

KINDRED HEALTHCARE, INC

Form 4

April 04, 2006

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

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
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(Print or Type Responses)

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

(Last) (First) (Middle)

**101 JOHN F. KENNEDY
PARKWAY**

(Street)

SHORT HILLS, NJ 07078

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

**KINDRED HEALTHCARE, INC
[(KND)]**

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

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____X____ 10% Owner
____ Officer (give title below) ____ Other (specify below)

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

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 Beneficial Ownership (Instr. 4)
Common Stock	03/23/2006		X	Amount (1) 1,095,152	(A) or (D) A \$ 15	7,386,520 (2)	D
Common Stock	03/23/2006		X	Amount (3) 2,737,878	A \$ 16.665	10,124,398 (2)	D
Common Stock	03/23/2006		S	2,594,238	D \$ 23.92	7,530,160 (2)	D
Common Stock	03/27/2006		X	63,328 (3)	A \$ 16.665	7,593,488 (2)	D
Common Stock	03/27/2006		S	44,176	D \$ 23.89	7,549,312 (2)	D

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

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

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SEC 1474
(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 Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Series A Warrants (right to buy)	\$ 15 ⁽⁴⁾	03/23/2006		X	1,095,152	04/20/2001 04/20/2006	Common Stock 1,093, (
Series A Warrants (right to buy)	\$ 15 ⁽⁴⁾	03/29/2006		X	25,332	04/20/2001 04/20/2006	Common Stock 25,3
Series B Warrants (right to buy)	\$ 16.665 ⁽⁴⁾	03/23/2006		X	2,737,878	04/20/2001 04/20/2006	Common Stock 2,73 (
Series B Warrants (right to buy)	\$ 16.665 ⁽⁴⁾	03/27/2006		X	63,328	04/20/2001 04/20/2006	Common Stock 63,3

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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