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

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2009

Or

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

Commission File No.: 001-16753

AMN HEALTHCARE SERVICES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**06-1500476** **(I.R.S. Employer Identification No.)**
12400 High Bluff Drive, Suite 100 **San Diego, California** **(Address of principal executive offices)**	**92130** **(Zip Code)**

Registrant's Telephone Number, Including Area Code: (866) 871-8519

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 7, 2009, there were 32,627,111 shares of common stock, $0.01 par value, outstanding.

AMN HEALTHCARE SERVICES, INC.

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PART I—FINANCIAL INFORMATION

Item 1. ***Condensed Consolidated Financial Statements***

AMN HEALTHCARE SERVICES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited and in thousands, except par value)

	March 31, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	$ 16,675	$ 11,316
Accounts receivable, net of allowance of $4,653 and $4,542 at March 31, 2009 and December 31, 2008, respectively	148,376	182,562
Prepaid expenses	10,585	9,523
Income taxes receivable	4,448	3,440
Deferred income taxes, net	22,417	18,085
Other current assets	3,376	4,901
Total current assets	205,877	229,827
Fixed assets, net	24,938	24,018
Deposits and other assets	10,579	13,252
Goodwill	79,868	252,875
Intangible assets, net	118,940	122,845
Total assets	$ 440,202	$ 642,817
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Bank overdraft	$ —	$ 3,995
Accounts payable and accrued expenses	24,667	24,420
Accrued compensation and benefits	36,728	44,871
Revolving credit facility	6,500	31,500
Current portion of notes payable	14,824	14,580
Deferred revenue	6,204	7,184
Other current liabilities	15,060	14,722
Total current liabilities	103,983	141,272
Notes payable, less current portion	98,208	100,236
Deferred income taxes, net	13,342	58,466
Other long-term liabilities	59,532	58,710
Total liabilities	275,065	358,684
Subsequent events (Note 10)		
Stockholders' equity:		
Common stock, $0.01 par value; 200,000 shares authorized; 45,746 shares issued at each March 31, 2009 and December 31, 2008	457	457
Additional paid-in capital	413,100	410,425
Treasury stock, at cost (13,170 shares at each March 31, 2009 and December 31, 2008)	(230,138)	(230,138)
Retained earnings (accumulated deficit)	(16,369)	105,465
Accumulated other comprehensive loss	(1,913)	(2,076)
Total stockholders' equity	165,137	284,133
Total liabilities and stockholders' equity	$ 440,202	$ 642,817

See accompanying notes to unaudited condensed consolidated financial statements.

AMN HEALTHCARE SERVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited and in thousands, except per share amounts)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Revenue	$ 249,595	$ 293,593
Cost of revenue	185,612	216,138
Gross profit	63,983	77,455
Operating expenses:		
Selling, general and administrative	50,080	55,103
Restructuring charges	2,918	—
Impairment charges	175,707	—
Depreciation and amortization	3,467	3,350
Total operating expenses	232,172	58,453
Income (loss) from operations	(168,189)	19,002
Interest expense, net	2,199	2,811
Income (loss) before income taxes	(170,388)	16,191
Income tax expense (benefit)	(48,554)	7,468
Net income (loss)	$ (121,834)	$ 8,723
Net income (loss) per common share:		
Basic	$ (3.74)	$ 0.26
Diluted	$ (3.74)	$ 0.26
Weighted average common shares outstanding:		
Basic	32,576	33,830
Diluted	32,576	34,180

See accompanying notes to unaudited condensed consolidated financial statements.

AMN HEALTHCARE SERVICES, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE LOSS
Three Months Ended March 31, 2009
(Unaudited and in thousands)

	Common Stock		Additional Paid-in Capital	Treasury Stock		Retained Earnings (accumulated deficit)	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount		Shares	Amount			
Balance, December 31, 2008	45,746	$ 457	$410,425	13,170	$(230,138)	$ 105,465	$ (2,076)	$ 284,133
Stock-based compensation	—	—	2,675	—	—	—	—	2,675
Comprehensive income (loss):								
Foreign currency translation adjustment	—	—	—	—	—	—	(14)	(14)
Unrealized gain on derivative financial instruments, net of tax	—	—	—	—	—	—	177	177
Net loss	—	—	—	—	—	(121,834)	—	(121,834)
Total comprehensive loss								(121,671)
Balance, March 31, 2009	45,746	$ 457	$413,100	13,170	$(230,138)	$ (16,369)	$ (1,913)	$ 165,137

See accompanying notes to unaudited condensed consolidated financial statements.

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AMN HEALTHCARE SERVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited and in thousands)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Cash flows from operating activities:		
Net income (loss)	$(121,834)	$ 8,723
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	3,467	3,350
Non-cash interest expense	367	420
Provision for deferred income taxes	(49,574)	—
Stock-based compensation	2,675	2,123
Impairment charges	175,707	—
Loss on disposal or sale of fixed assets	29	50
Changes in assets and liabilities, net of effects from acquisition:		
Accounts receivable	34,186	(6,124)
Income taxes receivable	(1,008)	—
Prepaid expenses and other current assets	463	(3,092)
Deposits and other assets	2,381	(284)
Accounts payable and accrued expenses	247	5,981
Accrued compensation and benefits	(8,143)	3,214
Income taxes payable	—	237
Other liabilities	(1,406)	2,275
Net cash provided by operating activities	37,557	16,873
Cash flows from investing activities:		
Purchase and development of fixed assets	(1,230)	(2,612)
Cash paid for acquisition	—	(30,789)
Net cash used in investing activities	(1,230)	(33,401)
Cash flows from financing activities:		
Capital lease payments	(175)	(163)
Payments on notes payable	(1,784)	(14,001)
Proceeds from revolving credit facility	—	25,000
Payments on revolving credit facility	(25,000)	(11,500)
Change in bank overdraft, net of overdraft acquired	(3,995)	6,598
Net cash provided by (used in) financing activities	(30,954)	5,934
Effect of exchange rate changes on cash	(14)	(66)
Net increase (decrease) in cash and cash equivalents	5,359	(10,660)
Cash and cash equivalents at beginning of period	11,316	18,495
Cash and cash equivalents at end of period	$ 16,675	$ 7,835
Supplemental disclosures of cash flow information:		
Cash paid for interest (net of $8 and $59 capitalized for the three months ended March 31, 2009 and 2008, respectively)	$ 1,724	$ 2,541
Cash paid for income taxes	$ 1,008	$ 6,422
Supplemental disclosures of non-cash investing and financing activities:		
Fixed assets acquired through capital leases	$ 1,982	$ 26
Fair value of assets acquired in acquisitions, net of cash received	$ —	$ 8,778
Goodwill	—	11,557
Intangible assets	—	13,960
Liabilities assumed	—	(1,004)
Excess net working capital payable	—	(166)
Holdback provision	—	(2,336)
	$ —	$ 30,789

See accompanying notes to unaudited condensed consolidated financial statements.

AMN HEALTHCARE SERVICES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited and in thousands, except per share amounts)

1. BASIS OF PRESENTATION

The condensed consolidated balance sheets and related condensed consolidated statements of operations, stockholders' equity and comprehensive income and cash flows contained in this Quarterly Report on Form 10-Q, which are unaudited, include the accounts of AMN Healthcare Services, Inc. (the "Company") and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. In the opinion of management, all entries necessary for a fair presentation of such condensed consolidated financial statements have been included. These entries consist only of normal recurring items. The results of operations for the interim period are not necessarily indicative of the results to be expected for any other interim period or for the entire fiscal year.

The condensed consolidated financial statements do not include all information and notes necessary for a complete presentation of financial position, results of operations and cash flows in conformity with United States generally accepted accounting principles. Please refer to the Company's audited consolidated financial statements and the related notes for the year ended December 31, 2008, contained in the Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission (the "SEC").

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 dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. On an ongoing basis, the Company evaluates its estimates, including those related to asset impairments, accruals for self-insurance, compensation and related benefits, accounts receivable, contingencies and litigation, valuation and recognition of share-based payments and income taxes. Actual results could differ from those estimates under different assumptions or conditions.

Certain amounts in the condensed consolidated financial statements for the three months ended March 31, 2008 have been reclassified to conform to the three months ended March 31, 2009 presentation.

Recently Adopted Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, "*Fair Value Measurements*" ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value using generally accepted accounting principles, and expands disclosures related to fair value measurements. Subsequent to the issuance of SFAS No. 157, the FASB issued FASB Staff Position ("FSP") 157-2 ("FSP 157-2"). FSP 157-2 delayed the effective date of the application of SFAS No. 157 to fiscal years beginning after November 15, 2008 for all nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. The Company adopted all of the provisions of SFAS No. 157 on January 1, 2008 with the exception of the application of the statement to non-recurring nonfinancial assets and nonfinancial liabilities. On January 1, 2009, the Company adopted FSP 157-2 and included disclosures on the use of fair value measurements for our nonfinancial assets and liabilities in Note 6, "Fair Value Measurement".

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141R (SFAS No. 141R), *Business Combinations*. This statement establishes principles and requirements for the reporting entity in a business combination, including recognition and measurement in the financial statements of the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree. This statement also establishes disclosure requirements to enable financial statement users to evaluate the nature and financial effects of the business combination. SFAS No. 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, and interim periods within those fiscal years. Accordingly, any business combinations the Company engaged in were recorded and disclosed according to SFAS No. 141 until January 1, 2009. The Company expects SFAS No. 141R will have an impact on its consolidated financial statements, but the nature and magnitude of the specific effects will depend upon the nature, terms and size of the acquisitions the Company consummates after the effective date of January 1, 2009.

In April 2009, the FASB issued FSP FAS 141R-1, "*Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies*" ("FSP 141R-1"). FSP 141R-1 amends the guidance in SFAS No. 141R relating to the initial recognition and measurement, subsequent measurement and accounting, and disclosures of assets and liabilities arising from contingencies in a business combination. FSP 141R-1 is effective for fiscal years beginning after December 15, 2008. The Company did not initiate any acquisitions during the three months ended March 31, 2009, but the Company expects to apply the requirements of FSP FAS 141R-1 to any acquisitions that it might commence subsequent to the adoption of it on January 1, 2009.

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161 (SFAS No. 161), *Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133*. This statement requires entities that utilize derivative instruments to provide qualitative disclosures about their objectives and strategies for using such instruments, as well as any details of credit-risk-related contingent features contained within derivatives. SFAS No. 161 also requires entities to disclose additional information about the amounts and location of derivatives located within the financial statements, how the provisions of SFAS No. 133 have been applied, and the impact that hedges have on an entity's financial position, financial performance, and cash flows. Statement No. 161 is effective for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company adopted SFAS No. 161 beginning January 1, 2009, and the adoption did not have a material effect on its consolidated financial condition and results of operations.

In April 2008, the FASB issued FSP FAS No. 142-3 (FSP FAS No. 142-3), *Determination of the Useful Life of Intangible Assets*. FSP FAS No. 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS 142, *Goodwill and Other Intangible Assets*, to include an entity's historical experience in renewing or extending similar arrangements, adjusted for entity-specific factors, even when there is likely to be "substantial cost or material modifications." FSP FAS No. 142-3 states that in the absence of historical experience an entity should use assumptions that market participants would make regarding renewals or extensions, adjusted for entity-specific factors. The guidance for determining the useful life of intangible assets included in FSP FAS No. 142-3 will be applied prospectively to intangible assets acquired after the effective date of January 1, 2009. The Company adopted FSP No. FAS 142-3 beginning January 1, 2009, and the adoption did not have a material effect on its consolidated financial condition and results of operations.

In November 2008 the FASB ratified EITF Issue No. 08-7, *Accounting for Defensive Intangible Assets* (EITF 08-7). EITF 08-7 applies to defensive intangible assets, which are acquired intangible assets that the acquirer does not intend to actively use but intends to hold to prevent its competitors from obtaining access to them. As these assets are separately identifiable, EITF 08-7 requires an acquiring entity to account for defensive intangible assets as a separate unit of accounting which should be amortized to expense over the period the intangible asset will directly or indirectly affect the entity's cash flows. Defensive intangible assets must be recognized at fair value in accordance with SFAS No. 141R and SFAS No. 157. EITF 08-7 is effective for financial statements issued for fiscal years beginning after December 15, 2008. The Company expects EITF 08-7 will have an impact on its consolidated financial statements, but the nature and magnitude of the specific effects will depend upon the nature, terms and value of the intangible assets purchased after the effective date.

In June 2008, the FASB issued FASB Staff Position (FSP) EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities* ("FSP EITF 03-6-1"). FSP EITF 03-6-1addresses whether instruments granted in share-based payment transactions may be participating securities prior to vesting and, therefore, need to be included in the earnings allocation in computing basic earnings per share ("EPS") pursuant to the two-class method described in paragraphs 60 and 61 of FASB Statement No. 128, *Earnings per Share*. FSP EITF 03-6-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those years. The Company adopted FSP EITF 03-6-1 on January 1, 2009, but it did not have an impact on its consolidated financial condition and results of operations as the Company's unvested equity awards are not participating securities as defined by FSP EITF 03-6-1. The Company will comply with the provisions of FSP EITF 03-6-1 in the future should it become applicable to it.

2. STOCK-BASED COMPENSATION

The Company accounts for its share-based employee compensation plans under the provisions of revised SFAS No. 123 ("SFAS No. 123R"), *Share-Based Payment*. Under SFAS No. 123R, stock-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the employee's requisite service period.

Stock Options and Stock Appreciation Rights

Stock-based compensation expense for the three months ended March 31, 2009 and 2008 for Stock Appreciation Rights ("SARs") granted was estimated at the date of grant using the Black-Scholes valuation model based on the following assumptions:

	Three Months Ended March 31	
	2009	2008
Expected term	4.0 years	2.0 years
Risk-free interest rate	1.8%	1.8%
Volatility	34%	30%
Dividend yield	0%	0%

The weighted average grant date fair value of the approximately 568 SARs granted during the three months ended March 31, 2009 was $2.52 per SAR, and the weighted average grant date fair value of the SARs granted during the three months ended March 31, 2008 was $2.74 per SAR. As of March 31, 2009, there was $3,973 of pre-tax total unrecognized compensation cost related to non-vested stock options and SARs, which will be adjusted for future changes in forfeitures. The Company expects to recognize such cost over a weighted average period of 2.0 years. There was zero aggregate intrinsic value for both the stock options and SARs outstanding and exercisable as of March 31, 2009.

The following table summarizes stock options and SARs activity for the three months ended March 31, 2009:

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (years)
Outstanding at January 1, 2009	2,987	$ 16.78	
Granted	568	$ 8.69	
Exercised	—	$ —	
Cancelled/forfeited/expired	(70)	$ 18.06	
Outstanding at March 31, 2009	3,485	$ 15.44	6.9
Exercisable at March 31, 2009	1,913	$ 16.24	5.4

Restricted Stock Units

Restricted stock units ("RSUs"), granted under the Company's Equity Plan, entitle the holder to receive, at the end of a vesting period, a specified number of shares of the Company's common stock. Stock-based compensation cost of RSUs is measured by the market value of the Company's common stock on the date of grant. The following table summarizes RSUs activity for non-vested awards for the three months ended March 31, 2009:

	Number of Shares	Weighted Average Grant Date Fair Value per Share
Unvested at January 1, 2009	724	$ 18.90
Granted	330	$ 8.69
Vested	0	$ —
Cancelled/forfeited/expired	(25)	$ 17.85
Unvested at March 31, 2009	1,029	$ 15.65

As of March 31, 2009, there was $8,672 of pre-tax total unrecognized compensation cost related to non-vested RSUs, which will be adjusted for future changes in forfeitures. The Company expects to recognize such cost over a period of 2.0 years. The aggregate intrinsic value of the RSUs outstanding was $5,188 as of March 31, 2009.

Stock-Based Compensation under SFAS No. 123R

The following table shows the total stock-based compensation expense, related to all of the Company's equity awards, recognized for the three month periods ended March 31, 2009 and 2008, in accordance with SFAS No. 123R:

	Three Months Ended March 31,	
	2009	2008
Stock-based employee compensation before tax	$ 2,675	$ 2,123
Related income tax benefits	(1,044)	(875)
Stock-based employee compensation, net of tax	$ 1,631	$ 1,248

There was zero cash flow from financing activities for excess tax benefits related to equity awards exercised and vested during both three months ended March 31, 2009 and 2008.

3. 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 stock-based awards.

Stock-based awards to purchase 4,558 and 1,205 shares of common stock for the three month periods ended March 31, 2009 and 2008, respectively, were not included in the calculations of diluted net income (loss) per common share because the effect of these instruments was anti-dilutive. The following table sets forth the computation of basic and diluted net income (loss) per common share for the periods ended March 31, 2009 and 2008:

	Three Months Ended March 31,	
	2009	2008
Net income (loss)	$(121,834)	$ 8,723
Net income (loss) per common share—basic	$ (3.74)	$ 0.26
Net income (loss) per common share—diluted	$ (3.74)	$ 0.26
Weighted average common shares outstanding—basic	32,576	33,830
Plus dilutive equity awards	—	350
Weighted average common shares outstanding—diluted	32,576	34,180

4. GOODWILL AND IDENTIFIABLE INTANGIBLE ASSETS

As of March 31, 2009 and December 31, 2008, the Company had the following intangible assets:

	March 31, 2009			December 31, 2008		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:						
Staffing databases	$ 2,430	$ (1,474)	$ 956	$ 2,430	$ (1,325)	$ 1,105
Customer relationships	36,400	(8,746)	27,654	36,400	(8,024)	28,376
Tradenames and trademarks	13,551	(1,581)	11,970	13,551	(1,364)	12,187
Noncompete agreements	1,430	(795)	635	1,430	(723)	707
Acquired technology	800	(297)	503	800	(257)	543
Online courses	59	(37)	22	59	(32)	27
	$ 54,670	$ (12,930)	$ 41,740	$ 54,670	$ (11,725)	$ 42,945
Intangible assets not subject to amortization:						
Goodwill			$ 79,868			$ 252,875
Tradenames and trademarks			77,200			79,900
			$ 157,068			$ 332,775

Aggregate amortization expense for the intangible assets presented in the above table was $1,205 and $1,077 for the three months ended March 31, 2009 and 2008, respectively. Estimated future aggregate amortization expense of intangible assets as of March 31, 2009 is as follows:

	Amount
Nine months ending December 31, 2009	$ 3,605
Year ending December 31, 2010	4,613
Year ending December 31, 2011	3,788
Year ending December 31, 2012	3,441
Year ending December 31, 2013	3,173
Thereafter	23,120
	$41,740

The changes in the carrying amount of goodwill by reportable segment for the three months ended March 31, 2009 are as follows:

	Nurse and Allied Healthcare Staffing	Locum Tenens Staffing	Physician Permanent Placement Services	Total
Balance January 1, 2009	$ 159,331	$ 58,022	$ 35,522	$ 252,875
Impairment charges	(140,788)	(32,219)	—	(173,007)
Balance March 31, 2009	$ 18,543	$ 25,803	$ 35,522	$ 79,868

Impairment of Goodwill and Other Intangible Assets

In accordance with SFAS No. 142, *Goodwill and Other Intangible Assets*, the Company evaluates goodwill annually for impairment at the reporting unit level and whenever circumstances occur indicating that goodwill might be impaired. The performance of the test involves a two-step process. The first step of the impairment test involves comparing the fair value of the Company's reporting units with the reporting unit's carrying amount, including goodwill. The Company generally determines the fair value of its reporting units using a combination of the income approach (using discounted future cash flows) and the market valuation approach. If the carrying amount of the Company's reporting units exceeds the reporting unit's fair value, the Company performs the second step of the goodwill impairment test to determine the amount of impairment loss. The second step of the goodwill impairment test involves comparing the implied fair value of the Company's reporting unit's goodwill with the carrying amount of that goodwill.

Due to the continued economic downturn and the Company's lower market capitalization, the Company performed interim impairment testing during the first quarter of 2009. The Company completed the first step of its goodwill impairment testing and has determined that the fair value of certain reporting units were lower than their respective carrying value. The decrease in value was due to the depressed equity market value and lower projected near term growth rates in the healthcare staffing industry that rapidly deteriorated in the first quarter, lowering the anticipated growth trend used for goodwill impairment testing. The Company is in the process of finalizing the fair value of its identified tangible and intangible assets and liabilities for purposes of determining the implied fair value of its goodwill and any resulting goodwill impairment. As of the date of the filing of this Form 10-Q, the Company has not completely finalized its review of this impairment analysis due to the limited time period from the first indication of potential impairment to the date of this filing and the complexities involved in estimating the fair value of certain assets and liabilities. SFAS No. 142 provides that in circumstances in which step two of the impairment analysis has not been completed, a company should recognize an estimated impairment charge to the extent that a company determines that is probable that an impairment loss has occurred and such impairment loss can be reasonably estimated using the guidance provided in SFAS No. 5, *Accounting for Contingencies*. Based on the foregoing, the Company has recognized a pre-tax goodwill impairment charge of $173,007 during the three months ended March 31, 2009, which represents management's best estimate based on the fair value analysis completed to date.

In addition, the Company recorded an estimated pre-tax impairment charge of $2,700 related to certain indefinite-lived intangible asset in its nurse and allied healthcare staffing segment as of March 31, 2009. This charge was also included in impairment charges on the condensed consolidated statement of operations for the three months ended March 31, 2009.

5. SEGMENT INFORMATION

The Company has three reportable segments: nurse and allied healthcare staffing, locum tenens staffing and physician permanent placement services.

The Company's management relies on internal management reporting processes that provide revenue and segment operating income for making financial decisions and allocating resources. Segment operating income includes income from operations before depreciation, amortization of intangible assets, amortization of stock compensation expense, restructuring and impairment charges. The Company's management does not evaluate, manage or measure performance of segments using asset information; accordingly, asset information by segment is not prepared or disclosed.

The following table presents revenue and segment operating income by reportable segment and was derived from the segment's internal financial information as used for corporate management purposes:

	Three Months Ended March 31,	
	2009	2008
Revenue:		
Nurse and allied healthcare staffing	$ 163,850	$ 203,985
Locum tenens staffing	74,791	76,353
Physician permanent placement services	10,954	13,255
	$ 249,595	$ 293,593
Segment operating income:		
Nurse and allied healthcare staffing	$ 9,707	$ 15,481
Locum tenens staffing	3,821	5,655
Physician permanent placement services	3,050	3,339
	16,578	24,475
Depreciation and amortization	3,467	3,350
Stock-based compensation	2,675	2,123
Restructuring charges	2,918	—
Impairment charges	175,707	—
Interest expense, net	2,199	2,811
Income (loss) before income taxes	$ (170,388)	$ 16,191

6. FAIR VALUE MEASUREMENT

SFAS No. 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS No. 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Financial assets and liabilities

The Company utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. As of March 31, 2009, the Company held certain assets and liabilities that are required to be measured at fair value on a recurring basis. These included the Company's investments associated with the Company's Executive Nonqualified Excess Plan ("Excess Benefit Plan"), and interest rate swaps. The Company's investments associated with its Excess Benefit Plan consist of mutual funds that are publicly traded and for which market prices are readily available. The Company's interest rate swaps are valued using commonly quoted intervals from observable markets. In addition, the Company discounts the derivative liabilities to reflect the potential credit risk to lenders by using current interest rates available to the Company which were obtained directly from the Company's third-party lender.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements as of March 31, 2009			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets: Trading securities investment	$1,380	$ 1,380	$ —	$ —
Financial Liabilities: Interest rate swaps	$2,210	$ —	$ 2,210	$ —

Non-financial assets and liabilities

The Company applies fair value techniques on a non-recurring basis associated with valuing potential impairment losses related to goodwill and indefinite-lived intangible assets accounted for pursuant to SFAS No. 142.

In accordance with SFAS No. 142, the Company evaluates goodwill and indefinite-lived intangible assets annually for impairment at the reporting unit level and whenever circumstances occur indicating that goodwill might be impaired. The Company determines the fair value of its reporting units based on a combination of inputs including the market capitalization of the Company as well as Level 3 inputs such as discounted cash flows which are not observable from the market, directly or indirectly. Historically, the fair values of the Company's reporting units have exceeded their carrying values. Due to the continued economic downturn and the Company's lower market capitalization, the Company performed interim impairment testing during the first quarter of 2009. Goodwill for the Company's impaired reporting units with a carrying amount of $205,987 was written down to its estimated implied fair value of $32,980, resulting in an estimated impairment charge of $173,007, which is included in net loss for the three months ended March 31, 2009. In addition, indefinite-lived intangible assets with a carrying amount of $9,000 were written down to its estimated fair value of $6,300, resulting in an estimated impairment charge of $2,700, which is included in net loss for the three months ended March 31, 2009. See detail in the accompanying note (4)—Goodwill and Identifiable Intangible Assets.

Non-financial assets and liabilities measured at fair value on a non-recurring basis are summarized below:

	Fair Value Measurements as of March 31, 2009				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Losses
Goodwill	$32,980	$ —	$ —	$ 32,980	$173,007
Indefinite-lived Intangible assets	$ 6,300	$ —	$ —	$ 6,300	$ 2,700
					$175,707

7. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company adopted Statement of Financial Accounting Standards No. 161, *Disclosures about Derivative Instruments and Hedging Activities* (SFAS No. 161) in the first quarter of 2009. SFAS No. 161 amends and expands the disclosure requirements of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* (SFAS No. 133), to provide an enhanced understanding of the use of derivative instruments, how they are accounted for under SFAS No. 133 and their effect on financial position, financial performance and cash flows.

SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at fair value. Gains or losses resulting from changes in the values of those derivatives depend upon accounting for whether they qualify for hedge accounting. The Company uses derivative instruments to manage the fluctuations in cash flows resulting from interest rate risk on variable-rate debt financing. The Company has formally documented the hedging relationships and accounts for these arrangements as cash flow hedges. The Company recognizes all derivatives on the balance sheet at fair value using commonly quoted intervals from observable market data. In addition, the Company discounts the derivative liabilities to reflect the potential credit risk to lenders by using current interest rates available to the Company which were obtained directly from the Company's third-party lender. Gains or losses resulting from changes in the values of these arrangements, which have not been significant to the Company's consolidated financial statements, are recorded in other comprehensive income, net of tax, until the hedged item is recognized in earnings. The Company also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in the hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items. When it is determined that a derivative is not highly effective as a hedge or that it has ceased to be a highly effective hedge, the Company discontinues hedge accounting prospectively and recognizes subsequent changes in market value in earnings. The Company does not expect to have any material existing gains/losses to be reclassified into earnings within the next twelve months.

In February 2009, in addition to the six existing interest rate swap agreements, the Company entered into three new interest rate swap agreements for notional amounts of $10.0 million each, whereby the Company will pay fixed rates ranging from 1.55% to 1.76% under these new agreements and receive a floating three-month LIBOR. Two of the agreements became effective in March 2009, and the remaining one will become effective in December 2009. As of March 31, 2009, these nine interest rate swap agreements have a total notional amount of $115,000. We pay fixed rates ranging from 1.55% to 4.94% under these agreements and receive a floating three-month LIBOR. The agreements expire beginning June 2009 through September 2010, and no initial investments were made to enter into these agreements.

	As of March 31, 2009	
Derivatives Designed as Hedging Instruments	**Balance Sheet Location**	**Fair Value**
Interest rate swaps	Other current and long-term liabilities	$ 2,210

8. INCOME TAXES

The Company recorded an income tax benefit of $48,554 for the three months ended March 31, 2009 as compared to income tax expense of $7,468 for the same period in 2008, reflecting effective income tax rates of 28.5% and 46.1% for these periods, respectively. The decrease in the effective income tax rate was primarily attributable to the goodwill impairment charges recorded during the three months ended March 31, 2009, a portion of which is permanently nondeductible for tax purposes.

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

9. RESTRUCTURING

During the first quarter of 2009, the Company began implementing cost reduction actions to adjust to reduced demand and volume levels. These actions include exiting facilities, consolidating certain nursing brands, reducing overall headcount and merging certain back office and corporate functions. The restructuring was driven by long-term strategic branding and operational decisions as well as responding to current and anticipated short-term market conditions. With additional actions to be undertaken during the remainder of 2009, the Company anticipates recognizing pre-tax restructuring charges of approximately $7,000 in total throughout 2009. The Company expects its restructuring actions to be completed in 2009.

A reconciliation of amounts accrued as of March 31, 2009 is as follows:

	Balance December 31, 2008	Accruals	Payments	Balance March 31, 2009
Employee termination benefits	$ —	$ 2,460	$ (1,037)	$ 1,423
Contract termination costs and other	—	458	—	458
Total	$ —	$ 2,918	$ (1,037)	$ 1,881

Accrued restructuring at the end of March 31, 2009, which was approximate to its fair value, was included in other current liabilities in the condensed consolidated balance sheet. The Company expects to substantially utilize the accruals during 2009.

Restructuring expense by reportable segments is as follows:

	Three Months Ended March 31, 2009
Nurse and allied healthcare staffing	$ 2,044
Locum tenens staffing	151
Physician permanent placement services	723
Total	$ 2,918

10. SUBSEQUENT EVENT

On May 7, 2009, the Company amended its Credit Agreement. The amendment extends the maturity of the revolving credit facility to be coterminous with the scheduled maturity of its secured term loan in November 2011. Borrowings under this revolving credit facility bear interest at floating rates based upon either a LIBOR or a prime interest rate option selected by the Company, plus a combined spread of 3.50% to 4.50% and 2.50% to 3.50%, respectively, to be determined based on the Company’s then current leverage ratio. Additionally, the revolving credit facility portion of the Company’s Credit Agreement carries a combined unused fee of between 0.500% and 0.750% per annum based on its then current leverage ratio, with no mandatory payments prior to maturity of the revolving credit facility. Pursuant to the amendment, the maximum leverage ratio is increased to 3.00 to 1.00 for the quarters ended June 30, 2009 through March 31, 2010, 2.75 to 1.00 for the quarter ended June 30, 2010, 2.50 to 1.00 for the quarters ended September 30 and December 31, 2010, 2.25 to 1.00 for the quarters ended March 31 and June 30, 2011 and 2.00 to 1.00 for the quarter ended September 30, 2011 through maturity. Additionally, a minimum $45,000 Adjusted EBITDA floor, as calculated on a trailing twelve months basis excluding restructuring and non-cash charges, was added as a financial covenant. The interest rate for term loan outstanding was not changed. As a result of the amendment, the Company anticipates to incur an amendment fee of approximately $1,800.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion should be read in conjunction with, and is qualified in its entirety by, our consolidated financial statements and the notes thereto and other financial information included elsewhere herein and in our Annual Report on Form 10-K for the year ended December 31, 2008. Certain statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are "forward-looking statements." See "Special Note Regarding Forward-Looking Statements." We undertake no obligation to update the forward-looking statements in this filing. References in this filing to "AMN Healthcare," the "Company," "we," "us" and "our" refer to AMN Healthcare Services, Inc. and its wholly owned subsidiaries.

Overview

Our Business

We are the largest healthcare staffing company in the United States. As the largest nationwide provider of travel nurse and allied staffing services, locum tenens (temporary physician staffing) and physician permanent placement services, we recruit physicians, nurses, and allied healthcare professionals, our "healthcare professionals", nationally and internationally and place them on assignments of variable lengths and in permanent positions with acute-care hospitals, physician practice groups and other healthcare settings, including rehabilitation centers, radiology imaging facilities, dialysis clinics, pharmacies, home health service providers and ambulatory surgery centers throughout the United States. We also offer a managed services program in which we manage the multiple clinical vendors for clients, as well as recruitment process outsourcing services, where we administer our clients' recruitment for permanent clinical positions.

We conduct business through three reportable segments: nurse and allied healthcare staffing, locum tenens staffing and physician permanent placement services.

For the three months ended March 31, 2009 we recorded revenue of $249.6 million compared to $293.6 million for the same period last year. We recorded a net loss of $(121.8) million for the three months ended March 31, 2009 compared to net income of $8.7 million for the three months ended March 31, 2008.

Nurse and allied healthcare staffing segment revenues comprised 66% and 69% of total consolidated revenues in the first quarters of fiscal 2009 and 2008, respectively. Through our nurse and allied healthcare staffing segment, the Company provides hospital and healthcare facilities with staffing solutions to address anticipated or longer-term staffing requirements. We select from a national (and in some cases, international) skilled labor pool and provide pre-screened candidates to our hospital and healthcare facility clients. We have focused on the travel segment of the temporary healthcare staffing industry for our nurse and allied healthcare professionals, typically providing staff to our clients for assignments of 13 weeks' duration. In the past few years, we have expanded our service offerings to offer a broader range of assignment lengths, from four weeks to 24 months, a broader range of client facility settings, and to offer managed staffing services and staffing for home healthcare services. In 2008, we launched our recruitment process outsourcing program leveraging our expertise and support systems to offer our hospital and healthcare facility clients a means to replace or complement their existing internal recruitment function for permanent staffing needs.

Locum tenens staffing segment revenues comprised 30% and 26% of total consolidated revenues in the first quarters of fiscal 2009 and 2008, respectively. Through our locum tenens staffing segment, the Company places physicians of all specialties, as well as dentists, certified registered nurse anesthetists and nurse practitioners with clients on a temporary basis as independent contractors. Our clients include a wide variety of healthcare organizations throughout the United States, including hospitals, medical groups, occupational medical clinics, individual practitioners, networks, psychiatric facilities, government institutions, and managed care entities. The professionals we place are recruited nationwide and typically placed on multi-week contracts with assignment lengths ranging from a few days up to one year.

Physician permanent placement services segment revenues comprised 4% and 5% of total consolidated revenues in the first quarters of fiscal 2009 and 2008, respectively. Through our physician permanent placement services segment, the Company assists hospitals, healthcare facilities and physician practice groups throughout the United States in identifying and recruiting physicians for permanent placement with the clients. Using a distinctive consultative approach that we believe is more client-oriented than competitor offerings, we are paid for our services through a blend of retained search fees and variable fees tied to work performed and successful placement. Our broad specialty offerings include over 70 specialist and sub-specialist opportunities such as internal medicine, family practice and radiology.

Cost Reduction Initiatives

In 2009, we have taken a number of steps to proactively reduce costs to ensure we are achieving operational synergies and that we are the right size to accommodate the decline in travel nursing orders and volume that we have experienced so far in 2009 and anticipate to continue in subsequent quarters. Beginning with aggressive workforce management toward the end of 2008, the Company planned the closure of our Huntersville, North Carolina office and began implementing our strategic decision to phase out the use of selected nurse brands. We also reduced headcount and other costs in both corporate and operational areas to adjust to our reduced volumes during the first quarter and beginning of the second quarter of 2009.

Recent Trends

In March 2009, Staffing Industry Analyst ("SIA") revised its growth estimates of U.S. temporary healthcare staffing industry revenues, from its previous estimates released in January 2009. SIA's estimates are based on staffing company self-reported estimates. SIA's March 2009 report estimated that for 2008, revenue for the industry (which includes per diem nurse staffing, a segment in which we do not participate) grew by 1.0% over the prior year's $11.3 billion. In the same report, SIA lowered its forecast for overall healthcare staffing revenue growth in 2009 to contraction of 6.0% from its previous estimate of 1.5% growth, made in January 2009. For the segments in which we provide temporary healthcare staffing services, SIA's estimates of 2009 anticipated segment growth/reduction over the prior year are: for travel nursing: a 12% reduction in revenue growth from 2008; for locum tenens: an 11.0% increase over 2008; for allied: a 2.0% increase over 2008; and for per diem nursing, the segment in which we do not participate: an 18.0% decrease over 2008.

Our nurse and allied healthcare staffing segment experienced lower demand throughout 2008 driven by several factors, including hospital admission levels, budget concerns given the economic environment, and hospitals' increased reliance on permanent labor to meet staffing needs both generally and on an incremental basis by reducing hours, shifts and/or assignments available for temporary workers. Toward the end of 2008, and into the first part of 2009, demand decreased considerably in the travel nurse business, we believe due to the widespread and unprecedented economic conditions. These economic conditions may have the following specific effects on our clients, which in turn reduce client demand for our services; lower permanent staff attrition rates due to high general unemployment and related factors; reduced census levels due partially to lower volume of elective surgeries; reduced insurance and Medicare reimbursement levels and anticipated additional future reductions; severely constricted budgets for both private institutions and publicly-supported facilities; and a forbearance or reluctance to contract for future services due to uncertainty regarding future patient admission levels and general anxiety regarding receivables and available credit.

Locum tenens physicians are used by our hospitals, healthcare facility and physician practice group clients to fill temporary vacancies due to vacation and leave schedules, and increasingly, to bridge the gap while these clients seek permanent candidates. While demand remains essentially solid, we have seen high growth particularly in behavioral health and dentistry while we continue to see declines in radiology attributable to reimbursement levels. Generally, we saw a slight softening in the end of 2008 and so far in 2009, and recognize demand may be further affected in the future by general economic conditions.

We believe the physician permanent placement market has solid long-term growth potential due to the limited supply of candidates and the strong client demand for physicians. This demand is generated from the physicians' ability to generate revenue for the hospitals. However, recently we have experienced considerably lower demand for our services as clients respond to general economic conditions and budget pressure by pursuing only critical searches, reducing their overall recruiting efforts. In addition, many clients are attempting to conduct their searches internally or through alternative methods.

Critical Accounting Principles and Estimates

Goodwill and Indefinite-lived Intangible Assets

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 142, *Goodwill and Other Intangible Assets*, we perform annual impairment analyses to assess the recoverability of the goodwill and indefinite-lived intangible assets. Application of the goodwill impairment test requires judgment, including the identification of reporting units, assigning assets and liabilities to reporting units, assigning goodwill to reporting units, and determining the fair value of each reporting unit. Valuation techniques consistent with the market approach and income approach are used to measure the fair value of each reporting unit. Significant judgments are required to estimate the fair value of reporting units including estimating future cash flows, and determining appropriate discount rates, growth rates, company control premium and other assumptions. Changes in these estimates and assumptions could materially affect the determination of fair value for each reporting unit. Testing is required between annual tests if events occur or circumstances change that would, more likely than not, reduce the fair value of the reporting unit below its carrying value.

Due to the continued economic downturn and our lower market capitalization, we performed interim impairment testing at our reporting unit level during the first quarter of 2009. Our reporting units are our operating segments. The performance of the test involves a two-step process. The first step of the impairment test involves comparing the fair value of our reporting units with the reporting unit's carrying amount, including goodwill. We generally determine the fair value of our reporting units using a combination of the income approach (using discounted future cash flows) and the market valuation approach. If the carrying amount of the reporting unit exceeds the reporting unit's fair value, we perform the second step of the goodwill impairment test to determine the amount of impairment loss. The second step of the goodwill impairment test involves comparing the implied fair value of our reporting unit's goodwill with the carrying amount of that goodwill. During the test, a control premium and average stock price close to the testing dates were utilized. This control premium is based on detailed analysis that considers appropriate industry, market, economic and other pertinent factors, including indications of such premium from data on recent acquisition transactions.

We completed the first step of our goodwill impairment testing and have determined that the fair values of certain reporting units were lower than their respective carrying values. The decrease in value was due to the depressed equity market value and lower projected near term growth rates in the healthcare staffing industry that rapidly deteriorated in the first quarter, lowering the anticipated growth trend used for goodwill impairment testing. We are in the process of finalizing the fair value of our identified tangible and intangible assets and liabilities for purposes of determining the implied fair value of our goodwill and any resulting goodwill impairment. As of the date of the filing of this Form 10-Q, we have not completely finalized our review of this impairment analysis due to the limited time period from the first indication of potential impairment to the date of this filing and the complexities involved in estimating the fair value of certain assets and liabilities. SFAS No. 142 provides that in circumstances in which step two of the impairment analysis has not been completed, we should recognize an estimated impairment charge to the extent that we determine that is probable that an impairment loss has occurred and such impairment loss can be reasonably estimated using the guidance provided in SFAS No. 5, *Accounting for Contingencies*. Based on the foregoing, we have recognized a pre-tax goodwill impairment charge of approximately $173.0 million during the three months ended March 31, 2009, which represents management's best estimate of the goodwill impairment based on the fair value analysis completed to date.

In addition, we recorded a pre-tax impairment charge of $2.7 million related to certain indefinite-lived intangibles in our nurse and allied healthcare staffing segment as of March 31, 2009. This charge was also included in impairment charges on the condensed consolidated statement of operations for the three months ended March 31, 2009.

Our other critical accounting principles and estimates remain consistent with those reported in our Annual Report on Form 10-K for the year ended December 31, 2008, as filed with the Securities and Exchange Commission.

Results of Operations

The following table sets forth, for the periods indicated, selected condensed consolidated statements of operations data as a percentage of revenue:

	Three Months Ended March 31,	
	2009	2008
Revenue	100.0%	100.0%
Cost of revenue	74.4	73.6
Gross profit	25.6	26.4
Selling, general and administrative	20.1	18.8
Restructuring charges	1.2	—
Impairment charges	70.4	—
Depreciation and amortization expense	1.4	1.1
Income (loss) from operations	(67.5)	6.5
Interest expense, net	0.9	1.0
Income (loss) before income taxes	(68.4)	5.5
Income tax expense (benefit)	(19.5)	2.5
Net income (loss)	(48.9)%	3.0%

Comparison of Results for the Three Months Ended March 31, 2009 to the Three Months Ended March 31, 2008

Revenue. Revenue decreased 15%, to $249.6 million for the three months ended March 31, 2009 from $293.6 million for the same period in 2008, primarily due to a decrease in the average number of temporary healthcare professionals on assignment in the nurse and allied healthcare staffing segment.

Nurse and allied healthcare staffing segment revenue decreased 20%, to $163.9 million for the three months ended March 31, 2009 from $204.0 million for the same period in 2008. Of the $40.1 million decrease, $41.4 million was attributable to a decrease in the average number of temporary healthcare professionals on assignment, and $1.8 million was attributable to an extra billing day during the period. These decreases were partially offset by a $2.8 million increase due to an increase in the average bill rates charged to hospital and healthcare facility clients, and a $0.3 million increase due to a shift in the mix of temporary healthcare professionals working on flat rate contracts to hours and days worked contracts.

Locum tenens staffing segment revenue decreased 2%, to $74.8 million for the three months ended March 31, 2009 from $76.3 million for the same period in 2008. Of the $1.5 million decrease, $1.1 million was attributable to a mix shift to our lower bill rate providers and $0.4 million was attributable to a decrease in the number of days filled by healthcare professionals during the three months ended March 31, 2009.

Physician permanent placement services segment revenue decreased 18%, to $10.9 million for the three months ended March 31, 2009 from $13.3 million for the same period in 2008. The decrease was primarily attributable to a decrease in the number of active searches during the three months ended March 31, 2009.

Cost of Revenue. Cost of revenue of $185.6 million represented 74.4% of revenue for the three months ended March 31, 2009, as compared to $216.1 million or 73.6% of revenue for the three months ended March 31, 2008. The decrease was primarily due to a decrease in the average number of temporary healthcare professionals on assignment.

Nurse and allied healthcare staffing segment cost of revenue decreased 19%, to $126.2 million for the three months ended March 31, 2009 from $155.0 million for the same period in 2008. Of the $28.8 million decrease, $31.5 million decrease was attributable to the decrease in the average number of temporary healthcare professionals on assignment and $1.4 million was attributable to one less billing day during the period. These decreases were partially offset by a $3.8 million net increase in compensation, primarily related to wages provided to our temporary healthcare professionals, and a $0.3 million increase attributable to a shift in the mix of temporary healthcare professionals working on flat rate contracts to hours and days worked contracts.

Locum tenens staffing segment cost of revenue decreased 1%, to $55.2 million for the three months ended March 31, 2009 from $56.0 million for the same period in 2008. The decrease was primarily attributable to a mix shift to our lower pay rate specialists and a decrease in the number of days filled by healthcare professionals.

Physician permanent placement services segment cost of revenue decreased 18%, to $4.2 million for the three months ended March 31, 2009 from $5.1 million for the same period in 2008 due to the lower revenue for the segment.

Gross Profit. Gross profit decreased 17%, to $64.0 million for the three months ended March 31, 2009 from $77.5 million for the same period in 2008, representing gross margins of 25.6% and 26.4%, respectively. The decrease in gross margin mainly reflected a lower revenue mix from the relatively high margin business line of international nursing and the more narrow margins in the travel nursing business. Gross margin by reportable segment for the three months ended March 31, 2009 and 2008 was 23.0% and 24.0% for nurse and allied healthcare staffing, 26.2% and 26.7% for locum tenens staffing and 61.6% and 61.6% for physician permanent placement services, respectively.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased 9%, to $50.1 million for the three months ended March 31, 2009 from $55.1 million for the same period in 2008. The decrease was primarily due to lower employee related expenses as a result of cost-reduction actions taken during the three months ended March 31, 2009. Selling, general and administrative expenses by reportable segment for the three months ended March 31, 2009 and 2008, respectively, were $30.3 million and $35.3 million for nurse and allied healthcare staffing, $15.9 million and $14.8 million for locum tenens staffing and $3.9 million and $5.0 million for physician permanent placement services.

Restructuring Charges. During the first quarter of 2009, the Company began implementing cost reduction initiatives related to one time termination benefits and lease liabilities. Restructuring charges of $2.9 million were recorded for the three months ended March 31, 2009, of which $2.0 million was for nurse and allied healthcare staffing, $0.2 million for locum tenens staffing and $0.7 million for physician permanent placement services.

Impairment Charges. Due to the continued economic downturn and our lower market capitalization, we performed interim impairment testing during the first quarter of 2009. We completed the first step of our goodwill impairment testing and have determined that the fair values of certain reporting units were lower than their respective carrying values. The decrease in value was due to the depressed equity market values and lower projected near term growth rates in the healthcare staffing industry that rapidly deteriorated in the first quarter, lowering the anticipated growth trend used for goodwill impairment testing. Estimated impairment charges related to goodwill and indefinite-lived intangibles was $175.7 million for the three months ended March 31, 2009, as compared to $0 for the same period in 2008. Estimated impairment charges by reportable segment for the three months ended March 31, 2009 was $143.5 million for nurse and allied healthcare staffing and

$32.2 million for locum tenens staffing, respectively. We are in the process of finalizing the fair value of our identified tangible and intangible assets and liabilities for purposes of determining the implied fair value of our goodwill and any resulting goodwill impairment. As of the date of the filing of this Form 10-Q, we have not completely finalized our review of this impairment analysis due to the limited time period from the first indication of potential impairment to the date of this filing and the complexities involved in estimating the fair value of certain assets and liabilities.

Depreciation and Amortization Expense. Amortization expense increased 9%, to $1.2 million for the three months ended March 31, 2009 from $1.1 million for the same period in 2008. The increase was attributable to amortization of intangibles acquired from the Platinum Select Staffing acquisition in February 2008. Depreciation expense was $2.3 million for both the three months ended March 31, 2009 and 2008.

Interest Expense, Net. Interest expense, net, was $2.2 million for the three months ended March 31, 2009 as compared to $2.8 million for the same period in 2008. The decrease was primarily attributable to a $26.9 million reduction in debt outstanding from March 31, 2008 to March 31, 2009.

Income Tax Expense (benefit). The Company recorded an income tax benefit of $(48.6) million for the three months ended March 31, 2009 as compared to income tax expense of $7.5 million for the same period in 2008, reflecting effective income tax rates of 28.5% and 46.1% for these periods, respectively. The decrease in the effective income tax rate was primarily attributable to the goodwill impairment charges recorded during the three months ended March 31, 2009, a portion of which is permanently nondeductible for tax purposes.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been for acquisitions, working capital requirements and debt service under our credit facility. We have funded these requirements through internally generated cash flow and funds borrowed under our credit facility. At March 31, 2009, $119.5 million was outstanding under our credit facility with $50.1 million of remaining available credit under the secured revolver portion of this facility. The recent and unprecedented disruption in the current credit markets has had a significant adverse impact on a number of financial institutions and other companies. Should a member of our credit party experience a material adverse event, our access to borrow additional funds under the secured revolving portion of our credit facility may be limited. At this point in time, our liquidity has not been impacted by the current credit environment, and we do not expect that it will be materially impacted in the near future. We will continue to closely monitor our liquidity and the credit markets. However, we cannot predict with any certainty the impact on the Company of any further disruption in the credit environment.

We believe that cash generated from operations and available borrowings under our revolving credit facility will be sufficient to fund our operations for the next 12 months. We intend to finance future acquisitions either with cash provided from operations, borrowing under our revolving credit facility, bank loans, debt or equity offerings, or some combination of the foregoing, but the significant disruptions in the global financial markets may prevent us from obtaining debt or equity financing on acceptable terms, if at all. The following discussion provides further details of our liquidity and capital resources.

Operating Activities:

Net cash provided by operations during the three months ended March 31, 2009 was $37.6 million, compared to $16.9 million for the three months ended March 31, 2008. The increase in net cash provided by operations was primarily driven by decrease in accounts receivable as a result of strong collection efforts, which was partially offset by a decrease in accrued compensation and benefits during the three months ended March 31, 2009. The number of days sales outstanding (“DSO”) decreased 3 days to 54 days from 57 days at December 31, 2008 as a result of strong collection efforts during the quarter. DSO was 60 days at March 31, 2008.

Investing Activities:

We used $1.2 million in cash during the three months ended March 31, 2009 for investing activities, mainly for capital expenditures. During the three months ended March 31, 2008, $33.4 million was used for investing activities, of which $30.8 million was used for the acquisition of Platinum Select, with the balance used for capital expenditures. We continue to have a relatively low capital investment requirement and we expect our future capital expenditure requirements to be similar to those during the three months ended March 31, 2009.

Financing Activities:

Net cash used in financing activities during the three months ended March 31, 2009 was $31.0 million as we paid down our outstanding revolver balance during the quarter. During the three months ended March 31, 2008, cash provided by financing activities was $5.9 million, mainly due to increased borrowing on our revolving credit facility. At March 31, 2009 and December 31, 2008, we had $6.5 million and $31.5 million, respectively, outstanding under the revolving credit facility.

The borrowing capacity under our revolving credit facility is restricted by outstanding standby letters of credit. As of March 31, 2009, we maintained outstanding standby letters of credit totaling $18.4 million as collateral in relation to our professional liability insurance agreements and workers compensation insurance agreements. On April 3, 2009, we established a standby letter of credit in the amount of $7.5 million as collateral in relation to our corporate office lease agreement.

We are required to maintain a maximum leverage ratio, based on EBITDA, which excludes non-cash charges such as impairment charges, and funded indebtedness as defined in the Credit Agreement, as of the end of each fiscal quarter of not more than 2.00x for the fiscal quarter ending March 31, 2009 and thereafter. We are also required to maintain a minimum fixed charge coverage ratio, based on EBITDA and debt and interest payments as defined in the Credit Agreement, as of the end of each fiscal quarter of not less than 1.25x for the fiscal quarter ending March 31, 2009 and thereafter. We are also subject to limitations on the amount of our annual capital expenditures and on the amount of consolidated total assets and consolidated EBITDA that may be owned or attributable to our foreign subsidiaries. We were in compliance with these requirements at March 31, 2009.

On May 7, 2009, we amended our Credit Agreement. The amendment extends the maturity of the revolving credit facility to be coterminous with the scheduled maturity of its secured term loan in November 2011. Borrowings under this revolving credit facility bear interest at floating rates based upon either a LIBOR or a prime interest rate option selected by us, plus a combined spread of 3.50% to 4.50% and 2.50% to 3.50%, respectively, to be determined based on our then current leverage ratio. Additionally, the revolving credit facility portion of our Credit Agreement carries a combined unused fee of between 0.500% and 0.750% per annum based on our then current leverage ratio, with no mandatory payments prior to maturity of the revolving credit facility. We do not expect the additional interest rate will have a material impact on our liquidity over the next twelve months. Pursuant to the amendment the maximum leverage ratio is increased to 3.00 to 1.00 for the quarters ended June 30, 2009 through March 31, 2010, 2.75 to 1.00 for the quarter ended June 30, 2010, 2.50 to 1.00 for the quarters ended September 30 and December 31, 2010, 2.25 to 1.00 for the quarters ended March 31 and June 30, 2011 and 2.00 to 1.00 for the quarter ended September 30, 2011 through maturity. Additionally, a minimum $45.0 million Adjusted EBITDA floor, as calculated on a trailing twelve months basis excluding restructuring and non-cash charges, was added as a financial covenant. The interest rate for term loan outstanding was not changed. As a result of the amendment, we anticipate to incur an amendment fee of approximately $1.8 million.

In February 2009, in addition to our six existing interest rate swap agreements, we entered into three new interest rate swap agreements for notional amounts of $10.0 million each, whereby we will pay fixed rates ranging from 1.55% to 1.76% under these new agreements and receive a floating three-month LIBOR. Two of the agreements became effective in March 2009, and the remaining one will become effective in December 2009. As of March 31, 2009, these nine interest rate swap agreements have a notional amounts totaling $115.0 million. We pay fixed rates ranging from 1.55% to 4.94% under these agreements and receive a floating three-month LIBOR. The agreements expire beginning June 2009 through September 2010, and no initial investments were made to enter into these agreements.

At March 31, 2009 and December 31, 2008, the interest rate swap agreements had a fair value of $(2.2) million and $(2.5) million, respectively, which is included in other liabilities (both current and long-term) in the accompanying condensed consolidated balance sheets. Our interest rate swaps are valued using commonly quoted intervals from observable markets. In addition, we discount our derivative liabilities to reflect the potential credit risk to lenders. We have formally documented the hedging relationships and account for these arrangements as cash flow hedges. At maturity, the swap agreements will have a fair value of zero and will require no cash outlay. However, if we elect to settle a swap prior to maturity, we would be required to outlay cash at the then stated fair value of the swap. If we settled all of our swaps at March 31, 2009, the net cash impact would be $2.2 million.

Potential Fluctuations in Quarterly Results and Seasonality

Due to the regional and seasonal fluctuations in the hospital patient census and healthcare staffing needs of our hospital and healthcare facility clients and due to seasonal preferences for destinations of our temporary healthcare professionals, revenue, earnings and the number of temporary healthcare professionals on assignment are subject to moderate seasonal fluctuations. Some of our clients are located in areas that experience seasonal fluctuations in population during the winter and summer months leading them to utilize temporary healthcare professionals to adjust their staffing levels to accommodate such changes in seasonal demand. This historical seasonality of revenue and earnings may vary due to a variety of factors and the results of any one quarter are not necessarily indicative of the results to be expected for any other quarter or for any year.

Recent Accounting Pronouncements

In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1, "*Interim Disclosures about Fair Value of Financial Instruments*" ("FSP FAS 107-1 and APB 28-1"). FSP FAS 107-1 and APB 28-1 amends Statement 107 and Opinion 28 by requiring disclosures of the fair value of financial instruments included within the scope of Statement 107 whenever a public company issues summarized financial information for interim reporting periods. This FSP is effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009 under certain circumstances. We will adopt FSP FAS 107-1 and APB 28-1 for the quarter ended June 30, 2009 and do not expect its adoption to have a material impact on our consolidated financial statements.

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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 materially from those implied by the forward-looking statements in this Quarterly Report:

- our ability to sustain our business in a significant economic downturn;
- our ability to continue to recruit qualified temporary and permanent healthcare professionals at reasonable costs;
- our ability to retain qualified temporary healthcare professionals for multiple assignments at reasonable costs;
- our ability to attract and retain sales and operational personnel;

- our ability to enter into contracts with hospitals, healthcare facility clients, affiliated healthcare networks and physician practice groups on terms attractive to us and to secure orders related to those contracts;
- our ability to demonstrate the value of our services to our healthcare and facility clients, which may be impacted by the role of intermediaries such as vendor management companies;
- the general level of patient occupancy and utilization of services at our hospital and healthcare facility clients' facilities, including the potential impact on such utilization caused by adoption of alternative modes of healthcare delivery, which utilization may influence demand for our services;
- the overall level of demand for services offered by temporary and permanent healthcare staffing providers;
- the ability of our hospital, healthcare facility and physician practice group clients to retain and increase the productivity of their permanent staff;
- the variation in pricing of the healthcare facility contracts under which we place temporary healthcare professionals;
- our ability to successfully design our strategic growth, acquisition and integration strategies and to implement those strategies, which includes our ability to obtain credit at reasonable terms to complete acquisitions, integrate acquired companies' accounting, management information, human resource and other administrative systems, and implement or remediate controls, procedures and policies at acquired companies;
- our ability to leverage our cost structure;
- access to and undisrupted performance of our management information and communication systems, including use of the Internet, and our candidate and client databases and payroll and billing software systems;
- our ability to keep our web sites operational at a reasonable cost and without service interruptions;
- the effect of existing or future government legislation and regulation;
- our ability to grow and operate our business in compliance with legislation and regulations, including regulations that may affect our clients and, in turn, affect demand for our services, such as Medicare reimbursement rates which may negatively affect both orders and client receivables;
- the challenge to the classification of certain of our healthcare professionals as independent contractors;
- the impact of medical malpractice and other claims asserted against us;
- the disruption or adverse impact to our business as a result of a terrorist attack or breach of security of our data systems;
- our ability to carry out our business strategy and maintain sufficient cash flow and capital structure to support our business;
- our ability to meet our financial covenants, which if not met, could adversely affect our liquidity;
- the loss of key officers and management personnel that could adversely affect our ability to remain competitive;
- the effect of recognition by us of an impairment to goodwill;
- our ability to maintain and enhance the brand identities we have developed, at reasonable costs; and
- the effect of adjustments by us to accruals for self-insured retentions.

Other factors that could cause actual results to differ from those implied by the forward-looking statements in this Quarterly Report on Form 10-Q are set forth in our Annual Report on Form 10-K for the year ended December 31, 2008.

Item 3. ***Quantitative and Qualitative Disclosures 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. We do not believe that we have any material market risk exposure with respect to derivative or other financial instruments.

During 2009 and 2008, our primary exposure to market risk was interest rate risk associated with our debt instruments. See “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” for further description of our debt instruments. Excluding the effect of our interest rate swap arrangements, a 1% change in interest rates on our variable rate debt would have resulted in interest expense fluctuating approximately $0.4 million for both the three months ended March 31, 2009 and 2008. Considering the effect of our interest rate swap arrangements, a 1% change in interest rates on our variable rate debt would have resulted in interest expense fluctuating approximately $0.2 million for both the three months ended March 31, 2009 and 2008.

Our international operations create exposure to foreign currency exchange rate risks. We believe that our foreign currency risk is immaterial.

Item 4. ***Controls and Procedures***

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures as of March 31, 2009 were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 5. ***Other Information***

On May 7, 2009, we amended our Credit Agreement. The amendment extends the maturity of the revolving credit facility to be coterminous with the scheduled maturity of its secured term loan in November 2011. Borrowings under this revolving credit facility bear interest at floating rates based upon either a LIBOR or a prime interest rate option selected by us, plus a combined spread of 3.50% to 4.50% and 2.50% to 3.50%, respectively, to be determined based on our then current leverage ratio. Additionally, the revolving credit facility portion of our Credit Agreement carries a combined unused fee of between 0.500% and 0.750% per annum based on our then current leverage ratio, with no mandatory payments prior to maturity of the revolving credit facility. Pursuant to the amendment the maximum leverage ratio is increased to 3.00 to 1.00 for the quarters ended June 30, 2009 through March 31, 2010, 2.75 to 1.00 for the quarter ended June 30, 2010, 2.50 to 1.00 for the quarters ended September 30 and December 31, 2010, 2.25 to 1.00 for the quarters ended March 31 and June 30, 2011 and 2.00 to 1.00 for the quarter ended September 30, 2011 through maturity. Additionally, a minimum $45.0 million Adjusted EBITDA floor, as calculated on a trailing twelve months basis excluding restructuring and non-cash charges, was added as a financial covenant. The interest rate for term loan outstanding was not changed.

Item 6. ***Exhibits***

Exhibit No.	Description of Document
4.1	Fourth Amendment to the Second Amended And Restated Credit Agreement, dated as of May 7, 2009, by and among AMN Healthcare, Inc., as borrower, AMN Healthcare Services, Inc., AMN Services, Inc., O'Grady-Peyton International (USA), Inc., International Healthcare Recruiters, Inc., AMN Staffing Services, Inc., The MHA Group Inc., Merritt, Hawkins & Associates, Med Travelers, Inc., RN Demand, Inc., Staff Care, Inc., MHA Allied Consulting, Inc., Med Travelers, LLC, Lifework, Inc., Pharmacy Choice, Inc., and Rx Pro Health, Inc., Platinum Select Healthcare Staffing, Inc. as guarantors, the lenders identified on the signature pages thereto and Bank of America, N.A., as administrative agent*
10.1	AMN Healthcare Equity Plan, as Amended and Restated (incorporated by reference to Appendix 1 of AMN Healthcare Services, Inc.'s Definitive Proxy Statement on Schedule 14A filed on March 4, 2009)
31.1	Certification by Susan R. Nowakowski pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934*
31.2	Certification by David C. Dreyer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934*
32.1	Certification by Susan R. Nowakowski pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification by David C. Dreyer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

* Filed herewith.

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SIGNATURES

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

Date: May 8, 2009

AMN HEALTHCARE SERVICES, INC.

	/s/ SUSAN R. NOWAKOWSKI
Name: Title:	**Susan R. Nowakowski** **President and Chief Executive Officer** **(Principal Executive Officer)**

Date: May 8, 2009

	/s/ DAVID C. DREYER
Name: Title:	**David C. Dreyer** **Chief Accounting Officer,** **Chief Financial Officer and Treasurer** **(Principal Accounting and Financial Officer)**

Exhibit 4.1

[EXECUTION COPY]

FOURTH AMENDMENT TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment"), dated as of May 7, 2009, is entered into among **AMN HEALTHCARE, INC.**, a Nevada corporation (the "Borrower"), **AMN HEALTHCARE SERVICES, INC.**, a Delaware corporation (the "Parent"), the Subsidiary Guarantors from time to time parties thereto, the lenders identified on the signature pages hereto (the "Lenders") and **BANK OF AMERICA, N.A.**, as Administrative Agent.

W I T N E S S E T H

WHEREAS, the Borrower, the Parent, the Subsidiary Guarantors, the Lenders party thereto, and the Administrative Agent entered into that certain Second Amended and Restated Credit Agreement dated as of November 2, 2005, as amended by that certain First Amendment to Second Amended and Restated Credit Agreement dated as of May 1, 2006, as amended by that certain Second Amendment to Second Amended and Restated Credit Agreement dated as of July 6, 2007 and as amended by that certain Third Amendment to Second Amended and Restated Credit Agreement dated as of April 28, 2008 (the "Existing Credit Agreement");

WHEREAS, the Borrower has requested that the Lenders amend certain provisions of the Existing Credit Agreement;

WHEREAS, the Lenders have agreed to amend the Existing Credit Agreement in accordance with such request and as provided herein; and

NOW, THEREFORE, in consideration of the agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

PART 1
DEFINITIONS

SUBPART 1.1 Certain Definitions. Unless otherwise defined herein or the context otherwise requires, the following terms used in this Amendment, including its preamble and recitals, have the following meanings:

"Amended Credit Agreement" means the Existing Credit Agreement as amended hereby.

"Fourth Amendment" has the meaning set forth in Subpart 3.1.

SUBPART 1.2 Other Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Amendment, including its preamble and recitals, have the meanings provided in the Existing Credit Agreement.

PART 2
AMENDMENTS TO EXISTING CREDIT AGREEMENT

Effective on (and subject to the occurrence of) the Fourth Amendment Effective Date, the Existing Credit Agreement is hereby amended in accordance with this Part II.

SUBPART 2.1 Amendments to Section 1.1.

(a) The definition of "Base Rate" is hereby amended and restated in its entirety to read as follows:

"Base Rate" means, for any day, the rate per annum equal to the highest of (a) the Federal Funds Rate for such day plus one-half of one percent (0.5%), (b) the Prime Rate for such day and (c) the Eurodollar Rate for a Eurodollar Rate Loan with an Interest Period of one month calculated on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1.00%. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Rate shall be effective on the effective date of such change in the Prime Rate or Federal Funds Rate.

(b) The definition of "Interest Period" is hereby amended and restated in its entirety to read as follows:

"Interest Period" means, as to Eurodollar Loans, a period of three or six months' duration, as the Borrower may elect, commencing, in each case, on the date of the borrowing (including continuations and conversions thereof); provided, however, (a) if any Interest Period would end on a day which is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day (except that where the next succeeding Business Day falls in the next succeeding calendar month, then on the next preceding Business Day), (b) no Interest Period entered into prior to the Existing Revolving Maturity Date shall extend beyond the Existing Revolving Maturity Date, (c) no Interest Period shall extend beyond the Extended Revolving Maturity Date and (d) where an Interest Period begins on a day for which there is no numerically corresponding day in the calendar month in which the Interest Period is to end, such Interest Period shall end on the last Business Day of such calendar month.

(c) The definition of "Lender" set forth in Section 1.1 of the Existing Credit Agreement is hereby amended in its entirety to read as follows:

"Lender" shall mean the Extending Lenders, the Non-Extending Lenders, the Tranche B Lenders, the Issuing Lender and/or the Swingline Lender, as applicable, including the Incremental Lenders and any Person which may become a Lender by way of assignment in accordance with the terms hereof, together with their successors and permitted assigns.

(d) The definition of "Letter of Credit Expiration Date" is hereby amended and restated in its entirety to read as follows:

"Letter of Credit Expiration Date" means the day that is fifteen days prior to the Extended Revolving Maturity Date (or, if such day is not a Business Day, the next preceding Business Day).

(e) The definition of “Maturity Date” found in Section 1.1 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

“Maturity Date” means (i) with respect to the Revolving Loans, the Revolving Maturity Date and (ii) with respect to the Tranche B Loans, November 2, 2011.

(f) The definition of “Permitted Liens” set forth in Section 1.1 of the Existing Credit Agreement is hereby amended by adding a new clause (xvii) to the end thereof to read as follows and making the appropriate grammatical changes thereto:

(xvii) Liens, if any, in favor of the Issuing Lender and/or Swingline Lender to cash collateralize or otherwise secure the obligations of an Impacted Lender to fund risk participations hereunder.

(g) The following new definitions are hereby added to Section 1.1 of the Existing Credit Agreement in their appropriate alphabetical order:

“Consolidated Adjusted EBITDA” means, as of any date for the four fiscal quarter period ending on such date with respect to the Consolidated Parties on a consolidated basis as determined in accordance with GAAP, the sum of (i) Consolidated EBITDA plus (ii) cash restructuring charges incurred during such period.

“Extended Revolving Commitment” means the Revolving Commitment of a Lender that matures on the Extended Revolving Maturity Date.

“Existing Revolving Maturity Date” means November 2, 2010.

“Extended Revolving Maturity Date” means November 2, 2011.

“Extending Lender” means those Revolving Lenders with a Revolving Commitment that matures on the Extended Revolving Maturity Date.

“Extension Unused Fee” shall have the meaning set forth in Section 3.5(e).

“Extension Unused Fee Calculation Period” shall have the meaning set forth in Section 3.5(e).

“Fourth Amendment Effective Date” shall mean May 7, 2009.

“Incremental Lender” shall have the meaning set forth in Section 2.5(c).

“Impacted Lender” means a Defaulting Lender or any Lender as to which (a) the Issuing Lender has knowledge that the Lender has defaulted in fulfilling its obligations under one or more other syndicated credit facilities or (b) an entity that controls the Lender has been deemed insolvent or become subject to a bankruptcy or other similar proceeding.

"Non-Extending Lender" means those Revolving Lenders with a Revolving Commitment that matures on the Existing Revolving Maturity Date.

"Non-Extended Revolving Commitment" means the Revolving Commitment of a Revolving Lender that matures on the Existing Revolving Maturity Date.

"Participant" shall have the meaning set forth in Section 11.3(d).

"Revolving Maturity Date" shall mean (a) for Revolving Loans and Revolving Commitments held by Non-Extending Lenders, the Existing Revolving Maturity Date and (b) for Revolving Loans and Revolving Commitments held by Extending Lenders, the Extended Revolving Maturity Date.

"Utilization Spread" shall have the meaning set forth in Section 3.5(d).

(h) The following definitions are hereby deleted from Section 1.1 of the Existing Credit Agreement:

Incremental Tranche B Lender

Incremental Tranche B Loan

Leverage Increase Effective Date

SUBPART 2.2 Amendment to Section 2.2. Section 2.2(a)(iii)(F) of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

(F) a default of any Revolving Lender's obligations to fund under Section 2.2(c) exists or any Revolving Lender is at such time an Impacted Lender hereunder, unless the Issuing Lender has entered into satisfactory arrangements with the Borrower or such Revolving Lender to eliminate the Issuing Lender's risk with respect to such Revolving Lender.

SUBPART 2.3 Amendments to Section 2.3.

(a) Section 2.3(b)(i) of the Existing Credit Agreement is hereby amended to add a sentence to the end thereof to read as follows:

It is understood and agreed that, notwithstanding anything to the contrary contained above, the Swingline Lender shall have no obligation to make Swingline Loans if any Revolving Lender is at such time an Impacted Lender, unless the Swingline Lender has entered into reasonably satisfactory arrangements with the Borrower or such Revolving Lender to eliminate the Swingline Lender's risk with respect to such Revolving Lender.

(b) Section 2.3(c)(i) of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

(i) Rate of Interest. Subject to the provisions of Section 3.1, each Swingline Loan shall bear interest at a per annum rate equal to the Base Rate plus the Utilization Spread set forth in Section 3.5(d).

SUBPART 2.4 Amendment to Section 2.5. Section 2.5 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

2.5 Increase in Revolving Commitments.

(a) Request for Increase. Provided there exists no Default or Event of Default, upon notice to the Administrative Agent (which shall promptly notify the existing Revolving Lenders), the Borrower may, on a one-time basis prior to November 7, 2009, request an increase in the Revolving Committed Amount in an amount not to exceed $15,000,000; provided that the additional Revolving Commitments of an existing Lender and each new Revolving Commitment from a new Lender obtained by the Borrower in accordance with Section 2.5(c) shall mature on the Extended Revolving Maturity Date. At the time of sending such notice, the Borrower (in consultation with the Administrative Agent) shall specify the time period within which each existing Revolving Lender is requested to respond (which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the existing Revolving Lenders). Any additional Revolving Commitments and Revolving Loans provided under this Section 2.5 shall have terms identical to the Revolving Commitments and Revolving Loans existing on the Closing Date, except for fees payable to Revolving Lenders providing Revolving Commitments under this Section 2.5; provided that any fees paid pursuant to this Section 2.5(a) with respect to a new Revolving Commitment cannot be more than 0.50% higher than the percentage paid to Extending Lenders on the Fourth Amendment Effective Date (it being understood that additional fees may be paid to existing Revolving Lenders to the extent necessary to satisfy such requirement).

(b) Revolving Lender Elections to Increase. Each existing Revolving Lender shall notify the Administrative Agent within such time period whether or not it agrees to increase its Revolving Commitment and, if so, whether by an amount equal to, greater than, or less than its Commitment Percentage of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Revolving Commitment.

(c) Notification by Administrative Agent; Additional Lenders. The Administrative Agent shall notify the Borrower of the existing Revolving Lenders' responses to the request made hereunder. To achieve the full amount of a requested increase and subject to the approval of the Administrative Agent, the Issuing Lender and the Swingline Lender (which approval shall not be unreasonably withheld), the Borrower may also invite additional Eligible Assignees to become Revolving Lenders (such Eligible Assignees, together with the existing Revolving Lenders agreeing to increase their Revolving Commitment, the "Incremental Lenders") pursuant to a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent and its counsel and the Borrower.

(d) Effective Date and Allocations. If the Revolving Commitments are increased in accordance with this Section, the Administrative Agent and the Borrower shall determine the effective date (the "Increase Effective Date") and the final allocation of such increase. The Administrative Agent shall promptly notify the Borrower and the Incremental Lenders of the final allocation of such increase and the Increase Effective Date.

(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Borrower shall deliver to the Administrative Agent (i) a certificate of each Credit Party dated as of the Increase Effective Date signed by an Executive Officer of such Credit Party (A) certifying and attaching the resolutions adopted by such Credit Party approving or consenting to such increase, and (B) in the case of the Borrower, certifying that, before and after giving effect to such increase, (x) the representations and warranties contained in Section 6 and the other Credit Documents are true and correct in all material respects on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, (y) the Borrower shall have delivered to the Administrative Agent an officer's certificate demonstrating that, upon giving effect to the increase of the Revolving Committed Amount (assuming the full amount of such increase was drawn) on a pro forma basis, no Default or Event of Default would exist as the result of a violation of Section 7.11(a) or Section 7.11(b) and (z) no Default or Event of Default exists and (ii) favorable opinions of counsel to the Credit Parties, all in form, content and scope reasonably satisfactory to the Administrative Agent. The Borrower shall prepay any Revolving Loans outstanding on the Increase Effective Date (and pay any additional amounts required pursuant to Section 3.12) to the extent necessary to keep the outstanding Revolving Loans ratable with any revised Commitment Percentages arising from any nonratable increase in the Revolving Commitments under this Section.

(f) Revolving Notes. Upon the request of any Incremental Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Incremental Lender (through the Administrative Agent) a promissory note, substantially in the form of Exhibit 2.1(e), which shall evidence such Incremental Lender's Revolving Commitment in addition to such accounts or records.

SUBPART 2.5 Amendments to Section 3.5.

(a) A new clause (d) is hereby added to Section 3.5 of the Existing Credit Agreement to read as follows:

(d) Utilization Spread. The Borrower shall pay to the Administrative Agent for the account of each Revolving Lender that holds an Extended Revolving Commitment, a utilization spread (the "Utilization Spread") at the per annum rate equal to the Utilization Spread set forth in the pricing grid set forth below (based on the Leverage Ratio) times the daily outstanding principal amount of all Revolving Loans and LOC Obligations funded or participated in by such Revolving Lender attributable to such Revolving Lender's Extended Revolving Commitment:

Pricing Level	Leverage Ratio	Utilization Spread for Extended Revolving Commitments
I	Less than or equal to 2.25	2.00%
II	Less than or equal to 2.75 but greater than 2.25	2.25%
III	Greater than 2.75	2.50%

The Utilization Spread shall be due and payable quarterly in arrears on the last Business Day of each of March, June, September and December, commencing June 30, 2009, and on the Extended Revolving Maturity Date.

(b) A new clause (e) is hereby added to Section 3.5 of the Existing Credit Agreement to read as follows:

(e) Extension Unused Fee. The Borrower shall pay to the Administrative Agent for the account of each Revolving Lender that holds an Extended Revolving Commitment a fee (the "Extension Unused Fee") on the Unused Revolving Committed Amount computed at a per annum rate for each day during the applicable Extension Unused Fee Calculation Period (as defined below) at a rate set forth in the table below:

Pricing Level	Leverage Ratio	Extension Unused Fee for Extended Revolving Commitments
I	Less than or equal to 2.25	0.125%
II	Less than or equal to 2.75 but greater than 2.25	0.125%
III	Greater than 2.75	0.250%

The Extension Unused Fee shall commence to accrue on the Fourth Amendment Effective Date and shall be due and payable in arrears on the last Business Day of each March, June, September and December (and on any date that the Revolving Committed Amount is reduced and on the Extended Revolving Maturity Date) for the immediately preceding quarter (or portion thereof) (each such quarter or portion thereof for which the Extension Unused Fee is payable hereunder being herein referred to as an "Extension Unused Fee Calculation Period"), beginning with the first of such dates to occur after the Fourth Amendment Effective Date.

SUBPART 2.6 Amendment to Section 3.14. The first sentence of Section 3.14 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

Except with respect to Cash Collateral held by the Issuing Lender or the Swingline Lender, the Lenders agree among themselves that, in the event that any Lender shall obtain payment in respect of any Loan, LOC Obligations or any other obligation owing to such Lender under this Credit Agreement through the exercise of a right of setoff, banker's lien or counterclaim, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, in excess of its pro rata share of such payment as provided for in this Credit

Agreement, such Lender shall promptly purchase from the other Lenders a Participation Interest in such Loans, LOC Obligations and other obligations in such amounts, and make such other adjustments from time to time, as shall be equitable to the end that all Lenders share such payment in accordance with their respective ratable shares as provided for in this Credit Agreement.

SUBPART 2.7 Amendment to Section 3.17. Section 3.17 of the Existing Credit Agreement is hereby amended by replacing each reference to "a Defaulting Lender" with "an Impacted Lender".

SUBPART 2.8 Amendments to Section 7.11.

(a) Section 7.11(a) of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

(a) Leverage Ratio. The Credit Parties shall not permit the Leverage Ratio as of the last day of any fiscal quarter of the Consolidated Parties to be greater than:

Fiscal Year	March 31	June 30	September 30	December 31
2009	2.00 to 1.0	3.00 to 1.0	3.00 to 1.0	3.00 to 1.0
2010	3.00 to 1.0	2.75 to 1.0	2.50 to 1.0	2.50 to 1.0
2011 and thereafter	2.25 to 1.0	2.25 to 1.0	2.00 to 1.0	2.00 to 1.0

(b) A new Section 7.11(c) is hereby added to the Existing Credit Agreement to read as follows:

(c) Minimum Consolidated Adjusted EBITDA. The Credit Parties shall not permit the Consolidated Adjusted EBITDA as of the last day of any fiscal quarter of the Consolidated Parties to be less than $45,000,000.

SUBPART 2.9 Amendment to Section 11.3. Section 11.3 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

11.3 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Credit Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Credit Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Credit Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Lender and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Credit Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Credit Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in LOC Obligations and in Swingline Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000, in the case of any assignment in respect of the Revolving Commitments and Revolving Loans, or \$1,000,000, in the case of any assignment in respect of the Tranche B Loan unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Credit Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not (A) apply to the Swingline Lender's rights and obligations in respect of Swingline Loans or (B) prohibit any Lender from assigning all or a portion of its rights and obligations among separate facilities on a non-pro rata basis;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (1) the Revolving Commitment if such assignment is to a Person that is not a Lender with a Revolving Commitment and (2) any Tranche B Loan to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund;

(C) the consent of the Issuing Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(D) the consent of the Swingline Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the Revolving Commitment.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an administrative questionnaire in form and substance acceptable to the Administrative Agent.

(v) No Assignment to Borrower. No such assignment shall be made to the Borrower or any of the Borrower's Affiliates or Subsidiaries.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Credit Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Credit Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Credit Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Credit Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.9, 3.11, 3.12, and 11.5 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Credit Agreement that does not comply with this subsection shall be treated for purposes of this Credit Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and LOC Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Credit Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Credit Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in LOC Obligations and/or Swingline Loans) owing to it); provided that (i) such Lender's obligations under this Credit Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders and the Issuing Lender shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Credit Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Credit Agreement and to approve any amendment, modification or waiver of any provision of this Credit Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.6 that affects such Participant. Subject to subsection (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.9, 3.11 and 3.12 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.2 as though it were a Lender, provided such Participant agrees to be subject to Section 3.14 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.9 or 3.11 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Lender that is not a United States person under Section 7701(a)(30) of the Code if it were a Lender shall not be entitled to the benefits of Section 3.11 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.11(d) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Credit Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Resignation as Issuing Lender or Swingline Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Revolving Commitment and Revolving Loans pursuant to subsection (b) above, Bank of America may, (i) upon 30 days' notice to the Borrower and the Lenders, resign as Issuing Lender and/or (ii) upon 30 days' notice to the Borrower, resign as Swingline Lender. In the event of any such resignation as Issuing Lender or Swingline Lender, the Borrower shall be entitled to appoint from among the Lenders a successor Issuing Lender or Swingline Lender hereunder with such Lender's consent; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as Issuing Lender or Swingline Lender, as the case may be. If Bank of America resigns as Issuing Lender, it shall retain all the rights, powers, privileges and duties of the Issuing Lender hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as Issuing Lender and all LOC Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.2(c)). If Bank of America resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swingline Loans pursuant to Section 2.3(b). Upon the appointment of a successor Issuing Lender and/or Swingline Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Lender or Swingline Lender, as the case may be, and (b) the successor Issuing Lender shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

SUBPART 2.10 Replacement of Schedule 2.1(a). Schedule 2.1(a) of the Existing Credit Agreement is hereby deleted in its entirety and a new schedule in the form of Schedule 2.1(a) attached hereto is substituted therefor.

SUBPART 2.11 Replacement of Exhibit 11.3(b). Exhibit 11.3(b) of the Existing Credit Agreement is hereby deleted in its entirety and a new exhibit in the form of Exhibit 11.3(b) attached hereto is substituted therefor.

PART 3
CONDITIONS TO EFFECTIVENESS

SUBPART 3.1 Fourth Amendment Effective Date. This Amendment shall be and become effective as of the date hereof (the "Fourth Amendment Effective Date") when all of the conditions set forth in this Part 3 shall have been satisfied, and thereafter this Amendment shall be known, and may be referred to, as the "Fourth Amendment".

SUBPART 3.2 Execution of Counterparts of Amendment. The Administrative Agent shall have received counterparts of this Amendment, which collectively shall have been duly executed on behalf of each of the Borrower, the Parent, the Subsidiary Guarantors, the Requisite Lenders, Lenders (other than Defaulting Lenders) holding in the aggregate at least a majority of the Revolving Commitments and the Administrative Agent.

SUBPART 3.3 Corporate Documents. Receipt by the Administrative Agent of the following:

(i) Charter Documents. Copies of the articles or certificates of incorporation or other charter documents of each Credit Party certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation and certified by a secretary or assistant secretary of such Credit Party to be true and correct as of the Fourth Amendment Effective Date.

(ii) Bylaws. A copy of the bylaws of each Credit Party certified by a secretary or assistant secretary of such Credit Party to be true and correct as of the Fourth Amendment Effective Date.

(iii) Resolutions. Copies of resolutions of the Board of Directors of each Credit Party approving and adopting the Credit Documents to which it is a party, the transactions contemplated therein and authorizing execution and delivery thereof, certified by a secretary or assistant secretary of such Credit Party to be true and correct and in force and effect as of the Fourth Amendment Effective Date.

(iv) Good Standing. Copies of (A) certificates of good standing, existence or its equivalent with respect to each Credit Party certified as of a recent date by the appropriate Governmental Authorities of the state or other jurisdiction of incorporation and the state or other jurisdiction of the chief executive office and principal place of business and (B) to the extent available, a certificate indicating payment of all corporate or comparable franchise taxes certified as of a recent date by the appropriate governmental taxing authorities.

(v) Incumbency. An incumbency certificate of each Credit Party certified by a secretary or assistant secretary to be true and correct as of the Fourth Amendment Effective Date.

SUBPART 3.4 Opinions of Counsel. The Administrative Agent shall have received, in each case dated as of the Fourth Amendment Effective Date:

(i) a legal opinion of Paul, Weiss, Rifkind, Wharton & Garrison, in form and substance reasonably satisfactory to the Administrative Agent;

(ii) a legal opinion of special Nevada counsel for the Borrower, in form and substance reasonably satisfactory to the Administrative Agent;

(iii) a legal opinion of special California counsel with respect to Merritt, Hawkins & Associates, in form and substance reasonably satisfactory to the Administrative Agent; and

(iv) a legal opinion of special Texas counsel with respect to The MHA Group, Inc., MHA Allied Consulting, Inc., Med Travelers, Inc. and RN Demand, Inc., in form and substance reasonably satisfactory to the Administrative Agent.

SUBPART 3.5 Officer's Certificate. The Administrative Agent shall have received a certificate or certificates executed by an Executive Officer of the Borrower as of the Fourth Amendment Effective Date, in form and substance reasonably satisfactory to the Administrative Agent, stating that immediately after giving effect to the Amendment, (i) no Default or Event of Default exists, (ii) all representations and warranties contained herein and in the other Credit Documents are true and correct in all material respects as of the Fourth Amendment Effective Date (except for those which expressly relate to an earlier date, in which case, they were true and correct in all material respects as of such earlier date) and (iii) the Credit Parties, on a consolidated basis, are Solvent.

SUBPART 3.6 Fees and Expenses. The Administrative Agent shall have received from the Borrower (i) the aggregate amount of fees and expenses payable to the Administrative Agent and Banc of America Securities LLC in connection with the consummation of the transactions contemplated hereby, (ii) for the account of each Lender approving this Amendment by 5:00 p.m. Eastern Time on May 6, 2009, an amendment fee (as set forth in that certain Engagement Letter dated as of April 15, 2009 by and between the Borrower, Bank of America, N.A. and Banc of America Securities LLC) and on such Lender's Revolving Commitment and/or outstanding Tranche B Loans, as applicable and (iii) all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Amendment, including without limitation the reasonable fees and expenses of Moore & Van Allen PLLC, special counsel to the Administrative Agent.

PART 4
MISCELLANEOUS

SUBPART 4.1 Representations and Warranties. The Borrower hereby represents and warrants to the Administrative Agent and the Lenders that, after giving effect to this Amendment, (a) no Default or Event of Default exists under the Existing Credit Agreement, after giving effect to this Amendment and (b) the representations and warranties set forth in Section 6 of the Existing Credit Agreement are, subject to the limitations set forth therein, true and correct in all material respects as of the date hereof (except for those which expressly relate to an earlier date, in which case, they were true and correct in all material respects as of such earlier date).

SUBPART 4.2 Cross-References. References in this Amendment to any Part or Subpart are, unless otherwise specified, to such Part or Subpart of this Amendment.

SUBPART 4.3 Instrument Pursuant to Existing Credit Agreement. This Amendment is executed pursuant to the Existing Credit Agreement and shall (unless otherwise expressly indicated therein) be construed, administered and applied in accordance with the terms and provisions of the Existing Credit Agreement.

SUBPART 4.4 References in Other Credit Documents. At such time as this Amendment shall become effective pursuant to the terms of Subpart 3.1, all references to the “Credit Agreement” shall be deemed to refer to the Existing Credit Agreement as amended by this Amendment.

SUBPART 4.5 Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of executed counterparts of the Amendment by facsimile or other electronic transmission shall be effective as an original and shall constitute a representation that an original shall be delivered upon the request of the Administrative Agent.

SUBPART 4.6 Governing Law. THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SUBPART 4.7 Acknowledgment. The Guarantors acknowledge and consent to all of the terms and conditions of this Amendment and agree that this Amendment does not operate to reduce or discharge the Guarantors’ obligations under the Existing Credit Agreement as amended by this Amendment or the other Credit Documents. The Guarantors further acknowledge and agree that the Guarantors have no claims, counterclaims, offsets, or defenses to the Credit Documents and the performance of the Guarantors’ obligations thereunder or if the Guarantors did have any such claims, counterclaims, offsets or defenses to the Credit Documents or any transaction related to the Credit Documents, the same are hereby waived, relinquished and released in consideration of the Lenders’ execution and delivery of this Amendment. Each Guarantor also hereby confirms and agrees that notwithstanding the effectiveness of this Amendment, the Collateral Documents to which each of the undersigned is a party and all of the Collateral described therein do, and shall continue to, secure the payment of all of the Credit Party Obligations.

SUBPART 4.8 Binding Effect. This Amendment, the Existing Credit Agreement as amended by this Amendment and the other Credit Documents embody the entire agreement between the parties and supersede all prior agreements and understandings, if any, relating to the subject matter hereof. These Credit Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. Except as expressly modified and amended in this Amendment, all the terms, provisions and conditions of the Credit Documents shall remain unchanged and shall continue in full force and effect.

SUBPART 4.9 Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SUBPART 4.10 General. Except as amended hereby, the Existing Credit Agreement and all other credit documents shall continue in full force and effect.

SUBPART 4.11 Severability. If any provision of this Amendment is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Credit Agreement as of the date first above written.

BORROWER:

AMN HEALTHCARE, INC.

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

PARENT:

AMN HEALTHCARE SERVICES, INC.

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

SUBSIDIARY GUARANTORS:

AMN SERVICES, INC. (formerly known as Worldview Healthcare, Inc.)

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

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

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

INTERNATIONAL HEALTHCARE RECRUITERS, INC.

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

AMN STAFFING SERVICES, INC.

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

THE MHA GROUP, INC.

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

MERRITT, HAWKINS & ASSOCIATES

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

MED TRAVELERS, INC.

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

RN DEMAND, INC.

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

STAFF CARE, INC.

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

MHA ALLIED CONSULTING, INC.

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

MED TRAVELERS, LLC

By: /s/ David Dreyer
Name: David Dreyer
Title: Treasurer

LIFEWORK, INC.

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

PHARMACY CHOICE, INC.

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

RX PRO HEALTH, INC.

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

PLATINUM SELECT HEALTHCARE STAFFING, INC.

By: /s/ David Dreyer
Name: David Dreyer
Title: Chief Financial Officer

[Signatures Continued]

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N. A.,
in its capacity as Administrative Agent

By: /s/ Alysa Trakas
Name: Alysa Trakas
Title: Vice President

LENDERS:

BANK OF AMERICA, N. A.,
in its capacity as Lender, Issuing Lender and Swingline Lender

By: /s/ Alysa Trakas
Name: Alysa Trakas
Title: Vice President

[Signatures Continued]

By: ____________________
Name: ____________________
Title: ____________________

SCHEDULE 2.1(a)

Lenders and Commitments

Lender	Non-Extended Revolving Commitment	Extended Revolving Commitment	Total Revolving Commitment	Revolving Commitment Percentage
BANK OF AMERICA, NA	$ 0	$17,500,000	$ 17,500,000	23.333333334%
BANK OF THE WEST	$ 0	$10,000,000	$ 10,000,000	13.333333333%
GENERAL ELECTRIC CAPITAL CORPORATION	$ 0	$17,500,000	$ 17,500,000	23.333333333%
ING CAPITAL LLC	$ 0	$15,000,000	$ 15,000,000	20.000000000%
UNION BANK, N.A.	$ 0	$15,000,000	$ 15,000,000	20.000000000%
Total:	**$ 0**	**$75,000,000**	**$ 75,000,000**	**100.0000000000%**

EXHIBIT 11.3(b)

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including, without limitation, Letters of Credit and guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1.	Assignor:	______________________________
2.	Assignee:	______________________________ [and is an Affiliate/Approved Fund of _________________]
3.	Borrower:	AMN Healthcare, Inc.
4.	Administrative Agent:	Bank of America, N.A., as the administrative agent under the Credit Agreement (the "Administrative Agent")
5.	Credit Agreement:	The Second Amended and Restated Credit Agreement dated as of November 2, 2005 (as amended, modified, restated or supplemented from time to time) among AMN Healthcare, Inc., the Guarantors party thereto, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent

6. Assigned Interest:

Facility Assigned	**Aggregate Amount of Commitment/Loans for all Lenders**[1]	**Amount of Commitment/Loans Assigned**	**Percentage Assigned of Commitment/ Loans**[2]	**CUSIP Number**
Non-Extended Revolving Commitment	(a)	(c)		
Extended Revolving Commitment	(b)	(d)		
	Box 1	Box 2		
	___________ (a) + (b)	__________ (c) + (d)	__________ Box 2 divided by Box 1 times 100	
Tranche B Loan				

[7. Trade Date: __________][3]

Effective Date: __________ __, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: ________________________________
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: ________________________________
Title:

---

1 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

2 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

3 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Consented to and Accepted:

BANK OF AMERICA, N.A. as Administrative Agent

By: ______________________________
Title:

Consented to:

BANK OF AMERICA, N.A., as Issuing Lender

By: ______________________________
Title:

[AMN HEALTHCARE, INC.

By: ______________________________
Name: ______________________________
Title: ______________________________][4]

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4 So long as no Event of Default has occurred or if the Assignee is not an Eligible Assignee (i), (i) or (ii) thereof.

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Credit Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 7.1 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a not a United States person under Section 7701(a)(30) of the Code, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

Exhibit 31.1

Certification Pursuant To
Rule 13a-14(a) of the Securities Exchange Act of 1934

I, Susan R. Nowakowski, certify that:

1. I have reviewed this report on Form 10-Q of AMN Healthcare Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting;

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 8, 2009

/s/ SUSAN R. NOWAKOWSKI

Name: **Susan R. Nowakowski**
Title: **President and Chief Executive Officer**
(Principal Executive Officer)

Exhibit 31.2

Certification Pursuant To
Rule 13a-14(a) of the Securities Exchange Act of 1934

I, David C. Dreyer, certify that:

1. I have reviewed this report on Form 10-Q of AMN Healthcare Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2009

	/s/ DAVID C. DREYER
Name:	**David C. Dreyer**
Title:	**Chief Accounting Officer, Chief Financial Officer and Treasurer (Principal Accounting and Financial Officer)**

Exhibit 32.1

AMN Healthcare Services, Inc.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of AMN Healthcare Services, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Susan R. Nowakowski, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2009

/s/ SUSAN R. NOWAKOWSKI

Susan R. Nowakowski
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

AMN Healthcare Services, Inc.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of AMN Healthcare Services, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David C. Dreyer, Chief Accounting Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2009

/s/ DAVID C. DREYER

David C. Dreyer
Chief Accounting Officer,
Chief Financial Officer and Treasurer
(Principal Accounting and Financial Officer)