

**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>Bunker Derek J</u>  (Last) (First) (Middle) <u>C/O THE PENNANT GROUP, INC.</u> <u>1675 E. RIVERSIDE DRIVE, SUITE 150</u>  (Street) <u>EAGLE ID 83616</u>  (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) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) See Remarks
	3. Date of Earliest Transaction (Month/Day/Year) <u>10/01/2019</u>	
		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		32,031 <sup>(1)</sup>	A	\$0.00	32,031	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)	\$6.33	10/01/2019		A		6,286		(2)	02/08/2026	Common Stock	6,286	\$0.00	6,286	D	
Stock Option (right to buy)	\$6.23	10/01/2019		A		9,429		(3)	05/26/2026	Common Stock	9,429	\$0.00	9,429	D	
Stock Option (right to buy)	\$6.45	10/01/2019		A		12,572		(4)	02/06/2027	Common Stock	12,572	\$0.00	12,572	D	
Stock Option (right to buy)	\$12.28	10/01/2019		A		9,429		(5)	08/23/2028	Common Stock	9,429	\$0.00	9,429	D	
Stock Option (right to buy)	\$15.09	10/01/2019		A		50,000		(6)	10/01/2029	Common Stock	50,000	\$0.00	50,000	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 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.
- 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. 3,772 of these options have vested. 1,257 will vest on February 8, 2020 and 1,257 will vest on February 8, 2021.
- 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. 5,658 of these options have vested. 1,886 will vest on May 26, 2020 and 1,885 will vest on May 26, 2021.
- 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. 5,030 of these options have vested. 2,514 will vest on February 6, 2020, 2,514 will vest on February 6, 2021 and 2,514 will vest on February 6, 2022.
- Options assumed on October 1, 2019 by the Registrant under The Ensign Group, Inc. 2017 Omnibus Incentive Plan as a result of the Spin-off. 1,886 of these options have vested. 1,886 will vest on August 23, 2020, 1,886 will vest on August 23, 2021, 1,886 will vest on August 23, 2022 and 1,885 will vest on August 23, 2023.
- Options granted on October 1, 2019 under The Pennant Group, Inc. 2019 Omnibus Incentive Plan. The options vest in five equal annual installments beginning on the first anniversary of the date of the grant.

**Remarks:**

Chief Investment Officer, Executive Vice President & Secretary

/s/ Derek J. Bunker

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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