

KINDRED HEALTHCARE, INC  
 Form 4  
 May 09, 2007

**FORM 4**

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

OMB APPROVAL

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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 \*  
 MCCULLOUGH MARK A

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)  
 05/07/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 President, Pharmacy Div

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/07/2007		M		2,570	A	\$ 23.89
Common Stock	05/07/2007		M		4,953	A	\$ 31.09
Common Stock	05/07/2007		M		11,500	A	\$ 31.14
Common Stock	05/07/2007		M		1,292	A	\$ 21.99
Common Stock	05/07/2007		M		3,600	A	\$ 15.91

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Common Stock	05/07/2007	M	9,788	A	\$ 11.03	61,037	D
Common Stock	05/07/2007	M	3,203	A	\$ 23.89	64,240	D
Common Stock	05/07/2007	M	1,412	A	\$ 21.99	65,652	D
Common Stock	05/07/2007	S	600	D	\$ 32.9	65,052	D
Common Stock	05/07/2007	S	3,892	D	\$ 32.92	61,160	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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 23.89	05/07/2007		M	2,570	07/26/2005 <sup>(1)</sup>	07/26/2014	Common Stock	2,570
Employee Stock Option (Right to Buy)	\$ 31.09	05/07/2007		M	4,953	12/14/2005 <sup>(2)</sup>	04/27/2012	Common Stock	4,953
Employee Stock Option (Right to Buy)	\$ 31.14	05/07/2007		M	11,500	12/14/2005 <sup>(2)</sup>	08/10/2012	Common Stock	11,500
	\$ 21.99	05/07/2007		M	1,292	02/23/2007 <sup>(2)</sup>	02/23/2013		1,292

Employee Stock Option (Right to Buy)								Common Stock	
Employee Stock Option (Right to Buy)	\$ 15.91	05/07/2007	M	3,600	07/23/2003 <sup>(3)</sup>	07/23/2012		Common Stock	3,600
Employee Stock Option (Right to Buy)	\$ 11.03	05/07/2007	M	9,788	07/22/2004 <sup>(4)</sup>	07/22/2013		Common Stock	9,788
Employee Stock Option (Right to Buy)	\$ 23.89	05/07/2007	M	3,203	07/26/2005 <sup>(5)</sup>	07/26/2014		Common Stock	3,203
Employee Stock Option (Right to Buy)	\$ 21.99	05/07/2007	M	1,412	02/23/2007 <sup>(6)</sup>	02/23/2013		Common Stock	1,412

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCCULLOUGH MARK A 680 SOUTH FOURTH STREET LOUISVILLE, KY 40202			President, Pharmacy Div	

## Signatures

Mark A. McCullough	05/09/2007
<u>        </u> **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 the following cumulative installments: 1,285 on 7/26/05 and 1,285 on 7/26/06.
  - (2) This option is fully vested on 12/14/05.
  - (3) This option is exercisable in cumulative equal annual installments over four years commencing on 7/23/03.

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- (4) This option is exercisable in the following cumulative installments: 1,190 on 7/22/04, 4,298 on 7/22/05 and 4,300 on 7/22/06.
- (5) This option becomes exercisable in the following cumulative installments: 1,602 on 7/26/05, 1,601 on 7/26/06 and 2,886 on 7/26/07.
- (6) This option becomes exercisable in the following cumulative installments: 1,412 on 2/23/07, 2,704 on 2/23/08, 2,704 on 2/23/09 and 2,704 on 2/23/10.

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.