

DIAZ PAUL J  
Form 4  
May 31, 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

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)  
05/26/2005

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

LOUISVILLE, KY 40202

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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	05/26/2005		M	V	\$ 6,286 15.91	309,207	D
Common Stock	05/26/2005		S		\$ 2,500 37.7	306,707	D
Common Stock	05/26/2005		S		\$ 2,400 37.46	304,307	D
Common Stock	05/26/2005		S		\$ 100 37.56	304,207	D
Common Stock	05/26/2005		S		\$ 5,200 37.3	299,007	D

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Common Stock	05/26/2005	S	300	D	\$ 37.28	298,707	D
Common Stock	05/26/2005	S	200	D	\$ 37.29	298,507	D
Common Stock	05/26/2005	S	1,700	D	\$ 37.45	296,807	D
Common Stock	05/26/2005	S	300	D	\$ 37.5	296,507	D
Common Stock	05/26/2005	S	200	D	\$ 37.73	296,307	D
Common Stock	05/26/2005	S	800	D	\$ 37.72	295,507	D
Common Stock	05/26/2005	S	1,000	D	\$ 37.71	294,507	D
Common Stock	05/26/2005	S	1,000	D	\$ 37.57	293,507	D
Common Stock	05/26/2005	S	300	D	\$ 37.33	293,207	D
Common Stock	05/26/2005	S	400	D	\$ 37.38	292,807	D
Common Stock	05/26/2005	S	586	D	\$ 37.39	292,221	D
Common Stock	05/26/2005	S	2,300	D	\$ 37.2	289,921	D
Common Stock	05/26/2005	S	500	D	\$ 37.78	289,421	D
Common Stock	05/26/2005	S	200	D	\$ 37.67	289,221	D
Common Stock	05/26/2005	S	2,300	D	\$ 37.66	286,921	D
Common Stock	05/26/2005	S	500	D	\$ 37.85	286,421	D
Common Stock	05/27/2005	S	1,000	D	\$ 37.8	285,421	D
Common Stock	05/27/2005	S	1,000	D	\$ 37.7	284,421	D
Common Stock	05/27/2005	S	500	D	\$ 37.74	283,921	D
Common Stock	05/27/2005	S	500	D	\$ 37.72	283,421	D

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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 Securities (Instr. 3 and 4)	Amount or Number of Shares
Employee Stock Options (Right to Buy)	\$ 15.91	05/26/2005		M	6,286	07/23/2003 <sup>(1)</sup> 07/23/2012	Common Stock	6,286
Common Stock Warrant Series A (right to buy)	\$ 30	05/26/2005		S	1,000	<sup>(2)</sup> 04/20/2006	Common Stock	2,000 <sup>(3)</sup>
Common Stock Warrant Series B (right to buy)	\$ 33.33	05/26/2005		S	2,000	<sup>(2)</sup> 04/20/2006	Common Stock	4,000 <sup>(3)</sup>
Common Stock Warrant Series B (right to buy)	\$ 33.33	05/26/2005		S	1,000	<sup>(2)</sup> 04/20/2006	Common Stock	2,000 <sup>(3)</sup>
Common Stock Warrant Series B	\$ 33.33	05/26/2005		S	1,000	<sup>(2)</sup> 04/20/2006	Common Stock	2,000 <sup>(3)</sup>

(right to buy)									
Common Stock									
Warrant Series B (right to buy)	\$ 33.33	05/26/2005	S	1,500	(2)	04/20/2006	Common Stock	3,000	(3)
Common Stock									
Warrant Series A (right to buy)	\$ 30	05/27/2005	S	1,000	(2)	04/20/2006	Common Stock	2,000	(3)
Common Stock									
Warrant Series A (right to buy)	\$ 30	05/27/2005	S	100	(2)	04/20/2006	Common Stock	200	(3)
Common Stock									
Warrant Series A (right to buy)	\$ 30	05/27/2005	S	1,000	(2)	04/20/2006	Common Stock	2,000	(3)
Common Stock									
Warrant Series B (right to buy)	\$ 33.33	05/27/2005	S	1,000	(2)	04/20/2006	Common Stock	2,000	(3)

## 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                      05/31/2005

\*\*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) This option is exercisable in cumulative equal annual installments over four years commencing 7/23/2003.

(2) These warrants are immediately exercisable.

(3) This amount reflects the payment of a 100% stock dividend that occurred on 5/27/2004.

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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