

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>Walker Daniel H</u> (Last) (First) (Middle) C/O THE PENNANT GROUP, INC. 1675 EAST RIVERSIDE DRIVE, SUITE 150 (Street) EAGLE ID 83616 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Pennant Group, Inc. [PNTG]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) See Remarks
	3. Date of Earliest Transaction (Month/Day/Year) 10/01/2019	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

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	10/01/2019		A		849 ⁽¹⁾	A	\$0.00	849	D	
Common Stock	10/01/2019		A		693,584 ⁽¹⁾	A	\$0.00	694,433	I ⁽²⁾	By Amoeba Investments, LLC
Common Stock	10/01/2019		A		1,192,842 ⁽³⁾	A	\$0.00	1,887,275	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Option (right to buy)	\$3.36	10/01/2019		A		6,914		10/01/2019 ⁽⁴⁾	02/07/2024	Common Stock	6,914	\$0.00	6,914	D	
Stock Option (right to buy)	\$4.09	10/01/2019		A		6,914		10/01/2019 ⁽⁵⁾	05/29/2024	Common Stock	6,914	\$0.00	6,914	D	
Stock Option (right to buy)	\$8.03	10/01/2019		A		16,972		⁽⁶⁾	07/30/2025	Common Stock	16,972	\$0.00	16,972	D	

Explanation of Responses:

- Shares of common stock received in the October 1, 2019 pro rata distribution of shares of The Pennant Group, Inc. (the "Registrant") by The Ensign Group, Inc. to its stockholders (the "Spin-off") and shares of Cornerstone Healthcare, Inc. converted into shares of the Registrant pursuant to the to a merger of Cornerstone Merger Sub, Inc., a wholly-owned subsidiary of the Registrant, with and into Cornerstone Healthcare, Inc., with Cornerstone Healthcare, Inc. as the surviving corporation, in connection with the Spin-off.
- These shares are held by Amoeba Investments, LLC, of which Mr. Walker is the sole member.
- Shares of restricted stock units granted on October 1, 2019 under The Pennant Group, Inc. 2019 Omnibus Incentive Plan.
- Options assumed on October 1, 2019 by the Registrant under The Ensign Group, Inc. 2007 Omnibus Incentive Plan as a result of the Spin-off, all of which have vested.
- Options assumed on October 1, 2019 by the Registrant under The Ensign Group, Inc. 2007 Omnibus Incentive Plan as a result of the Spin-off, all of which have vested.
- Options assumed on October 1, 2019 by the Registrant under The Ensign Group, Inc. 2007 Omnibus Incentive Plan as a result of the Spin-off. 11,315 of these options are vested. 5,657 will vest on July 30, 2020.

Remarks:

Chairman, Chief Executive Officer and President

/s/ Derek J. Bunker, as attorney-in-fact 10/03/2019

** Signature of Reporting Person Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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