

CHAPMAN RICHARD E
Form 4
May 02, 2007

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 *
CHAPMAN RICHARD E

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)
05/01/2007

____ Director
 Officer (give title below) _____ 10% Owner
_____ Other (specify below)
Exec VP & Chief Admin

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	05/01/2007		M		3,712	A	\$ 11.03
Common Stock	05/01/2007		M		10,137	A	\$ 23.89
Common Stock	05/01/2007		M		10,000	A	\$ 30.42
Common Stock	05/01/2007		S		8,300	D	\$ 34.75
Common Stock	05/01/2007		S		2,800	D	\$ 34.76

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Common Stock	05/01/2007	S	1,400	D	\$ 34.77	111,982	D
Common Stock	05/01/2007	S	1,900	D	\$ 34.8	110,082	D
Common Stock	05/01/2007	S	300	D	\$ 34.81	109,782	D
Common Stock	05/01/2007	S	400	D	\$ 34.82	109,382	D
Common Stock	05/01/2007	S	1,949	D	\$ 34.83	107,433	D
Common Stock	05/01/2007	S	1,300	D	\$ 34.84	106,133	D
Common Stock	05/01/2007	S	5,500	D	\$ 35.1	100,633	D

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

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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 (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
Employee Stock Option (Right to Buy)	\$ 11.03	05/01/2007		M	3,712	07/22/2005 ⁽¹⁾ 07/22/2013	Common Stock	3,712
Employee Stock Option (Right to Buy)	\$ 23.89	05/01/2007		M	10,137	07/26/2005 ⁽²⁾ 07/26/2014	Common Stock	10,137
	\$ 30.42	05/01/2007		M	10,000	12/14/2005 ⁽³⁾ 02/23/2015		10,000

Employee
 Stock
 Option
 (Right to
 Buy)

Common
 Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CHAPMAN RICHARD E 680 SOUTH FOURTH STREET LOUISVILLE, KY 40202			Exec VP & Chief Admin	

Signatures

Richard E.
 Chapman

05/02/2007

**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: 1,856 on 7/22/05 and 1,856 on 7/22/06.
- (2) This option is exercisable in the following cumulative installments: 5,069 on 7/26/05, 5,068 on 7/26/06 and 884 on 7/26/07.
- (3) This option is fully vested on 12/14/05.

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.