

Edgar Filing: KINDRED HEALTHCARE INC - Form SC 13D

KINDRED HEALTHCARE INC  
Form SC 13D  
December 08, 2003

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. 11)\*

KINDRED HEALTHCARE, INC.

-----  
(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.25

-----  
(Title of Class of Securities)

494580 10 3

-----  
(CUSIP Number)

KENNETH MAIMAN, ESQ.  
APPALOOSA MANAGEMENT L.P.  
26 MAIN STREET, FIRST FLOOR  
CHATHAM, NJ 07928  
(973) 701-7000

-----  
(Name, Address and Telephone Number of Persons  
Authorized to Receive Notices and Communications)

DECEMBER 5, 2003

-----  
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this Schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box .

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 494580 10 3  
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PAGE 2 OF 10 PAGES  
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-----  
1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

APPALOOSA INVESTMENT LIMITED PARTNERSHIP I  
-----

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
(b) [ ]  
-----

3 SEC USE ONLY  
-----

4 SOURCE OF FUNDS

OO  
-----

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEM 2(d) or 2(e) [ ]  
-----

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE  
-----

NUMBER OF SHARES 7 SOLE VOTING POWER

-0-  
-----

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER

1,045,622  
-----

EACH REPORTING 9 SOLE DISPOSITIVE POWER

-0-  
-----

PERSON WITH 10 SHARED DISPOSITIVE POWER

1,045,622  
-----

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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,045,622

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [ ]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.3%

14 TYPE OF REPORTING PERSON

PN

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PAGE 3 OF 10 PAGES

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

PALOMINO FUND LTD.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
(b) [ ]

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

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BRITISH VIRGIN ISLANDS

NUMBER OF SHARES	7	SOLE VOTING POWER
		-0-
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER
		937,520
EACH REPORTING PERSON WITH	9	SOLE DISPOSITIVE POWER
		-0-
PERSON WITH	10	SHARED DISPOSITIVE POWER
		937,520
11		AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
		937,520
12		CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>
13		PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
		4.7%
14		TYPE OF REPORTING PERSON
		CO

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1 NAME OF REPORTING PERSON

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S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

APPALOOSA MANAGEMENT L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
(b) [ ]

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEM 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES 7 SOLE VOTING POWER  
-0-

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER  
1,983,142

EACH REPORTING 9 SOLE DISPOSITIVE POWER  
-0-

PERSON WITH 10 SHARED DISPOSITIVE POWER  
1,983,142

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH  
REPORTING PERSON  
1,983,142

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES [ ]

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-----  
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
10.0% (\*)  
-----

14 TYPE OF REPORTING PERSON  
PN  
-----

-----  
(\* ) The Reporting Person owns 9.96% of the class represented in Row 11. For purposes of this cover page, the Reporting Person has rounded off such percentage to 10% to comply with the Instruction for Cover Page to Schedule 13D.

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CUSIP No. 494580 10 3  
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1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
APPALOOSA PARTNERS INC.  
-----

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
(b) [ ]  
-----

3 SEC USE ONLY  
-----

4 SOURCE OF FUNDS  
OO  
-----

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED [ ]  
PURSUANT TO ITEM 2(d) or 2(e)  
-----

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6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES	7	SOLE VOTING POWER
		-0-
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER
		1,983,142
EACH REPORTING PERSON WITH	9	SOLE DISPOSITIVE POWER
		-0-
PERSON WITH	10	SHARED DISPOSITIVE POWER
		1,983,142
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	1,983,142	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	10.0% (*)	
14	TYPE OF REPORTING PERSON	
	CO	

(\*) The Reporting Person owns 9.96% of the class represented in Row 11. For purposes of this cover page, the Reporting Person has rounded off such percentage to 10% to comply with the Instruction for Cover Page to Schedule 13D.

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EXCLUDES CERTAIN SHARES

[ ]

-----  
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

10.0% (\*)

-----  
14 TYPE OF REPORTING PERSON

IN  
-----

-----  
(\* ) The Reporting Person owns 9.96% of the class represented in Row 11. For purposes of this cover page, the Reporting Person has rounded off such percentage to 10% to comply with the Instruction for Cover Page to Schedule 13D.

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

SCHEDULE 13D  
Under the Securities Exchange Act of 1934

This Amendment No. 11, filed on behalf of Appaloosa Investment Limited Partnership I ("AILP"), Palomino Fund Ltd. ("Palomino"), Appaloosa Management L.P. (the "Manager"), Appaloosa Partners Inc. ("API") and David A. Tepper ("Mr. Tepper" and, together with AILP, Palomino, the Manager and API, the "Reporting Persons"), amends and supplements the Schedule 13D filed on behalf of the Manager, API and Mr. Tepper on April 26, 2001 (as amended by Amendment No. 1 filed on November 15, 2001, Amendment No. 2 filed on October 23, 2002, Amendment No. 3 filed on April 7, 2003, Amendment No. 4 filed on August 19, 2003, Amendment No. 5 filed on August 22, 2003, Amendment No. 6 filed on September 8, 2003, Amendment No. 7 filed on September 18, 2003, Amendment No. 8 filed on September 25, 2003, Amendment No. 9 filed on October 3, 2003, Amendment No. 10 filed on December 3, 2003 and Amendment No. 11 filed on December 3, 2003, the "Schedule 13D"), relating to the common stock, par value \$0.25 per share (the "Common Stock"), of Kindred Healthcare, Inc., a Delaware corporation (the "Company"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Schedule 13D. The Schedule 13D is hereby amended and supplemented as follows:

ITEM 4. Purpose of Transaction.  
-----

Item 4 is hereby amended to add the following:

The Reporting Persons do not hold the Shares of the Company for the purpose of, or with the effect of, changing or influencing the control of the Company, or in connection with or as a participant in any transaction having that purpose or effect. Accordingly, the Reporting Persons have determined to report their ownership position in the Company on Schedule 13G under the Act and will file no further amendments to this

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Schedule 13D.

ITEM 5. Interest in Securities of the Issuer  
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Item 5 is hereby amended to reflect that, as of the date hereof:

The percentages set forth in this Item 5 are based on there being 17,923,929 shares of Common Stock outstanding as of October 31, 2003 as disclosed by the Company in its Form 10-Q filed on November 7, 2003 for the fiscal quarter ended September 30, 2003 and are calculated in accordance with Rule 13d-3(d) of the Securities Exchange Act of 1934, as amended.

(a) Upon exercise of the New Warrants, AILP would beneficially own 1,042,747 shares of Common Stock and Palomino would beneficially own 934,645 shares of Common Stock. Upon exercise of the vested portion of the non-qualified stock options granted to Mr. Tepper and Mr. Bolin, a former employee of the Manager, pursuant to the Company's 2001 Stock Option Plan for Non-Employee Directors, AILP would beneficially own an additional 2,875 shares of Common Stock and Palomino would beneficially own an additional 2,875 shares of Common Stock. Each of the Manager, API and Mr. Tepper may be deemed to beneficially own an aggregate of 1,983,142 shares of Common Stock. Therefore, as of the date hereof, the beneficial ownership of (i) AILP constitutes approximately 5.3% of the issued and outstanding shares of Common Stock, (ii) Palomino constitutes approximately 4.7% of the issued and outstanding shares of Common Stock and (iii) each of the Manager, API and Mr. Tepper constitutes approximately 9.96% of the issued and outstanding shares of Common Stock.

(b) AILP may be deemed to have shared voting and dispositive power with respect to 1,045,622 shares of Common Stock and Palomino may be deemed to have shared voting and dispositive power with respect to 937,520 shares of Common Stock. Each of the Manager, API and Mr. Tepper may be deemed to have shared voting and dispositive power with respect to 1,983,142 shares of Common Stock.

(c) On December 5, 2003, in open market transactions, AILP sold 258,507 New Warrants and Palomino sold 226,495 New Warrants at an average price of approximately \$22.18 per New Warrant. On December 8, 2003, in open market transactions, AILP sold 5,330 New Warrants and Palomino sold 4,670 New Warrants at a price of \$22.30 per New Warrant.

(d) Not applicable.

(e) Not applicable.

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: December 8, 2003

APPALOOSA INVESTMENT LIMITED  
PARTNERSHIP I

By: APPALOOSA MANAGEMENT L.P.,  
Its General Partner

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By: APPALOOSA PARTNERS INC.,  
Its General Partner

By: /s/ David A. Tepper

-----  
Name: David A. Tepper  
Title: President

PALOMINO FUND LTD.

By: APPALOOSA MANAGEMENT L.P.,  
Its Investment Adviser

By: APPALOOSA PARTNERS INC.,  
Its General Partner

By: /s/ David A. Tepper

-----  
Name: David A. Tepper  
Title: President

APPALOOSA MANAGEMENT L.P.

By: APPALOOSA PARTNERS INC.,  
Its General Partner

By: /s/ David A. Tepper

-----  
Name: David A. Tepper  
Title: President

APPALOOSA PARTNERS INC.

By: /s/ David A. Tepper

-----  
Name: David A. Tepper  
Title: President

/s/ David A. Tepper

-----  
David A. Tepper