

KINDRED HEALTHCARE, INC  
 Form 4  
 July 14, 2005

**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 \*  
 DIAZ PAUL J

(Last) (First) (Middle)  
 680 SOUTH FOURTH STREET  
 (Street)

LOUISVILLE, KY 40202

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 07/12/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 President and CEO

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)
				(A) or (D)	Price		
Common Stock	07/12/2005		M	V	\$ 19.38	286,671	D
Common Stock	07/12/2005		S <sup>(1)</sup>		\$ 40.61	286,521	D
Common Stock	07/12/2005		S <sup>(1)</sup>		\$ 40.64	286,421	D
Common Stock	07/12/2005		S <sup>(1)</sup>		\$ 40.65	286,321	D
Common Stock	07/12/2005		S <sup>(1)</sup>		\$ 40.69	286,221	D

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Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	200	D	\$ 40.77	286,021	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.72	285,921	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.48	285,821	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.46	285,721	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.59	285,621	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.51	285,521	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.5	285,421	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.54	285,321	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.27	285,221	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.22	285,121	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.33	285,021	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.31	284,921	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.32	284,821	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.3	284,721	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 41.3	284,621	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.87	284,521	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	200	D	\$ 40.89	284,321	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 41.08	284,221	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 41	284,121	D
Common Stock	07/12/2005	<u>S<sup>(1)</sup></u>	100	D	\$ 40.83	284,021	D
	07/12/2005	<u>S<sup>(1)</sup></u>	200	D	\$ 40.8	283,821	D

Common Stock							
Common Stock	07/12/2005	S <sup>(1)</sup>	200	D	\$ 40.05	283,621	D
Common Stock	07/12/2005	S <sup>(1)</sup>	100	D	\$ 40.02	283,521	D
Common Stock	07/12/2005	S <sup>(1)</sup>	100	D	\$ 40.93	283,421	D
Common Stock	07/12/2005	S <sup>(1)</sup>	100	D	\$ 40.91	283,321	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 (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)	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 19.38	07/12/2005		M	3,750	01/28/2003 <sup>(2)</sup> 01/28/2012	Common Stock	3,750

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DIAZ PAUL J 680 SOUTH FOURTH STREET LOUISVILLE, KY 40202	X		President and CEO	

## Signatures

Paul J. Diaz

07/14/2005

\*\*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 were sold pursuant to a written non-discretionary Rule 10b5-1 sales plan dated June 29, 2005.
- (2) This option is exercisable in cumulative equal annual installments over four years beginning 1/28/2003.

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