without causing Options granted under the Plan to fail to qualify as "performance-based compensation" for purposes of

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Section 162(m) of the Code. The Company shall give each Optionee notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

Notwithstanding the above, in the event of any of the following:

(a) The Company is merged or consolidated with another corporation or entity and, in connection therewith, consideration is received by shareholders of the Company in a form other than stock or other equity interests of the surviving entity;

(b) All or substantially all of the assets of the Company are acquired by another person;

(c) The reorganization or liquidation of the Company; or

(d) The Company shall enter into a written agreement to undergo an event described in clauses (a), (b) or (c) above, then the Committee may, in its discretion and upon at least 10 days advance notice to the affected persons, cancel any outstanding Options and pay to the holders thereof, in cash or stock, or any combination thereof, the value of such Options based upon the price per share of Stock received or to be received by other shareholders of the Company in the event.

13. EFFECT OF CHANGE IN CONTROL.

(a) In the event of a Change in Control, notwithstanding any vesting schedule, the Option shall become immediately exercisable with respect to 100 percent of the shares subject to such Option and, to the extent practicable, such acceleration of exercisability shall occur in a manner and at a time which allows the Optionee the ability to exercise his Option and participate in the Change in Control transaction with respect to the Stock subject to such Option.

(b) In addition, in the event of a Change in Control, the Committee may in its discretion and upon at least 10 days' advance notice to the Optionee, cancel any outstanding portions of the Option and pay to the Optionee, in cash or stock, or any combination thereof, the value of such portions of the Option based upon the price per share of Stock received or to be received by other shareholders of the Company in the event.

(c) The obligations of the Company under this Agreement shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company. The Company agrees that it will make appropriate provisions for the preservation of the Optionee's rights under this Agreement in any agreement or plan which it may enter into or adopt to effect any such merger, consolidation, reorganization or transfer of assets.

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14. COMPLIANCE WITH LAW. Notwithstanding any of the provisions hereof, the Optionee hereby agrees that the Optionee will not exercise the Options, and that the Company will not be obligated to issue or transfer any shares to the Optionee hereunder, if the exercise hereof or the issuance or transfer of such shares shall constitute a violation by the Optionee or the Company of any provisions of any law or regulation of any governmental authority. Any determination in this connection by the Committee shall be final, binding and conclusive. The Company shall in no event be obliged to register any securities for sale under the Securities Act or to take any other affirmative action in order to cause the exercise of the Options or the issuance or transfer of shares pursuant thereto to comply with any law or regulation of any governmental authority.

15. NOTICE. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided, provided that, unless and until some other address be so designated, all notices or communications by the Optionee to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Optionee may be given to the Optionee personally or may be mailed to her at her address as recorded in the records of the Company.

16. NO RIGHT TO CONTINUED EMPLOYMENT. This Agreement shall not be construed as giving the Optionee the right to be retained in the employ or service of the Company, a Subsidiary or an Affiliate. Further, the Company or an Affiliate may at any time dismiss the Optionee or discontinue any consulting relationship, free from any liability or any claim under this Agreement, except as otherwise expressly provided herein.

17. BINDING EFFECT. Subject to Section 9 hereof, this Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

18. AMENDMENT OF AGREEMENT. The Committee may, to the extent consistent with the terms of this Agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any portion of the Option heretofore granted, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would impair the rights of the Optionee in respect of any Option already granted shall not to that extent be effective without the consent of the Optionee.

19. OPTION SUBJECT TO PLAN. By entering into this Agreement, the Optionee agrees and acknowledges that the Optionee has received and read a copy of the Plan. The Option is subject to the Plan. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

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20. GOVERNING LAW. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Delaware without regard to the principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

AMN HEALTHCARE SERVICES, INC.

By:/s/ Steven C. Francis

Name: Steven C. Francis
Title: President and CEO

OPTIONEE

By:/s/ Donald R. Myll

Name: Donald R. Myll
Title: CFO

EXHIBIT 10.36

AMENDED AND RESTATED
FINANCIAL ADVISORY AGREEMENT

THIS AMENDED AND RESTATED FINANCIAL ADVISORY AGREEMENT (this "Agreement") is made and entered into as of [ ], 2001, by and among AMN Healthcare Services, Inc., a Delaware corporation (formerly known as AMN Holdings, Inc.) (the "Company"), and Haas Wheat & Partners, L.P., a Delaware limited partnership ("HWP").

WHEREAS, the parties hereto entered into a Financial Advisory Agreement, dated as of November 19, 1999 (the "Original Agreement");

WHEREAS, the Company is considering an underwritten offering of its equity securities, registered under the Securities Act of 1933 (an "IPO");

WHEREAS, the Company and HWP have determined to amend and restate in its entirety the Original Agreement in contemplation of such IPO;

NOW, THEREFORE, the Company and HWP hereby agree as follows:

1. Scope of Services. As agreed to by the parties, HWP will render to the Company financial advisory services and other consulting services on an ongoing basis (the "Company Advisory Services").

2. Compensation for Services Rendered. As compensation for the rendering of Company Advisory Services by HWP to the Company as herein provided, the Company agrees that it will pay to HWP an annual management fee of One Hundred Fifty Thousand Dollars ($150,000). The annual fee shall be payable in advance in four quarterly installments of Thirty Seven Thousand Five Hundred Dollars ($37,500) each, with the first such installment being payable on January 1, 2000 and subsequent installments being payable on each April 1, July 1, October 1 and January 1 thereafter. Upon the consummation of an IPO by the Company, the Company shall pay HWP a fee equal to $[ ] [a number equal to 1% of the gross proceeds of the IPO] and no other fees under this Section 2 shall be payable by the Company after such date.

3. Reimbursement of Expenses. In addition to the compensation to be paid pursuant to Section 2 hereof, HWP shall be reimbursed, promptly following demand therefor, together with invoices or reasonably detailed descriptions thereof, for all reasonable disbursements and out-of-pocket expenses incurred by HWP (whether prior to or from and after the date hereof) in connection with the rendering of Company Advisory Services.

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4. Indemnity. The Company (the "Indemnifying Person"), will indemnify and hold harmless HWP, its affiliates and each person, if any, who controls HWP or any of its affiliates within the meaning of either the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (a "Controlling Person"), and their respective affiliates, and the respective directors, officers, agents and employees of HWP, any Controlling Persons and their respective affiliates (each such entity or person, an "Indemnified Person") from and against any losses, claims, damages, judgments, assessments, costs and other liabilities (collectively, "Liabilities"), and will reimburse each Indemnified Person for all fees and expenses (including the reasonable fees and expenses of counsel) (collectively, "Expenses") as they are incurred in investigating, preparing, pursuing or defending any claim, action, proceeding or investigation, whether or not in connection with pending or threatened litigation and whether or not any Indemnified Person is a party (collectively, "Actions"), arising out of or in connection with advice or services rendered or to be rendered pursuant to this Agreement or the Original Agreement or any Indemnified Person's actions or inactions in connection with any such advice or services or otherwise in connection with the Acquisition (as defined in the Original Agreement); provided that, no Indemnifying Person will be responsible for any Liabilities or Expenses of an Indemnified Person that are determined by a judgment of a court of competent jurisdiction that is no longer subject to appeal or further review to have resulted primarily from such Indemnified Person's gross negligence or willful misconduct in connection with any of the advice, actions, inactions or services referred to above. The Indemnifying Persons also agree to reimburse each Indemnified Person for all Expenses that are incurred in connection with enforcing such Indemnified Person's rights under this Section 4.

Upon receipt by an Indemnified Person of actual notice of an Action against such Indemnified Person with respect to which indemnity may be sought under this Agreement, such Indemnified Person shall promptly notify the Indemnifying Persons in writing; provided that, failure so to notify the Indemnifying Persons shall not relieve the Indemnifying Persons from any liability that the Indemnifying Persons may have on account of this indemnity or otherwise, except to the extent such Indemnifying Person shall have been materially prejudiced by such failure. The Indemnifying Persons shall, if requested by such Indemnified Person, assume the defense of any such Action, including the employment of counsel reasonably satisfactory to such Indemnified Person. Any Indemnified Person shall have the right to employ separate counsel in any such Action and participate in the defense thereof, but the fees and expenses of such separate counsel shall be at the expense of such Indemnified Person, unless: (i) the Indemnifying Party has failed to assume the defense and employ counsel reasonably satisfactory to such Indemnified Person or (ii) the named parties to any such Action (including any impleaded parties) include such Indemnified Person and one or more of the Indemnifying Persons, and such Indemnified Person shall have been advised by its counsel that there may be one or more legal defenses available to it that are different from or in addition to those available to any Indemnifying Person, provided that, the Indemnifying Persons shall not in such event be responsible hereunder for the fees and expenses of more than one firm of separate counsel in connection with any Action in the same jurisdiction, in addition to any local counsel. An Indemnifying Person shall not be liable for any settlement of any

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Action effected without its written consent (which shall not be unreasonably withheld). In addition, the Indemnifying Persons will not, without the prior written consent of HWP, settle, compromise or consent to the entry of any judgment in or otherwise seek to terminate any pending or threatened Action in respect of which indemnification or contribution has been sought hereunder (whether or not any Indemnified Person is a party thereto) unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Person from all Liabilities arising out of such Action for which such Indemnified Person is entitled to indemnification hereunder.

In the event that the foregoing indemnity is judicially determined to be unavailable to an Indemnified Person, the Indemnifying Persons shall contribute to the Liabilities and Expenses paid or payable by such Indemnified Person in such proportion as is appropriate to reflect (i) the relative benefits to the Indemnifying Persons, on the one hand, and to HWP, on the other hand, of the matters contemplated by this Agreement and the Original Agreement or (ii) if the allocation provided by the immediately preceding clause is not permitted by the applicable law, not only such relative benefits but also the relative fault of the Indemnifying Persons, on the one hand, and HWP, on the other hand, in connection with the matters as to which such Liabilities or Expenses relate, as well as any other relevant equitable considerations; provided that, in no event shall the Indemnifying Persons contribute less than the amount necessary to ensure that all Indemnified Persons, in the aggregate, are not liable for any Liabilities and Expenses arising out of the transactions pursuant to this Agreement in excess of the amount of fees actually received by HWP pursuant to this Agreement or for any other services rendered by HWP in connection with this Agreement.

The Indemnifying Persons also agree that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Indemnifying Persons for or in connection with advice or services rendered or to be rendered pursuant to this Agreement and the Original Agreement or any Indemnified Person's actions or inactions in connection with any advice or services rendered or to be rendered pursuant to this Agreement and the Original Agreement except for Liabilities (and related Expenses) of the Indemnifying Persons that are determined by a judgment of a court of competent jurisdiction which is no longer subject to appeal or further review to have resulted primarily from such Indemnified Person's gross negligence or willful misconduct in connection with any such advice, actions, inactions or services.

If any term, provision, covenant or restriction contained in this Section 4 is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

The reimbursement, indemnity and contribution obligations of the Indemnifying Persons set forth herein shall apply to any modification of this Agreement and shall remain in full force and effect regardless of any termination of, or the completion of any services under or in connection with, this Agreement.

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5. Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of New York.

6. Assignment. This Agreement and all provisions contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned (other than to either or both of Robert B. Haas and Douglas D. Wheat or to any entity controlled by either or both of Robert B. Haas and Douglas D. Wheat) by any of the parties without the prior written consent of the other party.

7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

8. Other Understandings. All discussions, understandings, and agreements heretofore made between any of the parties hereto with respect to the subject matter hereof are merged in this Agreement, which alone fully and completely expresses the agreement of the parties hereto.

9. Termination. Upon the consummation of an IPO of the Company and the payment of the fee provided by Section 2 hereof, this Agreement shall terminate, except for the obligations of the parties under Sections 3 and 4 hereof.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

AMN HEALTHCARE SERVICES, INC.

By:_____
Name:
Title:

HAAS WHEAT & PARTNERS, L.P.

By: HWH, L.P., its general partner

By: HWH Incorporated, its general partner

By:_____
Name: Robert B. Haas
Title: Chairman

EXHIBIT 10.38

AMN HEALTHCARE SERVICES, INC.

SENIOR MANAGEMENT BONUS PLAN

I. Purpose

The purpose of the Plan is to establish a program of incentive compensation for designated officers and/or key employees of Company and its subsidiaries and divisions that is directly related to the performance results of the Company and such employees. The Plan provides annual incentives, contingent upon continued employment and meeting certain corporate goals, to certain key employees who make substantial contributions to the Company.

II. Definitions

"BOARD" means the Board of Directors of the Company.

"BONUS AWARD" means the award, as determined by the Committee, to be granted to a Participant based on that Participant's level of attainment of his or her goals established in accordance with Articles IV and V.

"CODE" means the Internal Revenue Code of 1986, as amended.

"COMMITTEE" means either (i) the Board or (ii) a committee selected by the Board to administer the Plan and composed of not less than two directors, each of whom is an "outside director" (within the meaning of Section 162(m) of the Code). If at any time such a Committee has not been so designated, the Compensation Committee of the Board shall constitute the Committee or if there shall be no Compensation Committee of the Board, the Board shall constitute the Committee.

"COMPANY" means AMN Healthcare Services, Inc. and each of its subsidiaries.

"DESIGNATED BENEFICIARY" means the beneficiary or beneficiaries designated in accordance with Article XIII hereof to receive the amount, if any, payable under the Plan upon the Participant's death.

"162(m) BONUS AWARD" means a Bonus Award which is intended to qualify for the performance-based compensation exception to Section 162(m) of the Code, as further described in Article VII.

"PARTICIPANT" means any officer or key employee designated by the Committee to participate in the Plan.

"PERFORMANCE CRITERIA" means objective performance criteria established by the Committee with respect to 162(m) Bonus Awards. Performance Criteria shall be measured in terms of one or more of the following objectives, described as such objectives relate to Company-wide objectives or of the subsidiary, division, department or function with the Company or subsidiary in which the Participant is employed: (i) market value; (ii) book value;

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(iii) earnings per share; (iv) market share; (v) operating profit; (vi) net income; (vii) cash flow; (viii) return on capital; (ix) return on assets; (x) return on equity; (xi) margins; (xii)shareholder return; (xiii) sales or product volume growth; (xiv) productivity improvement; (xv) costs or expenses; (xvi) net debt reduction; (xvii) earnings before interest, taxes, depreciation and amortization ("EBITDA"); (xviii) earnings before depreciation, amortization, interest and taxes ("EBDAIT"); (xix) unit volume; (xx) net sales; (xxi) balance sheet measurements; or (xxii) any other objective value-based performance measure.

Each grant of a 162(m) Bonus Award shall specify the Performance Criteria to be achieved, a minimum acceptable level of achievement below which no payment or award will be made, and a formula for determining the amount of any payment or award to be made, if any, if performance is at or above the minimum acceptable level but falls short of full achievement of the specified Performance Criteria.

This plan includes the program previously established for 2001 under the name "AMN Healthcare Services, Inc. Senior Management Bonus Plan for 2001." That 2001 program is attached hereto as Annex A and sets forth the Performance Criteria for the Company's 2001 fiscal year. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Performance Criteria to be unsuitable, the Committee may modify such Performance Criteria or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable; provided, however, that no such modification shall be made if the effect would be to cause a 162(m) Bonus Award to fail to qualify for the performance-based compensation exception to Section 162(m) of the Code. In addition, at the time performance goals are established as to a 162(m) Bonus Award, the Committee is authorized to determine the manner in which the Performance Criteria related thereto will be calculated or measured to take into account certain factors over which the Participant has no control or limited control including changes in industry margins, general economic conditions, interest rate movements and changes in accounting principles.

"PERFORMANCE PERIOD" means the period during which performance is measured to determine the level of attainment of a Bonus Award, which shall be the fiscal year of the Company.

"PLAN" means the AMN Healthcare Services, Inc. Senior Management Bonus Plan.

III. Eligibility

Participants in the Plan shall be selected by the Committee for each Performance Period from those officers and key employees of the Company and its subsidiaries whose efforts contribute materially to the success of the Company. No employee shall be a Participant unless he or she is selected by the Committee, in its sole discretion. No employee shall at any time have the right to be selected as a Participant nor, having been selected as a Participant for one Performance Period, to be selected as a Participant in any other Performance Period.

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IV. Administration

The Committee, in its sole discretion, will determine eligibility for participation, establish the maximum award which may be earned by each Participant (which may be expressed in terms of dollar amount, percentage of salary or any other measurement), establish goals for each Participant (which may be objective or subjective, and based on individual, Company, subsidiary and/or division performance), calculate and determine each Participant's level of attainment of such goals, and calculate the Bonus Award for each Participant based upon such level of attainment.

Except as otherwise herein expressly provided, full power and authority to construe, interpret, and administer the Plan shall be vested in the Committee, including the power to amend or terminate the Plan as further described in Article XV. The Committee may at any time adopt such rules, regulations, policies, or practices as, in its sole discretion, it shall determine to be necessary or appropriate for the administration of, or the performance of its respective responsibilities under, the Plan. The Committee may at any time amend, modify, suspend, or terminate such rules, regulations, policies, or practices.

Notwithstanding the foregoing or any other provision of this Plan, (i) the Board may at any time or from time to time resolve to administer the Plan and, in such case, references herein to the Committee shall mean the Board when so acting as the Committee, and (ii) when the Committee is acting and not the Board, all of the Committee's decisions under this Plan will be subject to approval by the Board.

V. Bonus Awards

The Committee, based upon information to be supplied by management of the Company and, where determined as necessary by the Board, the ratification of the Board, will establish for each Performance Period a maximum award (and, if the Committee deems appropriate, a threshold and target award) and goals relating to Company, subsidiary, divisional, departmental and/or functional performance for each Participant and communicate such award levels and goals to each Participant prior to or during the Performance Period for which such award may be made. Bonus Awards will be earned by each Participant based upon the level of attainment of his or her goals during the applicable Performance Period. As soon as practicable after the end of the applicable Performance Period, the Committee shall determine the level of attainment of the goals for each Participant and the Bonus Award to be made to each Participant.

VI. Payment of Bonus Awards

Bonus Awards earned during any Performance Period shall be paid as soon as practicable following the end of such Performance Period and the determination of the amount thereof shall be made by the Committee. Payment of Bonus Awards shall be made in the form of cash. Bonus Award amounts earned but not yet paid will not accrue interest.

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VII. 162(m) Bonus Awards

Unless determined otherwise by the Committee, each Bonus Award awarded under the Plan shall be a 162(m) Bonus Award and will be subject to the following requirements, notwithstanding any other provision of the Plan to the contrary:

1. A 162(m) Bonus Award may be made only by a Committee which is comprised solely of not less than two directors, each of whom is an "outside director" (within the meaning of Section 162(m) of the Code).

2. The performance goals to which a 162(m) Bonus Award is subject must be based solely on Performance Criteria. Such performance goals, and the maximum, target and/or threshold (as applicable) Bonus Amount payable upon attainment thereof, must be established by the Committee within the time limits required in order for the 162(m) Bonus Award to qualify for the performance-based compensation exception to Section 162(m) of the Code.

3. No 162(m) Bonus Award may be paid until the Committee has certified the level of attainment of the applicable Performance Criteria.

VIII. Reorganization or Discontinuance

The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company. The Company will make appropriate provision for the preservation of Participants' rights under the Plan in any agreement or plan which it may enter into or adopt to effect any such merger, consolidation, reorganization or transfer of assets.

If the business conducted by the Company shall be discontinued, any previously earned and unpaid Bonus Awards under the Plan shall become immediately payable to the Participants then entitled thereto.

IX. Non-Alienation of Benefits

A Participant may not assign, sell, encumber, transfer or otherwise dispose of any rights or interests under the Plan except by will or the laws of descent and distribution. Any attempted disposition in contravention of the preceding sentence shall be null and void.

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X. No Claim or Right to Plan Participation

No employee or other person shall have any claim or right to be selected as a Participant under the Plan. Neither the Plan nor any action taken pursuant to the Plan shall be construed as giving any employee any right to be retained in the employ of the Company.

XI. Taxes

The Company shall deduct from all amounts paid under the Plan all federal, state, local and other taxes required by law to be withheld with respect to such payments.

XII. Designation and Change of Beneficiary

Each Participant may indicate upon notice to him or her by the Committee of his or her right to receive a Bonus Award a designation of one or more persons as the Designated Beneficiary who shall be entitled to receive the amount, if any, payable under the Plan upon the death of the Participant. Such designation shall be in writing to the Committee. A Participant may, from time to time, revoke or change his or her Designated Beneficiary without the consent of any prior Designated Beneficiary by filing a written designation with the Committee. The last such designation received by the Committee shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Committee prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt.

XIII. Payments to Persons Other Than the Participant

If the Committee shall find that any person to whom any amount is payable under the Plan is unable to care for his or her affairs because of incapacity, illness or accident, or is a minor, or has died, then any payment due to such person or his or her estate (unless a prior claim therefor has been made by a duly appointed legal representative) may, if the Committee so directs, be paid to his or her spouse, a child, a relative, an institution maintaining or having custody of such person, or any other person deemed by the Committee, in its sole discretion, to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Company therefor.

XIV. No Liability of Committee Members

No member of the Committee shall be personally liable by reason of any contract or other instrument related to the Plan executed by such member or on his or her behalf in his or her capacity as a member of the Committee, nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each employee, officer, or director of the Company to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expense (including legal fees, disbursements and other related charges) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith.

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XV. Termination or Amendment of the Bonus Plan

The Committee may amend, suspend or terminate the Plan at any time, provided, however, that no amendment may be made without the approval of the Company's shareholders if the effect of such amendment would be to cause outstanding or pending 162(m) Bonus Awards to cease to qualify for the performance-based compensation exception to Section 162(m) of the Code.

XVI. Unfunded Plan

Participants shall have no right, title, or interest whatsoever in or to any investments which the Company may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant, Designated Beneficiary, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan.

The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended.

XVII. Governing Law

The terms of the Plan and all rights thereunder shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws.

XVIII. Other Compensation

Neither the establishment of this Plan nor the grant of a Bonus Award pursuant to this Plan shall prevent the Company from establishing other compensation plans or arrangements or making awards to any Participant pursuant to such other plans or arrangements.

XIX. Effective Date

The effective date of the Plan is August 21, 2001.

By:_____

Name:_____
Title:_____

Title

Exhibit 16.1

[DELOITTE & TOUCHE LETTERHEAD]

August 20, 2001

Securities and Exchange Commission
Mail Stop 11-3
450 5th Street, N.W.
Washington, D.C. 20549

Dear Sirs/Madams:

We have read and agree with the comments regarding Deloitte & Touche LLP under the heading "Change of Accountants" in this Amendment No. 1 to Registration Statement No. 333-65168 of AMN Healthcare Services, Inc. on Form S-1.

Yours truly,

/s/ Deloitte & Touche LLP

Exhibit 23.2

The Board of Directors and Stockholders
AMN Healthcare Services, Inc.:

The audits referred to in our report dated March 29, 2001, except as to Note 12 which is as of July 9, 2001, included the related financial statement schedule as of December 31, 2000, and for each of the years in the two-year period ended December 31, 2000, included in the registration statement. The financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We consent to the use of our report included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

San Diego, California
August 20, 2001

Exhibit 23.3

INDEPENDENT ACCOUNTANTS' CONSENT

The Board of Directors and Shareholders
Preferred Healthcare Staffing, Inc.:

We consent to the use of our report dated April 4, 2001, included herein on the financial statements of Preferred Healthcare Staffing, Inc. as of December 31, 1999 and November 30, 2000 and for the years ended December 31, 1998 and 1999 and the eleven months ended November 30, 2000, and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

August 20, 2001
Miami, Florida

Exhibit 23.4

INDEPENDENT AUDITORS' CONSENT

The Board of Directors and Shareholders
O'Grady-Peyton International (USA), Inc.

We consent to the use of our report dated May 11, 2001, included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Atlanta, Georgia
August 20, 2001

Exhibit 23.5

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Amendment No. 1 to Registration Statement No. 333-65168 of AMN Healthcare Services, Inc. (formerly AMN Holdings, Inc.) of our report dated September 23, 1999, appearing in the Prospectus, which is part of such Registration Statement, and of our report dated September 23, 1999 relating to the financial statement schedule appearing elsewhere in the Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Prospectus.

/s/ DELOITTE & TOUCHE LLP

San Diego, California
August 20, 2001

Exhibit 23.6

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
AMN Healthcare Services, Inc.:

We have audited the consolidated statements of operations, stockholders' equity and cash flows of AMN Healthcare Services, Inc. and subsidiary, formerly AMN Holdings, Inc., (the "Company") for the year ended December 31, 1998, and have issued our report thereon dated September 23, 1999 (included elsewhere in this Registration Statement). Our audit also included the financial statement schedule listed in Item 16 of this Registration Statement. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audit. In our opinion, such financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ DELOITTE & TOUCHE LLP

San Diego, California
September 23, 1999

Exhibit 23.7

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the use in this Registration Statement on Form S-1 of our report dated March 31, 2001, relating to the financial statements of Nurses RX, Inc. for the years ended December 31, 1998 and 1999, and to the reference to our firm under the caption "Experts" in the Prospectus.

New York, New York
August 20, 2001

/s/ DDK & Company LLP

EXHIBIT 99.1

August 20, 2001

To whom it may concern:

The undersigned, Michael R. Gallagher, hereby consents to being named as a designatee to be elected as a director of AMN Healthcare Services, Inc., a Delaware corporation, in Amendment No. 1 to its Registration Statement on Form S-1, Registration No. 333-61568, filed on August 21, 2001, all prospectuses related thereto and all subsequent amendments thereto.

Yours Sincerely,

/s/ Michael R. Gallagher

Mr. Michael R. Gallagher

EXHIBIT 99.2

August 20, 2001

To whom it may concern:

The undersigned, Andrew M. Stern, hereby consents to being named as a designatee to be elected as a director of AMN Healthcare Services, Inc., a Delaware corporation, in Amendment No. 1 to its Registration Statement on Form S-1, Registration No. 333-65168, filed on August 21, 2001, all prospectuses related thereto and all subsequent amendments thereto.

Yours Sincerely,

/s/ Andrew M. Stern

Andrew M. Stern