

Edgar Filing: KINDRED HEALTHCARE INC - Form SC 13D/A

KINDRED HEALTHCARE INC  
Form SC 13D/A  
August 19, 2003

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

SCHEDULE 13D  
Under the Securities Exchange Act of 1934  
(Amendment No. 4)\*

KINDRED HEALTHCARE, INC.

-----  
(Name of Issuer)

-----  
Common Stock, par value \$0.25 per share  
(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 Person  
Authorized to Receive Notices and Communications)

-----  
August 14, 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 (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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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 EACH REPORTING PERSON	8	SHARED VOTING POWER
		2,404,786
	9	SOLE DISPOSITIVE POWER
		-0-
	10	SHARED DISPOSITIVE POWER
		2,404,786

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
2,404,786

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
11.8%

14 TYPE OF REPORTING PERSON  
PN

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- 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  
BRITISH VIRGIN ISLANDS
- |   |    |                          |
|---|----|--------------------------|
| NUMBER OF SHARES                            | 7  | SOLE VOTING POWER        |
|   |    | -0-                      |
| BENEFICIALLY OWNED BY EACH REPORTING PERSON | 8  | SHARED VOTING POWER      |
|   |    | 2,128,736                |
|   | 9  | SOLE DISPOSITIVE POWER   |
|   |    | -0-                      |
| PERSON WITH                                 | 10 | SHARED DISPOSITIVE POWER |
|   |    | 2,128,736                |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
2,128,736
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [ ]
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
10.4%
- 14 TYPE OF REPORTING PERSON  
CO

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- 1 NAME OF REPORTING PERSON 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 EACH REPORTING PERSON | 8  | SHARED VOTING POWER      |
|   |    | 4,533,522                |
|   | 9  | SOLE DISPOSITIVE POWER   |
|   |    | -0-                      |
| PERSON WITH                                 | 10 | SHARED DISPOSITIVE POWER |
|   |    | 4,533,522                |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
4,533,522
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [ ]
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
22.2%

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14 TYPE OF REPORTING PERSON

PN

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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) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF 7 SOLE VOTING POWER  
SHARES  
-0-

BENEFICIALLY 8 SHARED VOTING POWER  
OWNED BY  
4,533,522

EACH 9 SOLE DISPOSITIVE POWER  
REPORTING  
-0-

PERSON 10 SHARED DISPOSITIVE POWER  
WITH  
4,533,522

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,533,522

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

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

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22.2%

14 TYPE OF REPORTING PERSON  
CO

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

David A. Tepper

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  
USA

NUMBER OF 7 SOLE VOTING POWER  
SHARES  
-0-

BENEFICIALLY 8 SHARED VOTING POWER  
OWNED BY  
4,533,522

EACH 9 SOLE DISPOSITIVE POWER  
REPORTING  
-0-

PERSON 10 SHARED DISPOSITIVE POWER  
WITH  
4,533,522

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
4,533,522

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

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SHARES

[ ]

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

22.2%

14 TYPE OF REPORTING PERSON

IN

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

SCHEDULE 13D  
Under the Securities Exchange Act of 1934

This Amendment No. 4, 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 and Amendment No. 3 filed on April 7, 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:

Effective May 22, 2003, Mr. Tepper is no longer serving on the Board of Directors of the Company.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

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 17,862,454 shares of Common Stock outstanding as of July 31, 2003 as disclosed by the Company in its Form 10-Q filed on August 13, 2003 for the fiscal quarter ended June 30, 2003 and are calculated in accordance with Rule 13d-3(d) of the Securities Exchange Act of 1934, as amended.

(a) AILP is the beneficial owner of 1,066,335 shares of Common Stock and Palomino is the beneficial owner of 934,293 shares of Common Stock. In addition, (i) upon exercise of the New Warrants, AILP would beneficially own an additional 1,332,701 shares of Common Stock and Palomino would beneficially own an additional 1,188,693 shares of Common Stock and (ii) 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

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Directors, AILP would beneficially own an additional 5,750 shares of Common Stock and Palomino would beneficially own an additional 5,750 shares of Common Stock. Each of the Manager, API and Mr. Tepper may be deemed to beneficially own an aggregate of 4,533,522 shares of Common Stock. Therefore, as of the date hereof, the beneficial ownership of (i) AILP constitutes approximately 11.8% of the issued and outstanding shares of Common Stock, (ii) Palomino constitutes approximately 10.4% of the issued and outstanding shares of Common Stock and (iii) each of the Manager, API and Mr. Tepper constitutes approximately 22.2% of the issued and outstanding shares of Common Stock.

(b) AILP may be deemed to have shared voting and dispositive power with respect to 2,404,786 shares of Common Stock and Palomino may be deemed to have shared voting and dispositive power with respect to 2,128,736 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 4,533,522 shares of Common Stock.

(c) On August 14, 2003, AILP sold 237,185 shares of Common Stock and Palomino sold 207,815 shares of Common Stock in open market transactions for an average price of approximately \$29.68 per share. On August 15, 2003, AILP sold 4,477 shares of Common Stock and Palomino sold 3,923 shares of Common Stock in open market transactions for a price of \$29.31 per share. On August 18, 2003, AILP sold 15,350 shares of Common Stock and Palomino sold 13,450 shares of Common Stock in open market transactions for an average price of approximately \$29.52 per share. On August 18, 2003, AILP purchased 3,944 shares of Common Stock and Palomino purchased 3,456 shares of Common Stock in open market transactions for a price of \$29.36 per share.

(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: August 18, 2003

APPALOOSA INVESTMENT LIMITED PARTNERSHIP I

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

By: APPALOOSA PARTNERS INC.,  
Its General Partner

By: /s/ David A. Tepper

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

PALOMINO FUND LTD.



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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