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

# SCHEDULE 13D

**Under the Securities Exchange Act of 1934**
**(Amendment No. 2)**

**AMN Healthcare Services, Inc.**

**(Name of Issuer)**

**Common Stock, par value $0.01 per share**

**(Title of Class of Securities)**

**001744101**

**(CUSIP Number)**

**Steven C. Francis**
**c/o AMN Healthcare Services, Inc.**
**12400 High Bluff Drive, Suite 100**
**San Diego, California 92130**
**Tel. No.: (858) 720-1613**

**(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)**

**June 8, 2006**

**(Date of Event which Requires Filing of this Statement)**

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box ☐.

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only).

Steven C. Francis

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions).
(a) ☐
(b) ☒

3 SEC USE ONLY

4 SOURCE OF FUNDS

PF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

| | | |
|---|---|---|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER<br>2,501,649<br>(Includes options to purchase 2,501,549 shares of Common Stock) |
| | 8 | SHARED VOTING POWER<br>216,822 |
| | 9 | SOLE DISPOSITIVE POWER<br>2,501,649<br>(Includes options to purchase 2,501,549 shares of Common Stock) |
| | 10 | SHARED DISPOSITIVE POWER<br>216,822 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,718,471

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ☐

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.65

14 TYPE OF REPORTING PERSON

IN

1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only).

The Francis Family Trust, dated May 24, 1996, as amended

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions).
(a) ☐
(b) ☒

3 SEC USE ONLY

4 SOURCE OF FUNDS

PF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) ☐

6 CITIZENSHIP OR PLACE OF ORGANIZATION

California

| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | |
|---|---|
| | 7 SOLE VOTING POWER |
| | 8 SHARED VOTING POWER<br>214,422 |
| | 9 SOLE DISPOSITIVE POWER |
| | 10 SHARED DISPOSITIVE POWER<br>214,422 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

214,422

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ☐

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

.7%

14 TYPE OF REPORTING PERSON

OO

**Explanatory Note:**

The Reporting Persons (as defined below) filed a Schedule 13D on November 3, 2003, with the Securities and Exchange Commission reporting beneficial ownership of some of the shares of common stock, par value $0.01 per share (the "Common Stock"), reported as being beneficially owned. On November 19, 2004, the Reporting Persons filed Amendment No. 1 to Schedule 13D ("Amendment No. 1"). This Statement on Amendment No. 2 to the Schedule 13D ("Amendment No. 2") is filed to reflect options to purchase a total of 486,621 shares of Common Stock held by the Reporting Person which have become exercisable since the filing of Amendment No. 1, and to reflect a total of 714,900 options granted to the Reporting Person pursuant to the Company's various stock option plans which have been exercised by the Reporting Person since the filing of Amendment No. 1 The aggregate change in ownership of the outstanding Common Stock has decreased by more than 1%, thus triggering the filing of this Statement on Amendment No. 2 to the Schedule 13D.

**Item 1. Security and Issuer.**

This Statement on Amendment No. 2 to Schedule 13D relates to shares of Common Stock of AMN Healthcare Services, Inc., a Delaware corporation (the "Company"). The address of the principal executive offices of the Company is 12400 High Bluff Drive, Suite 100, San Diego, California 92130.

**Item 2. Identity and Background.**

(a) This Statement on Amendment No. 2 to Schedule 13D is being filed by Steven C. Francis ("Mr. Francis") and The Francis Family Trust dated May 24, 1996, as amended, a California trust (the "Trust" and collectively, the "Reporting Persons").

(b) – (c)

STEVEN C. FRANCIS

Mr. Francis is the Executive Chairman of the Company. The business address of Mr. Francis is 12400 High Bluff Drive, Suite 100, San Diego, California 92130.

THE FRANCIS FAMILY TRUST

The Trust is a revocable trust established under the laws of California, the principal business of which is to hold property on behalf of the beneficiaries. The principal address of the Trust is P.O. Box 675770, Rancho Santa Fe, California 92067. Pursuant to Instruction C to Schedule 13D of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the name, residence or business address, and present principal occupation or employment of each Trustee of the Trust is set forth below:

| NAME | BUSINESS ADDRESS | PRINCIPAL OCCUPATION OR EMPLOYMENT |
|---|---|---|
| Steven C. Francis | 12400 High Bluff Drive, Suite 100 San Diego, California 92130 | Executive Chairman of AMN Healthcare Services, Inc. |
| Gayle A. Francis | P.O. Box 675770<br>Rancho Santa Fe, California 92067 | Entrepreneur |

(d) None of the entities or persons identified in this Item 2 has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the entities or person identified in this Item 2 has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) All of the natural persons identified in this Item 2 are citizens of the United States of America.

**Item 3. Source and Amount of Funds or Other Consideration.**

Mr. Francis is a co-founder of the Company's predecessor company. On November 16, 2001, the Company completed an initial public offering of its Common Stock (the "Initial Public Offering"). Except with respect to an aggregate of 2,400 shares of Common Stock purchased in the Initial Public Offering with personal funds (for an aggregate purchase price of $40,800) and 100 shares of Common Stock purchased in the open market on November 14, 2001 with personal funds (for an aggregate purchase price of $2,100), Mr. Francis acquired the Common Stock as a founder of the predecessor company. In addition, in his capacity as an executive officer of the Company, Mr. Francis has been granted options to purchase a total of 3,466,449 shares of Common Stock, 2,501,549 of which are currently exercisable. Mr. Francis has also been granted 5,555 restricted stock units and 4,445 stock appreciation rights, none of which are currently vested.

**Item 4. Purpose of Transaction.**

The Reporting Persons acquired the securities described herein (i) in connection with the founding of the Company, (ii) for investment purposes and (iii) in the case of the options, restricted stock units and stock appreciation rights, as compensation.

Neither the Trust nor Mr. Francis, in his individual capacity, have any present plans or proposals that relate to or that would result in:

(a) The acquisition by any person of additional securities of the issuer (other than shares of Common Stock to be acquired upon the exercise of outstanding options, or

the vesting of restricted stock units and stock appreciation rights, or the disposition of securities of the Company, except for a Rule 10b5-1 Plan which Mr. Francis has pertaining to employee stock options.

(b) An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries;

(c) A sale or transfer of a material amount of assets of the Company or any of its subsidiaries;

(d) Any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;

(e) Any material change in the present capitalization or dividend policy of the Company;

(f) Any other material change in the Company's business or corporate structure;

(g) Changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person;

(h) Causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;

(i) A class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or

(j) Any action similar to any of those enumerated above.

Notwithstanding the above, Mr. Francis may, in his capacity as an executive officer of the Company, have plans or proposals relating to items (a) through (j) above and, to

such extent, Mr. Francis declines to indicate such plans or proposals, and disclaims any obligation to update such disclosure, except to the extent they derive from his status as a stockholder instead of an executive officer. In addition, Mr. Francis may, at any time and from time to time, and reserves the right to, acquire additional securities of the Company, dispose of any such securities of the Company or formulate plans or proposals regarding the Company or its securities, to the extent deemed advisable by Mr. Francis in light of market conditions or other factors.

**Item 5. Interest in Securities of the Issuer.**

(a) As of the date hereof, Mr. Francis may be deemed to beneficially own an aggregate of 2,718,471 shares of Common Stock (which includes 214,422 shares of Common Stock held as a Trustee of the Trust, an aggregate of 100 shares of Common Stock held directly by Mr. Francis, an aggregate of 2,400 shares of Common Stock held as custodian for his son and daughter and 2,501,549 shares of Common Stock subject to options exercisable within 60 days of June 12, 2006) which, based on calculations made in accordance with Rule 13d-3(d) of the Exchange Act and there being 31,427,079 shares of Common Stock outstanding as of June 12, 2006 represents approximately 8.65% of the outstanding shares of Common Stock.

The Trust may be deemed to beneficially own 214,422 shares of Common Stock which, based on calculations made in accordance with Rule 13d-3(d) and there being 31,427,079 shares of Common Stock outstanding as of June 12, 2006 represents approximately 0.70% of the outstanding shares of Common Stock.

(b) Mr. Francis may be deemed to have sole power to direct the vote and the sole power to direct the disposition of the 2,501,549 shares of Common Stock beneficially owned directly by him; Mr. Francis together with his wife, Gayle A. Francis, as Trustees of the Trust, may be deemed to have shared power to direct the vote and the shared power to direct the disposition of the 214,422 shares of Common Stock owned directly by the Trust; and Mr. Francis, together with his wife, Gayle A. Francis, may be deemed to have shared power to direct the vote and the shared power to direct the disposition of the 2,400 aggregate shares of Common Stock held as custodian for his son and daughter.

(c) Except as set forth herein, to the knowledge of the Reporting Persons with respect to the persons named in response to paragraph (a), none of the persons named in response to paragraph (a) has effected any transactions in shares of Common Stock during the past 60 days.

(d) Other than with respect to the 2,400 aggregate shares of Common Stock held as custodian by Mr. Francis for his son and daughter and as to which Mr. Francis' son and daughter have the right to receive dividends from, or proceeds from the sale of the shares of Common Stock, no person other than the persons listed is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, any securities owned by any member of the group.

(e) Not Applicable.

**Item 6. Contracts, Arrangements, Understandings or Relationship with Respect to Securities of the Issuer.**

On November 16, 2001, the Company completed the Initial Public Offering. In connection with the Initial Public Offering, and simultaneously with the consummation thereof, the Company, Mr. Francis, the Trust and certain other stockholders entered into a registration rights agreement (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, Mr. Francis and the Trust are entitled to "piggy-back" registration rights pursuant to which they have a right to participate in registrations initiated by the Company or certain other stockholders of the Company.

On April 18, 2005, the Company, Mr. Francis, the Trust and certain other stockholders entered into Amendment No. 1 to the Registration Rights Agreement dated November 16, 2001 ("Amendment No. 1"). Pursuant to Amendment No. 1, Mr. Francis and the Trust are entitled to two demand registration rights, exercisable for firm commitment underwritten offerings at any time after the earlier of March 31, 2006 or the date on which certain other stockholders beneficially own an amount of registrable securities equal to or less than 4,931,303 shares of common stock (subject to certain adjustments). Amendment No. 1 also provides Mr. Francis and the Trust with unlimited registration rights on Form S-3, exercisable after the date on which certain other stockholders own an amount of registrable securities equal to or less than 2,000,000 shares of common stock (subject to certain adjustments) and granted certain other stockholders piggyback rights with respect to the demand registration rights of Mr. Francis and the Trust.

On November 2, 2005, the Company, Mr. Francis, the Trust and certain other stockholders entered into an Amended and Restated Registration Rights Agreement ("Amendment No. 2"). Pursuant to Amendment No. 2, subject to several exceptions, including the Company's right to defer a demand registration under certain circumstances, Mr. Francis and the Trust may require that the Company register for public resale all shares of common stock they request be registered at certain times so long as the securities being registered in each registration statement are reasonably expected to produce aggregate proceeds of $5 million or more. Mr. Francis and the

Trust may demand two registrations for firm commitment underwritten offerings, and have the unlimited right to require the Company to register the sale of the common stock held by them on Form S-3, subject to offering size and other restrictions. The other stockholders that are parties to the Amended and Restated Registration Rights Agreement dated November 2, 2005 are entitled to piggyback registration rights with respect to any registration request made by Mr. Francis or the Trust.

In addition, Mr. Francis is a participant in the Company's (i) 1999 Performance Stock Option Plan, (ii) 1999 Super-Performance Stock Option Plan and (iii) AMN Healthcare Services, Inc. Stock Option Plan (collectively, the "Plans") pursuant to which an aggregate of 3,466,449 options have been granted to him, and (iv) the AMN Healthcare Equity Plan pursuant to which an aggregate of 4,445 stock appreciation rights and 5,555 restricted stock units have been granted to him.

The foregoing references to the Registration Rights Agreement, as amended, the Plans and the AMN Healthcare Equity Plan are qualified in their entirety by reference to Exhibits 2 through 25, which are incorporated by reference herein.

**Item 7. Materials to be Filed as Exhibits**

| | |
|---|---|
| Exhibit 1: | Agreement relating to the filing of joint acquisition statements as required by Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended, incorporated by reference to the Exhibits filed with the original Statement on Schedule 13D, filed on November 1, 2003, as amended by Amendment No. 1 to Schedule 13D, filed on November 19, 2004, to which this filing is an amendment. |
| Exhibit 2: | Registration Rights Agreement among the Company, Mr. Francis, the Trust and other stockholders, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168). |
| Exhibit 3: | AMN Healthcare Services, Inc. 1999 Performance Stock Option Plan, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168). |

Exhibit 4: AMN Healthcare Services, Inc. 1999 Super-Performance Stock Option Plan, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168).

Exhibit 5: AMN Healthcare Services, Inc. 2001 Stock Option Plan, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168).

Exhibit 6: 1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168).

Exhibit 7: Amendment, dated as of December 13, 2000, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168).

Exhibit 8: Amendment No. 2, dated as of July 24, 2001, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, as amended December 13, 2000, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168).

Exhibit 9: 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168).

Exhibit 10: Amendment, dated as of December 13, 2000, to the Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168).

Exhibit 11: Amendment No. 2, dated as of July 24, 2001, to the 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of November 19, 1999, as amended December 13, 2000, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168).

Exhibit 12: 1999 Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168).

Exhibit 13: Amendment, dated as of July 24, 2001, to the 1999 Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168).

Exhibit 14: 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168).

Exhibit 15: Amendment, dated as of July 24, 2001, to the 1999 Super-Performance Stock Option Plan Stock Option Agreement, dated as of December 13, 2000, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-65168).

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|---|---|
| Exhibit 16: | Stock Option Plan Stock Option Agreement, dated as of January 17, 2002, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Company's Registration Statement on Form S-1 (File No. 333-86952). |
| Exhibit 17: | Stock Option Plan Stock Option Agreement, dated as of May 8, 2003, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Company's Tender Offer Statement on Schedule TO (File No. 005-77951). |
| Exhibit 18: | AMN Healthcare Services, Inc. Stock Option Plan, incorporated by reference to the exhibits filed with the Company's Definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission, on April 14, 2004 (File No. 001-16753). |
| Exhibit 19: | Stock Option Plan Stock Option Agreement, dated as of May 18, 2004, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Registrant's Report on Form 10-K for the fiscal year ended December 31, 2004. |
| Exhibit 20: | Amendment No. 1 to the Registration Rights Agreement dated November 16, 2001, dated April 18, 2005 among the Company, Mr. Francis, the Trust and other stockholders, incorporated by reference to the exhibits filed with the Registrant's Current Report on Form 8-K dated April 18, 2005. |
| Exhibit 21: | Stock Option Plan Stock Option Agreement, dated September 28, 2005, between the Company and Steven C. Francis, incorporated by reference to the exhibits filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005. |
| Exhibit 22: | Amended and Restated Registration Rights Agreement, dated as of November 2, 2005, among the Company, Mr. Francis, the Trust and other stockholders, incorporated by reference to the exhibits filed with the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005. |
| Exhibit 23: | AMN Healthcare Equity Plan, incorporated by reference to the exhibits filed with the Registrant's Current Report on Form 8-K dated April 12, 2006. |
| Exhibit 24*: | Stock Appreciation Right Agreement, dated April 12, 2006, between the Company and Steven C. Francis. |
| Exhibit 25*: | Restricted Stock Unit Agreement, dated April 12, 2006, between the Company and Steven C. Francis. |

* Filed herewith.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated as of June 12, 2006.

/s/ Steven C. Francis

STEVEN C. FRANCIS

THE FRANCIS FAMILY TRUST,
dated May 24, 1996, as amended

/s/ Steven C. Francis

By: Steven C. Francis, as Trustee of the Francis Family Trust dated May 24, 1996, as amended

/s/ Gayle A. Francis

By: Gayle A. Francis, as Trustee of the Francis Family Trust dated May 24, 1996, as amended

**AMN HEALTHCARE**
**EQUITY PLAN**
**STOCK APPRECIATION RIGHT AGREEMENT**

THIS STOCK APPRECIATION RIGHT AGREEMENT (the "Agreement"), made this April 12, 2006 by and between AMN Healthcare Services, Inc. (the "Company"), a Delaware corporation, and Steven C. Francis (the "Grantee").

W I T N E S S E T H:

WHEREAS, the Company sponsors the AMN Healthcare Equity Plan (the "Plan"), and desires to afford the Grantee the opportunity to share in the appreciation of the Company's common stock, par value $.01 per share ("Stock") thereunder, thereby strengthening the Grantee's commitment to the welfare of the Company and Affiliates and promoting an identity of interest between stockholders and the Grantee.

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

**1. Definitions.**

The following definitions shall be applicable throughout the Agreement. Where defined terms are not defined herein, their meaning shall be that set forth in the Plan.

(a) "Affiliate" means (i) any entity that directly or indirectly is controlled by, or is under common control with the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee.

(b) "Cause" means the Company or an Affiliate having "cause" to terminate an Grantee's service, as defined in any existing consulting or any other agreement between the Grantee and the Company or a Subsidiary or Affiliate, or, in the absence of such a consulting or other agreement, upon (i) the determination by the Committee that the Grantee has ceased to perform his duties to the Company or an Affiliate (other than as a result of his incapacity due to physical or mental illness or injury), which failure amounts to an intentional and extended neglect of his duties to such party, (ii) the Committee's determination that the Grantee has engaged or is about to engage in conduct injurious to the Company or an Affiliate, (iii) the Grantee having been convicted of, or pleaded guilty or no contest to, a felony or a crime involving moral turpitude or (iv) the failure of the Grantee to follow the lawful instructions of the Board or his direct superiors; provided, however, that in the instances of clauses (i), (ii) and (iv), the Company or Affiliate, as applicable, must give the Grantee twenty (20) days' prior written notice of the defaults constituting "cause" hereunder.

(c) "Change in Control" shall, unless in the case of a particular SAR, the applicable Stock Appreciation Right Agreement states otherwise or contains a different definition of "Change in Control," be deemed to occur upon:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of a majority of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors;

(ii) the dissolution or liquidation of the Company;

(iii) the sale of all or substantially all of the business or assets of the Company; or

(iv) the consummation of a merger, consolidation or similar form of corporate transaction involving the Company that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in the transaction (a "Business Combination"), if immediately following such Business Combination: (x) a Person is or becomes the beneficial owner, directly or indirectly, of a majority of the combined voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), or (y) the Company's shareholders cease to beneficially own, directly or indirectly, in substantially the same proportion as they owned the then outstanding voting securities immediately prior to the Business Combination, a majority of the combined voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation). "Surviving Corporation" shall mean the corporation resulting from a Business Combination, and "Parent Corporation" shall mean the ultimate parent corporation that directly or indirectly has beneficial ownership of a majority of the combined voting power of the then outstanding voting securities of the Surviving Corporation entitled to vote generally in the election of directors.

(d) "Committee" means the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

(e) "Disability" means a condition entitling a person to receive benefits under the long-term disability plan of the Company, a Subsidiary or Affiliate, as may be applicable to the Grantee in question, or, in the absence of such a plan, the complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which the Grantee served when such disability commenced or, as determined by the Committee based upon medical evidence acceptable to it.

(f) "Exercise Price" means the exercise price for an SAR as described in Section 2.

(g) "Grant Date" means April 12, 2006 which is the date specified in the authorization of this SAR grant.

(h) "Grantee" means an individual who has been selected by the Committee to participate in the Plan and to receive an SAR pursuant to Section 2.

(i) "Normal Termination" means termination of service with the Company and Affiliates:

(i) by the Grantee;

(ii) on account of death or Disability; or

(iii) by the Company, a Subsidiary or Affiliate without Cause.

(j) "SAR Period" means the period described in Section 2.

(k) "Stock Appreciation Right" or "SAR" means an award granted under Section 2.

**2. Grant of Stock Appreciation Right**. Subject to the terms and conditions set forth herein, the Company hereby grants to the Grantee, during the period commencing on the date of this Agreement and ending the day prior to the tenth anniversary of the date hereof (the "Termination Date"), a Stock Appreciation Right with respect to an aggregate of 4,445 shares of Stock at $18.03 per share (the "Exercise Price"). The SAR entitles Grantee to the right to receive from the Company shares of Stock having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the Exercise Price multiplied by the number of shares of Stock with respect to which the SAR shall have been exercised. The original ten-year term of such SAR shall be referred to herein as the "SAR Period."

**3. Limitations on Exercise of Stock Appreciation Right**. As set forth in the Plan, and subject to the terms and conditions set forth herein, the Grantee may exercise 100% of the SAR on and after the earlier of the Company's 2007 Annual Shareholders Meeting or the first annual anniversary of the Grant Date.

**4. Termination of Service.**

(a) If, prior to the end of the SAR Period, the Grantee shall undergo a Normal Termination other than due to death or Disability, (i) the portion of the SAR which is vested at the time of such Normal Termination shall be determined in accordance with Section 3, (ii) the portion of the SAR which is not vested at the date of such Normal Termination shall expire on such date; and (iii) the portion of the SAR which is vested at the date of such Normal Termination shall expire on the earlier of the Termination Date or the date that is three months after the date of such Normal Termination.

(b) If, prior to the end of the SAR Period, the Grantee dies or incurs a Disability while still in the service of the Company, a Subsidiary or Affiliate, or if the Grantee dies within three months following a Normal Termination, (i) the portion of the SAR which is not vested at the date of such termination shall expire on such date; and (ii) the portion of the SAR which is vested at the date of such termination shall expire on the earlier of the Termination Date or the date that is twelve months after the date of such termination. In such event, the vested portion of the SAR may be exercised as described above by the Grantee's personal representative or executor, or by the person or persons to whom the Grantee's rights under the SAR pass by will or the applicable laws of descent and distribution.

(c) If, prior to the Termination Date, the Grantee is terminated from service with the Company for Cause or for reasons other than a Normal Termination, all portions of the SAR then held by such Grantee (whether or not vested) shall expire immediately upon such cessation of service.

**5. Method of Exercising SAR and Issuance of Shares**.

(a) The Grantee may elect to exercise the vested portion of his SAR by giving written notice to the Company of his election to exercise a specified number of shares underlying his SAR. The Grantee shall thereupon be entitled to receive shares of Stock with a value equal to the product of (i) the Fair Market Value of a share of Stock on the date of exercise less the Exercise Price per share, multiplied by (ii) the number of shares of Stock underlying the SAR that is being exercised. The Company shall issue or transfer such shares of Stock to the Grantee and shall deliver to the Grantee a certificate or certificates therefor, registered in the Grantee's name. The shares delivered to the Grantee pursuant to this Section 5 shall be free and clear of all liens, fully paid and non-assessable.

(b) The Grantee may be required to pay to the Company or any Affiliate and the Company or any Affiliate shall have the right and is hereby authorized to withhold from any shares of Stock or other property deliverable under the SAR or from any compensation or other amounts owing to the Grantee the amount (in cash, Stock or other property) of any required tax withholding and payroll taxes in respect of an SAR, its exercise, or any payment or transfer under an SAR or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(c) Without limiting the generality of clause (b) above, in the Committee's sole discretion the Grantee may satisfy, in whole or in part, the foregoing withholding liability (but no more than the minimum required withholding liability) by delivery of shares of Stock owned by the Grantee (which are not subject to any pledge or other security interest and which have been owned by the Grantee for at least 6 months or purchased on the open market) with a Fair Market Value equal to such withholding liability or by having the Company withhold from the number of shares of Stock otherwise issuable pursuant to the exercise of the SAR a number of shares with a Fair Market Value equal to such withholding liability.

**6. Company; Grantee**.

(a) The term "Company" as used in this Agreement with reference to service shall include the Company, its Subsidiaries and its Affiliates, as appropriate.

(b) Whenever the word "Grantee" is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the beneficiaries, the executors, the administrators, or the person or persons to whom the SAR may be transferred by will or by the laws of descent and distribution, the word "Grantee" shall be deemed to include such person or persons.

**7. Non-Transferability**. The SAR is not transferable by the Grantee other than to a designated beneficiary upon death, by will or the laws of descent and distribution, or to a trust solely for the benefit of the Grantee or his immediate family, and are exercisable during the Grantee's lifetime only by him, or in the case of the SAR being held by such a trust, by the trustee.

**8. Forfeiture for Violation**.

(a) Non-Solicit. The Grantee agrees that during the term of Grantee's service and for a period of two years thereafter (the "Coverage Period") he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the term of his service was a traveling nurse, physician, allied healthcare professional or other healthcare professional, employee, customer, client or supplier of the Company.

(b) Confidential and Proprietary Information. The Grantee agrees that he will not, at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the Grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Grantee's obligation under this Section 8(b) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of Grantee; or (iii) is hereafter disclosed to Grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except in the service of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information. Grantee recognizes that all such information, whether developed by the Grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of service, Grantee shall forthwith deliver to the Company all such confidential or

proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

(c) Forfeiture for Violations. If the Grantee shall at any time violate the provisions of Section 8(a) or (b), the Grantee shall immediately forfeit his SAR (whether vested or unvested) and any exercise of an SAR which occurs after (or within 6 months before) any such violation shall be void ab initio.

**9. Rights as Stockholder**. The Grantee or a transferee of the SAR shall have no rights as a stockholder with respect to any share of Stock covered by the SAR until the Grantee shall have become the holder of record of such share and no adjustment shall be made for dividends or distributions or other rights in respect of such share of Stock for which the record date is prior to the date upon which he shall become the holder of record thereof.

**10. Effect of Change in Control.**

(a) In the event of a Change in Control, notwithstanding any vesting schedule, the SAR shall become immediately exercisable with respect to 100 percent of the shares subject to such SAR and, to the extent practicable, such acceleration of exercisability shall occur in a manner and at a time which allows the Grantee the ability to exercise his SAR and participate in the Change in Control transaction with respect to the Stock subject to such SAR.

(b) In addition, in the event of a Change in Control, the Committee may in its discretion and upon at least 10 days' advance notice to the Grantee, cancel any outstanding portions of the SAR and pay to the Grantee, in cash or stock, or any combination thereof, the value of such portions of the SAR based upon the price per share of Stock received or to be received by other shareholders of the Company in the event.

(c) The obligations of the Company under this Agreement shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company. The Company agrees that it will make appropriate provisions for the preservation of the Grantee's rights under this Agreement in any agreement or plan which it may enter into or adopt to effect any such merger, consolidation, reorganization or transfer of assets.

**11. Compliance with Law**. Notwithstanding any of the provisions hereof, the Grantee hereby agrees that the Grantee will not exercise the SAR, and that the Company will not be obligated to issue or transfer any shares to the Grantee hereunder, if the exercise hereof or the issuance or transfer of such shares shall constitute a violation by the Grantee or the Company of any provisions of any law or regulation of any

governmental authority. Any determination in this connection by the Committee shall be final, binding and conclusive. The Company shall in no event be obliged to register any securities for sale under the Securities Act or to take any other affirmative action in order to cause the exercise of the SAR or the issuance or transfer of shares pursuant thereto to comply with any law or regulation of any governmental authority.

**12. Notice**. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided, provided that, unless and until some other address be so designated, all notices or communications by the Grantee to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Grantee may be given to the Grantee personally or may be mailed to her at her address as recorded in the records of the Company.

**13. No Right to Continued Service**. This Agreement shall not be construed as giving the Grantee the right to be retained in the service of the Company, a Subsidiary or an Affiliate. Further, the Company or an Affiliate may at any time dismiss the Grantee or discontinue any consulting relationship, free from any liability or any claim under this Agreement, except as otherwise expressly provided herein.

**14. Binding Effect**. Subject to Section 7 hereof, this Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

**15. Amendment of Agreement**. The Committee may, to the extent consistent with the terms of this Agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any portion of the SAR heretofore granted, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would impair the rights of the Grantee in respect of any SAR already granted shall not to that extent be effective without the consent of the Grantee.

**16. SAR Subject to Plan**. By entering into this Agreement, the Grantee agrees and acknowledges that the Grantee has received and read a copy of the Plan. The SAR is subject to the Plan. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

**17. Governing Law**. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Delaware without regard to the principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written.

AMN HEALTHCARE SERVICES, INC.

By: /s/ SUSAN R. NOWAKOWSKI
Name: Susan R. Nowakowski
Title: President and CEO

GRANTEE

By: /s/ STEVEN C. FRANCIS
Name: Steven C. Francis

**AMN HEALTHCARE**
**EQUITY PLAN**
**RESTRICTED STOCK UNIT AGREEMENT**

THIS RESTRICTED STOCK UNIT AGREEMENT (the "Agreement"), made this April 12, 2006 by and between AMN Healthcare Services, Inc. (the "Company"), a Delaware corporation, and Steven C. Francis (the "Grantee").

W I T N E S S E T H:

WHEREAS, the Company sponsors the AMN Healthcare Equity Plan (the "Plan"), and desires to afford the Grantee the opportunity to share in the appreciation of the Company's common stock, par value $.01 per share ("Stock") thereunder, thereby strengthening the Grantee's commitment to the welfare of the Company and Affiliates and promoting an identity of interest between stockholders and the Grantee.

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

**1. Definitions.**

The following definitions shall be applicable throughout the Agreement. Where defined terms are not defined herein, their meaning shall be that set forth in the Plan.

(a) "Affiliate" means (i) any entity that directly or indirectly is controlled by, or is under common control with the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee.

(b) "Cause" means the Company or an Affiliate having "cause" to terminate an Grantee's employment or service, as defined in any existing employment, consulting or any other agreement between the Grantee and the Company or a Subsidiary or Affiliate, or, in the absence of such an employment, consulting or other agreement, upon (i) the determination by the Committee that the Grantee has ceased to perform his duties to the Company or an Affiliate (other than as a result of his incapacity due to physical or mental illness or injury), which failure amounts to an intentional and extended neglect of his duties to such party, (ii) the Committee's determination that the Grantee has engaged or is about to engage in conduct injurious to the Company or an Affiliate, (iii) the Grantee having been convicted of, or pleaded guilty or no contest to, a felony or a crime involving moral turpitude or (iv) the failure of the Grantee to follow the lawful instructions of the Board or his direct superiors; provided, however, that in the instances of clauses (i), (ii) and (iv), the Company or Affiliate, as applicable, must give the Grantee twenty (20) days' prior written notice of the defaults constituting "cause" hereunder.

(c) "Change in Control" shall, unless in the case of a particular RSU, the applicable Restricted Stock Unit Agreement states otherwise or contains a different definition of "Change in Control," be deemed to occur upon:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of a majority of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors;

(ii) the dissolution or liquidation of the Company;

(iii) the sale of all or substantially all of the business or assets of the Company; or

(iv) the consummation of a merger, consolidation or similar form of corporate transaction involving the Company that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in the transaction (a "Business Combination"), if immediately following such Business Combination: (x) a Person is or becomes the beneficial owner, directly or indirectly, of a majority of the combined voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), or (y) the Company's shareholders cease to beneficially own, directly or indirectly, in substantially the same proportion as they owned the then outstanding voting securities immediately prior to the Business Combination, a majority of the combined voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation). "Surviving Corporation" shall mean the corporation resulting from a Business Combination, and "Parent Corporation" shall mean the ultimate parent corporation that directly or indirectly has beneficial ownership of a majority of the combined voting power of the then outstanding voting securities of the Surviving Corporation entitled to vote generally in the election of directors.

(d) Committee" means the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

(e) "Grant Date" means April 12, 2006 which is the date specified in the authorization of this RSU grant.

(f) "Grantee" means an individual who has been selected by the Committee to participate in the Plan and to receive a RSU grant pursuant to Section 2.

(g) "Restricted Stock Unit" or "RSU" means an award granted under Section 2.

**2. Grant of Restricted Stock Units**. Subject to the terms and conditions set forth herein, the Company hereby grants to the Grantee an aggregate of 5,555 Restricted Stock Units ("RSUs).

**3. Vesting Schedule**. No RSUs may be settled until they shall have vested. Except as otherwise set forth in this Agreement or in the Plan, the RSUs will vest on the third anniversary of the Grant Date. Notwithstanding the foregoing, in the event performance objectives set forth in Schedule I attached hereto are met, 33% of the RSUs shall vest on the 13th month anniversary of the Grant Date and an additional 34% of the RSUs shall vest on the second anniversary of the Grant Date.

**4. Deferral of RSUs.**

(a) Each vested RSU entitles the Grantee to receive one share of Stock on the "Settlement Date" which shall be the later of (i) the vesting date for such RSU or (ii) the end of the deferral period specified by the Grantee. Any deferral period must be expressed as a number of whole years, not less than three (3), beginning on the Grant Date. Such deferral election shall be made within 30 days of the Grant Date. This deferral period will apply only to the deferral election made on the specific deferral election form. In addition, any such deferral must apply to receipt of all shares of Stock underlying the entire Grant; for example, a deferral period of five (5) years would result in the Grantee receiving shares of Stock underlying the entire Grant five (5) years from the Grant Date regardless of the fact that the RSUs may have vested at differing times. (If no deferral period is specified on the deferral election form, Stock will be issued as soon as practicable upon vesting of the RSUs). If the Grantee wishes to elect to delay his original Settlement Date, such election must be made at least twelve (12) months in advance of the Settlement Date and the new Settlement Date must be at least five (5) years after the original Settlement Date.

(b) Shares of Stock underlying the RSUs shall be issued and delivered to the Grantee in accordance with paragraph (a) and upon compliance to the satisfaction of the Committee with all requirements under applicable laws or regulations in connection with such issuance and with the requirements hereof and of the Plan. The determination of the Committee as to such compliance shall be final and binding on the Grantee. The shares of Stock delivered to the Grantee pursuant to this Section 4 shall be free and clear of all liens, fully paid and non-assessable.

(c) Until such time as shares of Stock have been issued to the Grantee pursuant to paragraph (b) above, and except as set forth in Section 5 below regarding dividend equivalents, the Grantee shall not have any rights as a holder of the shares of Stock underlying this Grant including but not limited to voting rights.

**5. Dividend Equivalents**. If on any date the Company shall pay any cash dividend on shares of Stock of the Company, the number of RSUs credited to the Grantee shall, as of such date, be increased by an amount determined by the following formula:

W = (X multiplied by Y) divided by Z, where:

W = the number of additional RSUs to be credited to the Grantee on such dividend payment date;

X = the aggregate number of RSUs (whether vested or unvested) credited to the Grantee as of the record date of the dividend;

Y = the cash dividend per share amount; and

Z = the Fair Market Value per share of Stock (as determined under the Plan) on the dividend payment date.

**6. Termination of Employment.**

(a) If, prior to the Settlement Date, the Grantee shall undergo a termination of employment other than for Cause, (i) the RSUs which are vested at the time of such termination shall be determined in accordance with Section 3, (ii) the RSUs which are not vested at the date of such termination shall expire on such date. In the event of such termination, regardless of the Grantee's deferral election, the Company, as soon as practicable following the effective date of termination shall issue shares of Stock to Grantee (or Grantee's designated beneficiary or estate executor in the event of Grantee's death) with respect to any RSUs which, as of the effective date of termination, have vested but for which shares of Stock had not yet been issued to Grantee. Notwithstanding the foregoing, if the Grantee is a specified employee (as defined in Section 409A of the Code), any distribution on account of termination of employment shall be delayed until at least six months after such termination of employment.

(b) If, prior to the Settlement Date, the Grantee is terminated from the employment or service with the Company for Cause, all RSUs then held by such Grantee (whether or not vested) shall expire immediately upon such cessation of employment or service.

**7. Company; Grantee.**

(a) The term "Company" as used in this Agreement with reference to employment shall include the Company, its Subsidiaries and its Affiliates, as appropriate.

(b) Whenever the word "Grantee" is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the beneficiaries, the executors, the administrators, or the person or persons to

whom the RSUs may be transferred by will or by the laws of descent and distribution, the word "Grantee" shall be deemed to include such person or persons.

**8. Non-Transferability**. The RSUs are not transferable by the Grantee other than to a designated beneficiary upon death, by will or the laws of descent and distribution, to a trust solely for the benefit of the Grantee or his immediate family, and are exercisable during the Grantee's lifetime only by him, or in the case of the RSUs being held by such a trust, by the trustee.

**9. Forfeiture for Non-Compete Violation**.

(a) Non-Compete. The Grantee agrees that during the term of Grantee's employment and for a period of two years thereafter (the "Coverage Period") the Grantee will not engage in, consult with, participate in, hold a position as shareholder, director, officer, consultant, employee, partner or investor, or otherwise assist any business entity (i) in any State of the United States of America or (ii) in any other country in which the Company has business activities, in either case, that is engaged in any activities which are competitive with the business of providing healthcare or other personnel on a temporary or permanent placement basis to hospitals, healthcare facilities, healthcare provider practice groups or other entities and any and all business activities reasonably related thereto in which the Company or any of its divisions, affiliates or subsidiaries are then engaged.

(b) Non-Solicit. The Grantee agrees that during the Coverage Period, he shall not solicit, attempt to solicit or endeavor to entice away from the Company any person who, at any time during the term of his employment was a traveling nurse, physician, allied healthcare professional or other healthcare professional, employee, customer, client or supplier of the Company.

(c) Confidential and Proprietary Information. The Grantee agrees that he will not, at any time make use of or divulge to any other person, firm or corporation any confidential or proprietary information concerning the business or policies of the Company or any of its divisions, affiliates or subsidiaries. For purposes of this Agreement, any confidential information shall constitute any information designated as confidential or proprietary by the Company or otherwise known by the Grantee to be confidential or proprietary information including, without limitation, customer information. Grantee acknowledges and agrees that for purposes of this Agreement, "customer information" includes without limitation, customer lists, all lists of professional personnel, names, addresses, phone numbers, contact persons, preferences, pricing arrangements, requirements and practices. Grantee's obligation under this Section 9(c) shall not apply to any information which (i) is known publicly; (ii) is in the public domain or hereafter enters the public domain without the fault of Grantee; or (iii) is hereafter disclosed to Grantee by a third party not under an obligation of confidence to the Company. Grantee agrees not to remove from the premises of the Company, except as an employee of the Company in pursuit of the business of the Company or except as specifically permitted in writing by the Company, any document or other object containing or reflecting any such confidential or proprietary information.

Grantee recognizes that all such information, whether developed by the Grantee or by someone else, will be the sole exclusive property of the Company. Upon termination of employment, Grantee shall forthwith deliver to the Company all such confidential or proprietary information, including without limitation all lists of customers, pricing methods, financial structures, correspondence, accounts, records and any other documents, computer disks, computer programs, software, laptops, modems or property made or held by him or under his control in relation to the business or affairs of the Company or any of its divisions, subsidiaries or affiliates, and no copy of any such confidential or proprietary information shall be retained by him.

(d) Forfeiture for Violations. If the Grantee shall at any time violate the provisions of Section 9(a), (b), or (c), the Grantee shall immediately forfeit his RSUs (whether vested or unvested) and any issuance of shares of Stock which occurs after (or within 6 months before) any such violation shall be void ab initio.

**10. Rights as Stockholder**. The Grantee or a transferee of the RSUs shall have no rights as a stockholder with respect to any share of Stock covered by the RSUs until the Grantee shall have become the holder of record of such share and no adjustment shall be made for dividends or distributions or other rights in respect of such share of Stock for which the record date is prior to the date upon which she shall become the holder of record thereof.

**11. Effect of Change in Control.**

(a) In the event of a Change in Control, notwithstanding any vesting schedule, 100% of the RSUs shall become immediately vested and the Company shall issue shares of Stock to the Grantee to settle the RSUs.

(b) The obligations of the Company under this Agreement shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company. The Company agrees that it will make appropriate provisions for the preservation of the Grantee's rights under this Agreement in any agreement or plan which it may enter into or adopt to effect any such merger, consolidation, reorganization or transfer of assets.

**12. Notice**. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided, provided that, unless and until some other address be so designated, all notices or communications by the Grantee to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Grantee may be given to the Grantee personally or may be mailed to her at her address as recorded in the records of the Company.

**13. No Right to Continued Employment**. This Agreement shall not be construed as giving the Grantee the right to be retained in the employ or service of the Company, a Subsidiary or an Affiliate. Further, the Company or an Affiliate may at any time dismiss the Grantee or discontinue any consulting relationship, free from any liability or any claim under this Agreement, except as otherwise expressly provided herein.

**14. Binding Effect**. Subject to Section 7 hereof, this Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

**15. Amendment of Agreement**. The Committee may, to the extent consistent with the terms of this Agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any portion of the RSUs heretofore granted, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would impair the rights of the Grantee in respect of any RSUs already granted shall not to that extent be effective without the consent of the Grantee.

**16. RSUs Subject to Plan and 2005 Amended and Restated Executive Nonqualified Excess Plan, as amended**. By entering into this Agreement, the Grantee agrees and acknowledges that the Grantee has received and read a copy of the Plan and a copy of the Company's 2005 Amended and Restated Executive Nonqualified Excess Plan. The RSUs are subject to the terms of both plans. The terms and provisions of the plans as they may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of either the Plan or the Company's 2005 Amended and Restated Executive Nonqualified Excess Plan , the applicable terms and provisions of the applicable plan will govern and prevail.

**17. Governing Law**. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Delaware without regard to the principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written.

AMN HEALTHCARE SERVICES, INC.

By: /S/ SUSAN R. NOWAKOWSKI
Name: Susan R. Nowakowski
Title: President and CEO

GRANTEE

By: /S/ STEVEN C. FRANCIS
Name: Steven C. Francis