

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

KINDRED HEALTHCARE INC  
Form SC 13D/A  
October 23, 2002

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

SCHEDULE 13D  
UNDER THE SECURITIES EXCHANGE ACT OF 1934  
(Amendment No. 2)\*

KINDRED HEALTHCARE, INC. (FORMERLY VENCOR, 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 Communication)  
-----

October 21, 2002  
(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(b) (3) or (4), check the following box .

Note. Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) 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 in 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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CUSIP NO. 494580 10 3

PAGE 2 OF 7 PAGES  
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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) [X]  
-----

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

5,001,821  
-----

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER  
-----

EACH REPORTING 9 SOLE DISPOSITIVE POWER

5,001,821  
-----

PERSON WITH 10 SHARED DISPOSITIVE POWER  
-----

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING  
PERSON

5,001,821  
-----

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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24.8%

-----  
14 TYPE OF REPORTING PERSON  
PN  
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SCHEDULE 13D

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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) [X]  
-----

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  
5,001,821  
-----

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER  
-----

EACH REPORTING PERSON 9 SOLE DISPOSITIVE POWER  
5,001,821  
-----

PERSON 10 SHARED DISPOSITIVE POWER  
-----

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WITH

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,001,821

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

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

24.8%

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) [X]

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

United States

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NUMBER OF SHARES	7	SOLE VOTING POWER
		5,001,821
-----		
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER
-----		
EACH REPORTING	9	SOLE DISPOSITIVE POWER
		5,001,821
-----		
PERSON WITH	10	SHARED DISPOSITIVE POWER
-----		
11		AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
		5,001,821
-----		
12		CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [ ]
-----		
13		PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
		24.8%
-----		
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. 2 to the statement on Schedule 13D filed on behalf of Appaloosa Management, L.P., Appaloosa Partners Inc. and David A. Tepper on April 26, 2001, as amended by Amendment No. 1 filed on November 15, 2001 (the "Schedule 13D"), relates to the common stock, par value \$0.25 per share (the "Common Stock"), of Kindred Healthcare, Inc. (formerly Vencor, 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.

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Item 4 is hereby amended to add the following:

On October 21, 2002, David Tepper advised the Company that he does not presently intend to seek re-election to the Board of Directors of the Company at the next annual meeting of the stockholders of the Company. In addition, effective as of October 7, 2002, Mr. Bolin resigned as Vice President of Appaloosa Partners Inc., the general partner of the Manager, and entered into a consulting arrangement with the Manager.

### 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 17,682,817 shares of Common Stock outstanding as of July 31, 2002 as disclosed by the Company in its Form 10-Q for the quarterly period ended June 30, 2002 and are calculated in accordance with Rule 13d-3(d) of the Securities Exchange Act of 1934, as amended.

(a) The Purchasers are the beneficial owners of 2,475,427 shares of Common Stock. Additionally, (i) upon exercise of the New Warrants, the Purchasers would beneficially own an additional 2,521,394 shares of Common Stock and (ii) upon exercise of the vested portion of the non-qualified stock options granted to each of Mr. Tepper and Mr. Bolin on the Transaction Date pursuant to the Company's 2001 Stock Option Plan for Non-Employee Directors, the Purchasers would beneficially own an additional 5,000 shares of Common Stock. Therefore, as of the date hereof, the Reporting Persons' beneficial ownership constitutes 5,001,821 shares of Common Stock or approximately 24.8% of the issued and outstanding Common Stock.

(b) The Manager, API and Mr. Tepper may be deemed to have sole voting and dispositive power with respect to 5,001,821 shares of Common Stock.

(c) Since the last filing on Schedule 13D, the following transactions have taken place:

On or about January 1, 2002 (the "January 2002 Transaction Date"), pursuant to the Company's 2001 Stock Option Plan for Non-Employee Directors, Mr. Tepper and Mr. Bolin, in consideration for their services as directors of the Company, each was granted a non-qualified stock option with respect to 3,000 shares of Common Stock at an exercise price of \$52.00 per share. Mr. Tepper and Mr. Bolin immediately assigned their right, title and interest in the options to the Purchasers. The options vest ratably on each of the first, second, third, and fourth anniversaries of the January 2002 Transaction Date.

### 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: October 23, 2002

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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