

KINDRED HEALTHCARE, INC  
 Form 4  
 April 04, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 FRANKLIN MUTUAL ADVISERS LLC

2. Issuer Name and Ticker or Trading Symbol  
 KINDRED HEALTHCARE, INC [(KND)]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 101 JOHN F. KENNEDY PARKWAY  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 03/23/2006

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 10% Owner  
 \_\_\_\_ Other (specify below)

SHORT HILLS, NJ 07078

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock	03/23/2006		X	A	\$ 15	7,386,520 (2)	D
Common Stock	03/23/2006		X	A	\$ 16.665	10,124,398 (2)	D
Common Stock	03/23/2006		S	D	\$ 23.92	7,530,160 (2)	D
Common Stock	03/27/2006		X	A	\$ 16.665	7,593,488 (2)	D
Common Stock	03/27/2006		S	D	\$ 23.89	7,549,312 (2)	D

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Common Stock	03/29/2006	X	25,332 <sup>(1)</sup>	A	\$ 15	7,574,644 <sup>(2)</sup>	D
Common Stock	03/29/2006	S	15,310	D	\$ 24.82	7,559,334 <sup>(2)</sup>	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)	
					V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Series A Warrants (right to buy)	\$ 15 <sup>(4)</sup>	03/23/2006		X	1,095,152	04/20/2001	04/20/2006	Common Stock	1,095,152
Series A Warrants (right to buy)	\$ 15 <sup>(4)</sup>	03/29/2006		X	25,332	04/20/2001	04/20/2006	Common Stock	25,332
Series B Warrants (right to buy)	\$ 16.665 <sup>(4)</sup>	03/23/2006		X	2,737,878	04/20/2001	04/20/2006	Common Stock	2,737,878
Series B Warrants (right to buy)	\$ 16.665 <sup>(4)</sup>	03/27/2006		X	63,328	04/20/2001	04/20/2006	Common Stock	63,328

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FRANKLIN MUTUAL ADVISERS LLC 101 JOHN F. KENNEDY PARKWAY SHORT HILLS, NJ 07078		X		

## Signatures

By: Bradley D. Takahashi, Vice President of Franklin Mutual Advisers,  
LLC

04/03/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Exercise of Series A Warrants
- (2) See Exhibit 99.1 for text of footnote, which text is incorporated by reference herein.
- (3) Exercise of Series B Warrants
- (4) Reflects adjustment in connection with a 2-for-1 stock split in the form of a 100% stock dividend declared on April 26, 2004 by the Issuer's board of directors and distributed on May 27, 2004 to the Issuer's stockholders.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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