

EMBLER MICHAEL J

Form 4

January 11, 2006

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

OMB APPROVAL

OMB
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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 *
EMBLER MICHAEL J2. 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)
101 JFK PARKWAY
(Street)3. Date of Earliest Transaction
(Month/Day/Year)
01/10/2006☒ Director ☐ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)

SHORT HILLS, NJ 07078

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) Code V Amount (D) Price			

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)**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)							
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Option (Right to Buy) ⁽¹⁾	\$ 28.89	01/10/2006	A		5,000		01/10/2007 ⁽²⁾	01/10/2016	Common Stock	5,000	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
EMBLER MICHAEL J 101 JFK PARKWAY SHORT HILLS, NJ 07078		X		

Signatures

Michael J.
Embler

01/11/2006

^{**}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) This option was granted pursuant to the Kindred Healthcare, Inc. 2001 Stock Option Plan for Non-Employee Directors (Amended and Restated).
- (2) This option is exercisable in cumulative equal annual installments over four years commencing on 1/10/2007.
- The Reporting Person is a Senior Vice President of Franklin Mutual Advisers, LLC ("FMA"). Advisory clients of FMA are the beneficial owners of the Issuer's Common Stock and outstanding warrants. In accordance with FMA's internal policy, all cash and non-cash compensation issued to the Reporting Person in connection with his service on the Board of Directors will be distributed directly to such advisory clients. Under the advisory contracts with FMA, FMA will retain sole voting and investment discretion over these securities. The Reporting Person disclaims beneficial ownership of these securities.

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.