

BATTAFARANO FRANK J  
 Form 4  
 February 20, 2008

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**BATTAFARANO FRANK J**

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)  
**680 SOUTH FOURTH STREET**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**02/19/2008**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**Exec VP & Pres, Hospital Div**

**LOUISVILLE, KY 40202**

(City) (State) (Zip)

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

**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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount (A) or (D) Price   |  |                                   |
| Common Stock                    | 02/19/2008                           |  | A                              |   | 4,453<br><u>(1)</u>   | A  | \$ 0 88,444 D                     |
| Common Stock                    | 02/19/2008                           |  | A                              |   | 20,000<br><u>(2)</u>  | A  | \$ 0 108,444 D                    |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
 (9-02)

Edgar Filing: BATTAFARANO FRANK J - Form 4

**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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable Expiration Date                         | Title Amount or Number of Shares                            |
| Employee Stock Option (Right to Buy)       | \$ 25.83   | 02/19/2008                           |  | A                              | 3,806   | 02/19/2011 <sup>(3)</sup> 02/19/2015                     | Common Stock 3,806  |
| Employee Stock Option (Right to Buy)       | \$ 25.83   | 02/19/2008                           |  | A                              | 7,612   | 02/19/2009 <sup>(4)</sup> 02/19/2015                     | Common Stock 7,612  |
| Employee Stock Option (Right to Buy)       | \$ 25.83   | 02/19/2008                           |  | A                              | 65  | 02/19/2011 <sup>(5)</sup> 02/19/2015                     | Common Stock 65   |
| Employee Stock Option (Right to Buy)       | \$ 25.83   | 02/19/2008                           |  | A                              | 14,935  | 02/19/2009 <sup>(6)</sup> 02/19/2015                     | Common Stock 14,935   |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                                    |       |
|--|---------------|-----------|------------------------------------|-------|
|  | Director      | 10% Owner | Officer                            | Other |
| BATTAFARANO FRANK J<br>680 SOUTH FOURTH STREET<br>LOUISVILLE, KY 40202 |               |           | Exec VP &<br>Pres, Hospital<br>Div |       |

## Signatures

Frank J.  
Battafarano 02/20/2008

\*\*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) These shares represent restricted stock granted to the reporting person. These shares vest in approximately equal annual installments over four years commencing on 2/19/09.
  - (2) These shares represent restricted stock granted to the reporting person. These shares vest in approximately equal annual installments over three years commencing on 2/19/09.
  - (3) This option becomes exercisable in the following installment: 3,806 on 2/19/11.
  - (4) This option becomes exercisable in the following cumulative installments: 3,806 on 2/19/09 and 3,806 on 2/19/10.
  - (5) This option becomes exercisable in the following installment: 65 on 2/19/11.
  - (6) This option becomes exercisable in the following cumulative installments: 5,000 on 2/19/09, 5,000 on 2/19/10 and 4,935 on 2/19/11.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.