UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported) April 23, 2002

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.)*
12235 El Camino Real, Suite 200 **San Diego, California** *(Address of principal executive offices)*	**92130** *(Zip Code)*

Registrant's Telephone Number, Including Area Code: (858) 792-0711

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On April 23, 2002, AMN Healthcare, Inc., our wholly-owned subsidiary ("AMN"), completed the acquisition of all of the outstanding stock of Healthcare Resource Management Corporation ("HRMC") for $9.3 million in cash. The definitive purchase agreement, dated April 17, 2002, by and among AMN and HRMC's former stockholders (the "Purchase Agreement") is attached as Exhibit 10.1 hereto. The purchase of HRMC further strengthened our multi-brand recruitment strategy and increased our presence in the Eastern and Southern regions of the United States. The assets of HRMC consisted primarily of accounts receivable and goodwill. AMN funded the acquisition from cash generated from our initial public offering in November 2001.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) Financial Statements of Businesses Acquired: The consolidated balance sheets of Healthcare Resource Management Corporation (HRMC) as of December 31, 2000 and 2001 and March 31, 2002 (unaudited), consolidated statements of income for each of the years in the two-year period ended December 31, 2001 and for the three months ended March 31, 2001 (unaudited) and March 31, 2002 (unaudited), consolidated statements of stockholders' equity for each of the years in the two-year period ended December 31, 2001 and for the three months ended March 31, 2002, consolidated statements of cash flows for each of the years in the two-year period ended December 31, 2001 and for the three months ended March 31, 2001 (unaudited) and March 31, 2002 (unaudited), and the notes related thereto, and the Report of Independent Auditors thereon, are attached hereto as Exhibit 99.1.

(b) Pro Forma Financial Information: The unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2001 gives effect to each of the acquisition of O'Grady-Peyton International (USA), Inc. (O'Grady-Peyton), which we acquired on May 1, 2001, the acquisition of HRMC, our initial public offering in November 2001 and the proposed and recently announced underwritten secondary offering by certain selling stockholders, as if these events had occurred on January 1, 2001. The unaudited pro forma condensed consolidated statement of operations for the three months ended March 31, 2002 gives effect to the acquisition of HRMC, our initial public offering in November 2001 and the proposed common stock offering by certain selling stockholders, as if these events had occurred on January 1, 2001. The unaudited pro forma condensed consolidated balance sheet as of March 31, 2002 gives effect to the acquisition of HRMC and the proposed common stock offering by certain selling stockholders as of such date. These unaudited pro forma statements and the notes related thereto are attached hereto as Exhibit 99.2 hereto.

(c) Exhibits

Exhibit	Description
10.1	Stock Purchase Agreement, dated as of April 17, 2002, by and among AMN Healthcare, Inc., Sandra Gilbert, Robert Gilbert, Jr., Suzette Marek, Robert Gilbert III and Benjamin Gilbert.**
23.1	Consent of KPMG LLP with respect to Healthcare Resource Management Corporation.*
99.1	The consolidated balance sheets of Healthcare Resource Management Corporation (HRMC) as of December 31, 2000 and 2001 and March 31, 2002 (unaudited), consolidated statements of income for each of the years in the two-year period ended December 31, 2001 and for the three months ended March 31, 2001 (unaudited) and March 31, 2002 (unaudited), consolidated statements of stockholders' equity for each of the years in the two-year period ended December 31, 2001 and for the three months ended March 31, 2002, consolidated statements of cash flows for each of the years in the two-year period ended December 31, 2001 and for the three months ended March 31, 2001 (unaudited) and March 31, 2002 (unaudited), and the notes related thereto, and the Report of Independent Auditors thereon.*
99.2	The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2001 and for the three months ended March 31, 2002 and the unaudited pro forma condensed consolidated balance sheet as of March 31, 2002.*

* Filed herewith.

** Incorporated by reference to Exhibit 10.46 filed with the Registrant's Registration Statement on Form S-1 (File No. 333-86952).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: May 2, 2002

AMN HEALTHCARE SERVICES, INC

/s/ DONALD MYLL

Name: Donald Myll
Title: Chief Accounting Officer and Chief Financial Officer

EXHIBIT INDEX

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* Filed herewith.

** Incorporated by reference to Exhibit 10.46 filed with the Registrant's Registration Statement on Form S-1 (File No. 333-86952).

EXHIBIT 23.1

Independent Auditors' Consent

The Board of Directors
Healthcare Resource Management Corporation:

We consent to the use of our report dated April 5, 2002, except as to Note 7, which is as of April 23, 2002, included herein.

/s/ KPMG LLP
Charlotte, North Carolina
May 1, 2002

EXHIBIT 99.1

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Healthcare Resource Management Corporation:

We have audited the accompanying balance sheets of Healthcare Resource Management Corporation, (the Company), as of December 31, 2000 and 2001, and the related statements of income, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Healthcare Resource Management Corporation as of December 31, 2000 and 2001, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

Charlotte, North Carolina
April 5, 2002, except as to
Note 7, which is
as of April 23, 2002

HEALTHCARE RESOURCE MANAGEMENT CORPORATION

BALANCE SHEETS

	AS OF DECEMBER 31, 2000	AS OF DECEMBER 31, 2001	AS OF MARCH 31, 2002 (UNAUDITED)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 105,573	$ 305,282	$ 317,372
Accounts receivable	1,201,568	1,577,323	1,628,660
Receivables from officer	21,577	6,047	203
Other receivables	--	3,830	30,188
Refundable deposits	32,844	43,092	44,657
Prepaid expenses	17,074	109,904	145,641
Total current assets	1,378,636	2,045,478	2,166,721
Fixed assets, net of accumulated depreciation	104,504	111,857	129,054
Cash surrender value of life insurance	42,488	53,544	55,128
Other assets	86,308	64,435	64,247
Total assets	$1,611,936	$2,275,314	$2,415,150
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	$ 85,427	$ 95,546	$ 52,714
Accrued expenses	168,498	357,247	346,108
Secured borrowing	936,870	1,176,937	1,113,836
Current portion of note payable	9,018	7,191	7,976
Total current liabilities	1,199,813	1,636,921	1,520,634
Note payable, less current portion	14,823	7,632	5,049
Total liabilities	1,214,636	1,644,553	1,525,683
STOCKHOLDERS' EQUITY:			
Common stock, $1 par value. Authorized 100,000 shares; issued and outstanding 1,610 shares at December 31, 2000 and 2001 and March 31, 2002 (unaudited)	1,610	1,610	1,610
Additional paid-in capital	23,000	23,000	23,000
Retained earnings	372,690	606,151	864,857
Total stockholders' equity	397,300	630,761	889,467
Commitments and contingencies			
Total liabilities and stockholders' equity	$1,611,936	$2,275,314	$2,415,150

See accompanying notes to financial statements.

HEALTHCARE RESOURCE MANAGEMENT CORPORATION

STATEMENTS OF INCOME

	YEAR ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31, (UNAUDITED)	
	2000	2001	2001	2002
Revenue	$9,423,426	$13,061,645	$3,156,819	$3,764,420
Cost of revenue	7,073,573	9,569,838	2,289,579	2,743,789
Gross profit	2,349,853	3,491,807	867,240	1,020,631
Expenses:				
Selling, general, and administrative	1,599,675	2,012,587	451,701	595,505
Depreciation and amortization	40,004	37,784	9,727	10,554
Total expenses	1,639,679	2,050,371	461,428	606,059
Income from operations	710,174	1,441,436	405,812	414,572
Interest expense, net	206,070	257,459	63,456	59,062
Income before income taxes	504,104	1,183,977	342,356	355,510
State income taxes	1,740	7,056	7,056	13,084
Net income	$ 502,364	$ 1,176,921	$ 335,300	$ 342,426

See accompanying notes to financial statements.

HEALTHCARE RESOURCE MANAGEMENT CORPORATION

STATEMENTS OF STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2000 AND 2001 AND THREE MONTHS ENDED MARCH 31, 2002
(UNAUDITED)

	COMMON STOCK		ADDITIONAL		
	SHARES	AMOUNT	PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL
Balances, December 31, 1999	1,610	$1,610	$23,000	$ 328,228	$ 352,838
Net income	--	--	--	502,364	502,364
Dividends ($284 per share)	--	--	--	(457,902)	(457,902)
Balances, December 31, 2000	1,610	1,610	23,000	372,690	397,300
Net income	--	--	--	1,176,921	1,176,921
Dividends ($586 per share)	--	--	--	(943,460)	(943,460)
Balances, December 31, 2001	1,610	1,610	23,000	606,151	630,761
Net income (unaudited)	--	--	--	342,426	342,426
Dividends ($52 per share) (unaudited)	--	--	--	(83,720)	(83,720)
Balances, March 31, 2002 (unaudited)	1,610	$1,610	$23,000	$ 864,857	$ 889,467

See accompanying notes to financial statements

HEALTHCARE RESOURCE MANAGEMENT CORPORATION

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2000 AND 2001 AND THE THREE MONTHS ENDED MARCH 31, 2001 (UNAUDITED) AND MARCH 31, 2002 (UNAUDITED)

	YEAR ENDED DECEMBER 31,		THREE MONTHS ENDED MARCH 31,	
	2000	2001	2001	2002
			(UNAUDITED)	
Cash flows from operating activities:				
Net income	$ 502,364	$1,176,921	$ 335,300	$ 342,426
Adjustments to reconcile net income to net cash provided by:				
Operating activities:				
Depreciation and amortization	40,004	37,784	9,727	10,554
Gain on sale of fixed assets and investments	(25,362)	(32,368)	(38,877)	--
Changes in assets and liabilities:				
Accounts receivable	(358,059)	(354,178)	(130,015)	(51,337)
Receivables from officers	35,759	(6,047)	8,964	5,844
Other receivables	--	(3,830)	(13,160)	(26,358)
Refundable deposits	(16,961)	(10,248)	(7,117)	(1,565)
Prepaid expenses	(10,155)	(92,830)	(90,749)	(35,737)
Cash surrender value of life insurance	(5,476)	(11,056)	(1,583)	(1,584)
Other assets	(12,370)	21,119	189	188
Accounts payable	42,066	10,119	(8,658)	(42,832)
Accrued expenses	85,612	188,749	32,505	(11,139)
Net cash provided by operating activities	277,422	924,135	96,526	188,460
Cash flows from investing activities:				
Purchase of fixed assets	(26,731)	(44,383)	(8,081)	(27,751)
Cash proceeds on sale of fixed assets and investments	77,474	32,368	50,158	--
Net cash provided by (used in) investing activities	50,743	(12,015)	42,077	(27,751)
Cash flows from financing activities:				
Dividend payments	(457,902)	(943,460)	(141,680)	(83,720)
Net cash receipts on secured borrowing	236,188	240,067	63,688	(63,101)
Payments on notes payable	(29,436)	(9,018)	(1,198)	(1,798)
Net cash used in financing activities	(251,150)	(712,411)	(79,190)	(148,619)
Net increase (decrease) in cash and cash equivalents	77,015	199,709	59,413	12,090
Cash and cash equivalents at beginning of period	28,558	105,573	105,573	305,282
Cash and cash equivalents at end of period	$ 105,573	$ 305,282	$ 164,986	317,372
Supplemental disclosures of cash flow information:				
Cash paid for interest	$ 206,425	$ 267,244	$ 64,255	$ 60,550
Cash paid for taxes	$ 1,740	$ 7,056	$ 7,056	$ 13,084

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General

Healthcare Resource Management Corporation (the Company) recruits nurses and places them on temporary assignments at hospitals and other healthcare facilities throughout the United States.

The accompanying consolidated interim financial statements (including notes to financial statements) of the Company as of March 31, 2002 and for the three months ended March 31, 2001 and 2002, are unaudited. In the opinion of management, the accompanying unaudited consolidated interim financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position of the Company at March 31, 2002, and the results of its operations and its cash flows for the three months ended March 31, 2001 and 2002.

(b) Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. At December 31, 2000 and 2001, and March 31, 2002, the Company had money market accounts of $100,350, $279,463 and $210,951 (unaudited), respectively, included in cash and cash equivalents.

(c) Fixed Assets

Furniture and fixtures, equipment, and automobiles are stated at cost. Additions and improvements are capitalized, and maintenance and repairs are expensed when incurred. Depreciation on furniture and fixtures, equipment, and automobiles is calculated using the straight-line method based on the estimated useful lives of the related assets as follows: furniture and fixtures (7 years); equipment (3 to 7 years); and automobiles (5 years).

(d) Concentration of Credit Risk

The majority of the Company's business activity is with hospitals located throughout the United States. Credit is extended based on the evaluation of each entity's financial condition and credit worthiness.

(e) Revenue Recognition

Revenue is recognized in the period in which services are provided.

(f) Advertising Expenses

Advertising costs of $364,211 and $420,500 for the years ended December 31, 2000 and 2001, respectively, and $109,406 (unaudited) and $141,934 (unaudited) for the three months ended March 31, 2001 and 2002, respectively, are expensed as incurred and are included in selling, general, and administrative expenses in the accompanying financial statements.

(g) Impairment of Long-Lived Assets

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

(h) Income Taxes

The Company has elected to file its federal income tax returns under the S Corporation provisions of the Internal Revenue Code and was granted S Corporation status for North Carolina state tax purposes. In accordance with the federal provisions, corporate earnings flow through and are taxed solely at the shareholder level. Under the provisions of the franchise tax laws in certain states the Company conducts business, S Corporation earnings are assessed a surtax at the corporate level and flow through to the shareholders to be taxed at the individual level. Accordingly, income tax expense for the years ended December 31, 2000 and 2001 aggregated $1,740 and $7,056, respectively.

(i) Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, receivables from officers, other receivables, accounts payable, accrued expenses, secured borrowing and note payable approximates their respective fair values due to the short-term nature and liquidity of these financial instruments.

(j) Derivative Instruments

The Company adopted Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS 133) on January 1, 2001. SFAS 133 requires that all derivative instruments be recorded on the balance sheet at fair value. The Company does not have any derivative instruments to be accounted for under SFAS 133.

(k) New Accounting Pronouncements

In July 2001, the FASB issued SFAS No. 141, Business Combinations, and SFAS No. 142, Goodwill and Other Intangible Assets. SFAS No. 141 requires the use of the purchase method for all business combinations initiated after June 30, 2001 and provides guidance on purchase accounting related to the recognition of intangible assets and accounting for negative goodwill. SFAS No. 142 changes the accounting for goodwill from an amortization method to an impairment-only approach. Under SFAS No. 142, goodwill will be tested annually and whenever events or circumstances occur indicating that goodwill might be impaired. The Company adopted the provisions of SFAS No. 142 as of January 1, 2002. The adoption of SFAS No. 142 did not have a material impact on the Company's financial statements.

In August 2001, the FASB issued SFAS No. 144, Accounting for the Impairment of Disposal of Long-Lived Assets (SFAS No. 144). SFAS No. 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This Statement requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. SFAS No. 144 requires companies to separately report discontinued operations and extends that reporting to a component of an entity that either has been disposed of (by sale, abandonment, or in a distribution to owners) or is classified as held for sale. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. The Company adopted SFAS No. 144 on January 1, 2002. The adoption of SFAS No. 144 will not have a material impact on the Company's financial statements.

(l) Sale of Accounts Receivable

On January 5, 1999, the Company entered into an agreement to sell, on an ongoing basis with full recourse, its trade accounts receivable. The Company is responsible for repurchasing any receivables at fair value which have not been collected 60 days from the date of the invoice. The buyer is responsible for servicing the receivables. The agreement may be terminated by either party with 90 days notice prior to the end of the term of the agreement or terminated at any other time upon mutual agreement of the parties. Upon termination, the Company is required to repurchase all outstanding receivables and pay certain termination fees. During 2000, the receivables were purchased by the buyer net of a 1.45% non-refundable administrative fee. This fee was decreased to 1.25% in 2001 until October 12, 2001 when the fee was further reduced to .9%. Additionally, the Company is required to pay the purchaser certain finance charge fees based upon the age of outstanding receivables. The Company has accounted for the cash proceeds received from the transfer as a secured borrowing in accordance with SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". The secured borrowing is $936,870, $1,176,937, and $1,113,837 (unaudited) at December 31, 2000 and 2001, and March 31, 2002, respectively. The Company incurred fees on these secured borrowings of $203,608 and $265,984 for the years ended December 31, 2000 and 2001, respectively, and $63,981 (unaudited) and $60,163 (unaudited) for the three months ended March 31, 2001 and 2002, respectively, which are included in interest expense in the accompanying financial statements.

(m) Use of Estimates

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

(n) Reclassifications

Certain amounts in the prior periods financial statements have been reclassified to conform to the current period presentation.

(2) FIXED ASSETS, NET

Fixed assets, net is comprised of the following at December 31, 2000 and 2001:

	2000	2001
Furniture and fixtures	$ 42,914	$ 54,389
Equipment	111,541	144,448
Automobiles	69,464	69,464
	223,919	268,301
Less accumulated depreciation	(119,415)	(156,444)
	$ 104,504	$ 111,857

(3) NOTE PAYABLE

Note payable consists of a five year note on an automobile purchase with monthly payments of $728 through 2004. This note payable is collateralized by an automobile and has a 8.25% interest rate.

(4) RELATED PARTY TRANSACTIONS

At December 31, 2001 and March 31, 2002, the Company had $6,047 and $203 (unaudited), respectively, due from officers. There were no receivables due from officers at December 31, 2000.

For the years ended December 31, 2000 and 2001, and the three months ended March 31, 2001 and 2002, the Company's shareholders received dividend distributions of $457,902, $943,460, $141,680 (unaudited) and $83,720 (unaudited), respectively, principally related to the payments of the shareholders' personal taxes on the Company's earnings. Additionally, the Company paid its directors, who are also shareholders, director fees of $12,000, $15,000, $15,000 (unaudited) and $0 (unaudited) for the years ended December 31, 2000 and 2001, and the three months ended March 31, 2001 and 2002 respectively.

(5) LEASES

The Company leases certain office facilities and equipment under various operating leases that expire over the next three years. Future minimum lease payments under noncancelable operating leases (with initial or remaining lease terms in excess of one year) as of December 31, 2001 are as follows:

Years ending December 31:	
2002	$144,848
2003	148,837
2004	77,669
Total minimum lease payments	$371,354

Rent expense was $106,546 and $127,194 for the years ended December 31, 2000 and 2001, respectively.

Additionally, the Company leases apartments for nurses on temporary assignments under short-term lease agreements. These lease commitments are not included in the above future minimum lease payments due to their short noncancellable term. The Company is required to pay an up-front deposit on these apartments, which is classified as refundable deposits in the accompanying financial statements.

(6) EMPLOYEE BENEFIT PLANS

The Company sponsors a 401(k) defined contribution plan for its full-time employees. The Company, at its discretion, matches 25% of the first 6% contributed by each employee. The Company contributed $24,369 and $32,669 to the 401(k) plan for the years ended December 31, 2000 and 2001, respectively.

(7) SUBSEQUENT EVENT

On April 23, 2002, the Company was acquired by AMN Healthcare, Inc.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

We acquired O'Grady-Peyton International (USA), Inc., and Healthcare Resource Management Corporation (HRMC) on May 1, 2001 and April 23, 2002, respectively. O'Grady-Peyton's results of operations for the eight months ended December 31, 2001 are included in our condensed consolidated statement of operations for the year ended December 31, 2001. The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2001 give effect to each of the acquisitions of O'Grady-Peyton and HRMC, our initial public offering in November 2001 and the proposed and recently announced underwritten secondary offering by certain selling stockholders, as if these events had occurred on January 1, 2001. The unaudited pro forma condensed consolidated statement of operations for the three months ended March 31, 2002 gives effect to the acquisition of HRMC and the proposed common stock offering by certain selling stockholders, as well as our initial public offering in November 2001, as if these events had occurred on January 1, 2001. The unaudited pro forma condensed consolidated balance sheet as of March 31, 2002 gives effect to the acquisition of HRMC and the proposed common stock offering by certain selling stockholders as of such date.

This pro forma financial information does not purport to represent what our actual results of operations or financial position would have been had the acquisitions or the other transactions occurred on the dates indicated or for any future period or date. The pro forma adjustments give effect to available information and assumptions that we believe are reasonable. You should read our pro forma condensed consolidated financial information in conjunction with our financial statements and the related notes, as well as "Selected Consolidated Financial and Operating Data," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing in our Annual Report on Form 10-K for the year ended December 31, 2001, and our consolidated unaudited financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2002.

AMN HEALTHCARE SERVICES, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2001
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	HISTORICAL (1)				
	AMN	O'GRADY-PEYTON	HRMC	PRO FORMA ADJUSTMENTS	PRO FORMA
Revenue	$517,794	$10,582	$13,062	$ --	$541,438
Cost of revenue	388,284	7,373	9,570	--	405,227
Gross profit	129,510	3,209	3,492	--	136,211
Expenses:					
Selling, general, and administrative (excluding non-cash stock-based compensation)	71,483	1,818	2,013	--	75,314
Non-cash stock-based compensation	31,881	--	--	--	31,881
Amortization	5,562	--	--	638(2)	6,200
Depreciation	2,151	25	38	--	2,214
Transaction costs	1,955	--	--	--	1,955
Total expenses	113,032	1,843	2,051	638	117,564
Income from operations	16,478	1,366	1,441	(638)	18,647
Interest expense, net	13,933	43	257	(13,864)(3)	369
Income before income tax expense (benefit) and extraordinary item	2,545	1,323	1,184	13,226	18,278
Income tax expense (benefit)	1,476	539	7	8,579(4)	10,601
Income before extraordinary item	$ 1,069	$ 784	$ 1,177	$ 4,647	$ 7,677
Net income per common share					
Basic					$ 0.18
Diluted					$ 0.17
Weighted average common shares					
Basic					42,638(5)
Diluted					46,211(6)

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

AMN HEALTHCARE SERVICES, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2001

(1) The historical results of operations of AMN includes the results of O'Grady-Peyton commencing May 1, 2001, its date of acquisition by AMN. The historical results of operations of O'Grady-Peyton reflect its results from January 1, 2001 through April 30, 2001. The historical results of operations of HRMC reflect its results for the year ended December 31, 2001.

(2) The pro forma amortization expense gives effect to additional goodwill amortization of $278,000 and $293,000 in connection with the O'Grady-Peyton and HRMC acquisitions, respectively. It also gives effect to additional non-compete amortization of $17,000 and $50,000 for O'Grady-Peyton and HRMC, respectively.

(3) The pro forma interest expense, net gives effect to the reduction of interest expense in the amount of $13,864,000 related to the repayment of all of the outstanding debt with the proceeds from our initial public offering.

(4) The pro forma income tax expense gives effect to the additional tax expense, calculated at our effective tax rate of approximately 58%, related to the pro forma adjustments described above and pre-tax income of O'Grady-Peyton and HRMC.

(5) Pro forma basic weighted average shares gives effect to the shares issued in our initial public offering, the shares issued upon exercise of warrants at the time of our initial public offering, and shares issued upon the exercise of outstanding options by certain selling stockholders in conjunction with the proposed common stock offering.

(6) Pro forma diluted weighted average shares gives effect to the stock options outstanding under the 1999 and 2001 stock option plans and options exercised by certain selling stockholders in conjunction with the proposed common stock offering.

AMN HEALTHCARE SERVICES, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2002
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	HISTORICAL (1)			
	AMN	HRMC	PRO FORMA ADJUSTMENTS	PRO FORMA
Revenue	$173,956	$3,764	$ --	$177,720
Cost of revenue	131,753	2,744	--	134,497
Gross profit	42,203	1,020	--	43,223
Expenses:				
Selling, general, and administrative (excluding non-cash stock-based compensation)	22,725	595	--	23,320
Non-cash stock-based compensation	218	--	--	218
Amortization	82	--	13(2)	95
Depreciation	691	11	--	702
Total expenses	23,716	606	13	24,335
Income from operations	18,487	414	(13)	18,888
Interest (income) expense, net	(142)	59	(60)(3)	(143)
Income before income tax expense	18,629	355	47	19,031
Income tax expense	7,452	13	148(4)	7,613
Net income	$ 11,177	$ 342	$ (101)	$ 11,418
Net income per common share				
Basic				$ 0.27
Diluted				$ 0.24
Weighted average common shares				
Basic				42,638(5)
Diluted				47,053(6)

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

AMN HEALTHCARE SERVICES, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2002

(1) The historical results of operations of HRMC reflect its results for the three months ended March 31, 2002.

(2) The pro forma amortization expense gives effect to additional non-compete amortization of $13,000 in connection with the HRMC acquisition.

(3) The pro forma interest expense, net gives effect to the reduction of interest expense in the amount of $60,000 related to the repayment of all of the outstanding debt of HRMC at the time of its acquisition by AMN as required pursuant to the purchase agreement.

(4) The pro forma income tax expense gives effect to the additional tax expense, calculated at AMN's effective tax rate of approximately 40%, related to the pro forma adjustments described above and pre-tax income of HRMC.

(5) Pro forma basic weighted average shares gives effect to the shares issued in our initial public offering, the shares issued upon exercise of warrants at the time of our initial public offering, and shares issued upon the exercise of outstanding options by certain selling stockholders in conjunction with the proposed common stock offering.

(6) Pro forma diluted weighted average shares gives effect to the stock options outstanding under the 1999 and 2001 stock option plans and options exercised by certain selling stockholders in conjunction with the proposed common stock offering.

AMN HEALTHCARE SERVICES, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2002
(IN THOUSANDS)

	HISTORICAL		PRO FORMA	PRO
	AMN	HRMC	ADJUSTMENTS	FORMA
ASSETS				
Current assets:				
Cash and cash equivalents	$ 25,288	$ 317	$(9,232)(1)	$ 16,373
Short-term held-to-maturity investments	12,166	--	--	12,166
Accounts receivable, net	125,517	1,629	--	127,146
Prepaid expenses	8,493	146	--	8,639
Other current assets	2,327	75	--	2,402
Total current assets	173,791	2,167	(9,232)	166,726
Fixed assets, net	7,996	129	--	8,125
Deferred income taxes, net	19,385	--	--	19,385
Deposits and other assets	306	119	--	425
Goodwill, net	127,752	--	7,297(2)	135,049
Other intangibles, net	1,391	--	200(3)	1,591
Total assets	$330,621	$2,415	$(1,735)	$331,301
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Bank overdraft	$ 3,069	$ --	$ --	$ 3,069
Accounts payable and accrued expenses	7,373	53	--	7,426
Accrued compensation and benefits	28,632	346	--	28,978
Income taxes payable	2,473	--	--	2,473
Current portion of notes payable	--	1,122	(1,122)(4)	--
Other current liabilities	4,229	--	--	4,229
Total current liabilities	45,776	1,521	(1,122)	46,175
Notes payable, less current portion	--	5	(5)(4)	--
Other long-term liabilities	1,608	--	--	1,608
Total liabilities	47,384	1,526	(1,127)	47,783
Stockholders' equity:				
Common stock	423	1	2(5)	426
Additional paid-in capital	345,976	23	255(5)	346,254
Accumulated deficit	(63,162)	865	(865)(5)	(63,162)
Total stockholders' equity	283,237	889	(608)	283,518
Commitments and contingencies				
Total liabilities and stockholders' equity	$330,621	$2,415	$(1,735)	$331,301

See accompanying notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet.

AMN HEALTHCARE SERVICES, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
BALANCE SHEET
AS OF MARCH 31, 2002

(1) The pro forma adjustment gives effect to the cash used to acquire HRMC of $9,513,000, estimated expenses associated with the proposed common stock offering of $1,285,000, and proceeds from the exercise of options by certain selling stockholders in conjunction with the proposed common stock offering of $1,566,000.

(2) The pro forma adjustment gives effect to goodwill recorded in connection with the acquisition of HRMC.

(3) The pro forma adjustment gives effect to the recording of the non-compete agreement in connection with the HRMC acquisition in the amount of $200,000.

(4) The pro forma adjustment gives effect to the repayment of all of the outstanding debt of HRMC at the time of its acquisition by AMN.

(5) The pro forma adjustment gives effect to AMN's acquisition of HRMC, the capitalization of the estimated costs associated with the proposed common stock offering and the impact of options exercised in conjunction with the proposed common stock offering.