

Brookdale Senior Living Inc.  
Form 424B3  
May 13, 2010

Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-159146

**PROSPECTUS SUPPLEMENT**

(To prospectus dated May 22, 2009)

**10,000,000 Shares**

**BROOKDALE SENIOR LIVING INC.**

**Common Stock**

The selling stockholders identified in this prospectus supplement are offering 10,000,000 shares of our common stock in this offering. We will not receive any proceeds from the sale of our common stock by the selling stockholders. After this offering, funds managed by affiliates of Fortress Investment Group LLC ( Fortress ) and various principals of Fortress, in the aggregate, will beneficially own approximately 27.7% of our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol BKD . The last reported sale price of our common stock on May 11, 2010 was \$20.09 per share.

**Investing in our common stock involves a high degree of risk. See Risk Factors on page S-11 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. You should read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus carefully before you make your investment decision.**

	<b>Per Share</b>	<b>Total</b>
Public offering price	\$ 18.60	\$ 186,000,000
Underwriting discount	\$.24	\$2,400,000
Proceeds, before expenses, to the selling stockholders	\$ 18.36	\$ 183,600,000

Neither the Securities and Exchange Commission, state securities regulators, nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about May 17, 2010.

## **BofA Merrill Lynch**

The date of this prospectus supplement is May 11, 2010.

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**Prospectus**

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We, the selling stockholders and the underwriter have not authorized anyone to provide you with different information or to make representations as to matters not stated or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus required to be filed with the Securities and Exchange Commission, or SEC. You must not rely on unauthorized information. This prospectus supplement and the accompanying prospectus may be used only where it is legal to sell these securities. The information in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is only accurate on the respective dates of such documents.

## ABOUT THIS PROSPECTUS SUPPLEMENT

This document is comprised of two parts. The first part is this prospectus supplement, which describes the terms of the offering of the shares of common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated herein and therein by reference, on the other hand, you should rely on the information in this prospectus supplement.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus supplement, the accompanying prospectus and any documents incorporated by reference may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Those forward-looking statements are subject to various risks and uncertainties and include all statements that are not historical statements of fact and those regarding our intent, belief or expectations, including, but not limited to, statements relating to our operational initiatives and our expectations regarding their effect on our results; our expectations regarding occupancy, revenue, cash flow, expense levels, the demand for senior housing, expansion activity, acquisition opportunities and asset dispositions; our belief regarding our growth prospects; our ability to secure financing or repay, replace or extend existing debt at or prior to maturity; our ability to remain in compliance with all of our debt and lease agreements (including the financial covenants contained therein); our expectations regarding liquidity; our plans to deleverage; our expectations regarding financings and refinancings of assets (including the timing thereof); our plans to generate growth organically through occupancy improvements, increases in annual rental rates and the achievement of operating efficiencies and cost savings; our plans to expand our offering of ancillary services (therapy and home health); our plans to expand existing communities; our plans to acquire additional communities, asset portfolios, operating companies and home health agencies; the expected project costs for our expansion program; our expected levels of expenditures and reimbursements (and the timing thereof); our expectations for the performance of our entrance fee communities; our ability to anticipate, manage and address industry trends and their effect on our business; our expectations regarding the payment of dividends; and our ability to increase revenues, earnings, Adjusted EBITDA, Cash From Facility Operations, and/or Facility Operating Income. Forward-looking statements are generally identifiable by use of forward-looking terminology such as may, will, should, potential, intend, expect, endeavor, seek, anticipate, estimate, underestimate, believe, could, would, project, predict, continue, plan or other similar words or expressions. Forward-looking statements based on certain assumptions or estimates, discuss future expectations, describe future plans and strategies, contain projections of results of operations or of financial condition, or state other forward-looking information. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, actual results and performance could differ materially from those set forth in the forward-looking statements. Factors which could have a material adverse effect on our operations and future prospects or which could cause events or circumstances to differ from these forward-looking statements include, but are not limited to, the risk associated with the current global economic crisis and its impact upon capital markets and liquidity; our inability to extend (or refinance) debt (including our credit and letter of credit facilities) as it matures; the risk that we may not be able to satisfy the conditions precedent to exercising the extension options associated with certain of our debt agreements; events which adversely affect the ability of seniors to afford our monthly resident fees or entrance fees; the conditions of housing markets in certain geographic areas; our ability to generate sufficient cash flow to cover required interest and long-term operating lease payments; the effect of our indebtedness and long-term operating leases on our liquidity; the risk of loss of property pursuant to our mortgage debt and long-term lease obligations; the possibilities that changes in the capital markets, including changes in interest rates and/or credit spreads, or other factors could make

financing more expensive or unavailable to us; the risk that we may be required to post additional cash collateral in connection with our interest rate swaps; the risk that continued market deterioration could jeopardize the performance of certain of our counterparties' obligations; changes in governmental reimbursement programs; our limited operating history on a combined basis; our ability to effectively manage our growth; our ability to maintain consistent quality control; delays in obtaining regulatory approvals; our ability to complete acquisitions and integrate them into our operations; competition for the acquisition of assets; our ability to obtain additional capital on terms acceptable to us; a decrease in the overall demand for senior housing; our vulnerability to economic downturns; acts of nature in certain geographic areas; terminations of our resident agreements and vacancies in the living spaces we lease; increased competition for skilled personnel; increased union activity; departure of our key officers; increases in market interest rates; environmental contamination at any of our facilities; failure to comply with existing environmental laws; an adverse determination or resolution of complaints filed against us; the cost and difficulty of complying with increasing and evolving regulation; and other risks detailed from time to time in our filings with the SEC, press releases and other communications, including those set forth under "Risk Factors" on page S-11 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. Such forward-looking statements speak only as of the date of this prospectus supplement. We expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

## PROSPECTUS SUPPLEMENT SUMMARY

*This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, carefully before making an investment decision, especially the risks of investing in our common stock discussed under Risk Factors herein and therein and the consolidated financial statements and notes to those consolidated financial statements incorporated by reference herein and therein.*

*Unless the context suggests otherwise, references in this prospectus supplement to Brookdale, the Company, we, us and our refer to Brookdale Senior Living Inc. and its direct and indirect subsidiaries, except where it is clear that the term refers only to the parent company. References in this prospectus supplement to Fortress refer to Fortress Investment Group LLC and certain of its affiliates. References in this prospectus supplement to selling stockholders refer to our stockholders described in the section herein entitled Selling Stockholders.*

### **Brookdale Senior Living Inc.**

Brookdale Senior Living Inc. is a leading owner and operator of senior living communities throughout the United States. The Company is committed to providing an exceptional living experience through properties that are designed, purpose-built and operated to provide the highest-quality service, care and living accommodations for residents. We offer our residents access to a full continuum of services across the most attractive sectors of the senior living industry. We currently own and operate independent living, assisted living, and dementia-care communities and continuing care retirement communities ( CCRCs ).

As of March 31, 2010, we are the largest operator of senior living communities in the United States based on total capacity, with 564 communities in 35 states and the ability to serve approximately 52,000 residents. As of March 31, 2010, we operated 80 retirement center communities with 14,832 units, 429 assisted living communities with 21,166 units, 36 CCRCs with 12,091 units and 19 communities with 3,788 units where we provide management services for third parties. The majority of our units are located in campus settings or communities containing multiple services, including CCRCs. For the three months ended March 31, 2010, the weighted average occupancy rate for our communities was 86.6%. For the three months ended March 31, 2010, 43.2% of our revenues were generated from owned communities, 56.5% from leased communities and 0.3% from management fees from communities we operate on behalf of third parties. We generate approximately 82.0% of our revenues from private pay customers.

Our principal executive offices are located at 111 Westwood Place, Suite 400, Brentwood, Tennessee 37027 and our telephone number at that address is (615) 221-2250. Our website address is [www.brookdaleliving.com](http://www.brookdaleliving.com). The information on, or accessible through, our website is not part of this prospectus supplement or the accompanying prospectus and should not be relied upon in connection with making any investment decision with respect to the securities offered by this prospectus supplement and the accompanying prospectus.

## Growth Strategy

Our primary growth objectives are to grow our revenues, Adjusted EBITDA, Cash From Facility Operations and Facility Operating Income (as such terms are defined by incorporation by reference herein of our Quarterly Report on Form 10-Q for the period ended March 31, 2010 in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Financial Measures"). Key elements of our strategy to achieve these objectives include:

*Organic growth in our core business, including expense control and the realization of economies of scale.* We plan to grow our existing operations by increasing revenues through a combination of occupancy growth and monthly service fee increases as a result of our competitive strength and growing demand for senior living communities. In addition, we intend to take advantage of our sophisticated operating and marketing expertise to retain existing residents and attract new residents to our communities. We also plan to continue our efforts to achieve cost savings through the realization of additional economies of scale. The size of our business has allowed us to achieve savings in the procurement of goods and services and increased efficiencies with respect to various corporate functions, and we expect that we can achieve additional savings and efficiencies.

*Growth through the continued expansion of our ancillary services programs (including therapy services and home health).* We plan to grow our revenues by further expanding our Innovative Senior Care program throughout our retirement centers, assisted living, CCRCs and management services segments. This expansion includes expanding the scope of services provided at the communities currently served and the continuing rollout of home health to communities not currently serviced. Through the Innovative Senior Care program, we currently provide therapy, home health and other ancillary services, as well as education and wellness programs, to residents of many of our communities. These programs are focused on wellness and physical fitness to allow residents to maintain maximum independence. These services provide many continuing education opportunities for residents and their families through health fairs, seminars, and other consultative interactions. The therapy services we provide include physical, occupational, speech and other specialized therapy and home health services. The home health services we provide include skilled nursing, physical therapy, occupational therapy, speech language pathology, home health aide services as well as social services as needed. In addition to providing these in-house therapy and wellness services at our communities, we also provide these services to other senior living communities that we do not own or operate. These services may be reimbursed under the Medicare program or paid directly by residents from private pay sources and revenues are recognized as services are provided. We believe that our Innovative Senior Care program is unique in the senior living industry and that we have a significant advantage over our competitors with respect to providing ancillary services because of our established infrastructure and experience. We believe there is a significant opportunity to grow our revenues by continuing to expand the scope of services at communities currently served and continuing the rollout of home health to additional communities, which we believe will increase our revenue per unit in the future. As of March 31, 2010 we offered therapy services to approximately 37,000 of our units and home health services to approximately 22,000 of our units.

*Growth through the expansion of existing communities.* We intend to grow our revenues and cash flows through the expansion of certain of our existing communities where economically advantageous. Certain of our communities with stabilized occupancies and excess demand in their respective markets may benefit from additions and expansions (which additions and expansions may be subject to landlord, lender and other third party consents) offering increased capacity. Additionally, the community, as well as our presence in the market, may benefit from adding a new level of service for residents.

*Growth through the acquisition and consolidation of asset portfolios and other senior living companies.* As opportunities arise, we plan to continue to take advantage of the fragmented continuing care, independent living and assisted living sectors by selectively purchasing existing operating companies,

asset portfolios, home health agencies and communities. We may also seek to acquire the fee interest in communities that we currently lease or manage. Our acquisition strategy will continue to focus primarily on communities where we can improve service delivery, occupancy rates and cash flow.

### **The Senior Living Industry**

The senior living industry is highly fragmented and characterized by numerous local and regional operators. We are one of a limited number of national operators that provide a broad range of community locations and service level offerings at varying price levels. The industry has seen significant growth in recent years and has been marked by the emergence of the assisted living segment in the mid-1990 s.

Since the beginning of 2007, the industry has been affected by the downturn in the housing market and by the declining economy in general. In spite of these factors, occupancy in the industry has only decreased by 120 basis points to 88.9% in the twelve months ended December 31, 2009 according to the National Investment Center for the Seniors Housing & Care Industry ( NIC ). Occupancy has declined 160 basis points to 89.0% in the independent living sector and 70 basis points to 88.9% in the assisted living sector in the twelve months ended December 31, 2009. Industry occupancy rates have been declining after reaching a cyclic high in early 2007 of 92.3% according to NIC. New construction starts have slowed dramatically since late 2008. Due to the continued impact of the economic recession, locating financing for new projects has been very difficult. For the foreseeable future, there will be very limited amounts of new construction in senior living.

Despite current economic conditions, we believe that a number of trends will contribute to the continued growth of the senior living industry in coming years. The primary market for senior living services is individuals age 70 and older. According to U.S. Census data, the group is expected to grow by approximately 3.1 million through 2015. As a result of these demographic trends, we expect an increase in the demand for senior living services in future years.

We believe the senior living industry has been and will continue to be impacted by several other trends. The use of long-term care insurance is increasing among current and future seniors as a means of planning for the costs of senior living services. In addition, as a result of increased mobility in society, reduction of average family size and increased number of two-wage earner couples, more seniors are looking for alternatives outside of their family for their care. Growing consumer awareness among seniors and their families concerning the types of services provided by independent and assisted living operators has further contributed to the opportunities in the senior living industry. Also, seniors currently possess greater financial resources than in the past, which makes it more likely that they are able to afford to live in market-rate senior housing. Seniors in the geographic areas in which we operate tend to have a significant amount of assets generated from savings, pensions and, despite weakening in national housing markets, equity from the sale of private homes.

Challenges in our industry include increased state and local regulation of the assisted living and skilled nursing sectors, which has led to an increase in the cost of doing business. The regulatory environment continues to intensify in the number and types of laws and regulations affecting us, accompanied by increased enforcement activity by state and local officials. In addition, like other companies, our financial results may be negatively impacted by increasing employment costs including salaries, wages and benefits, such as health care, for our employees. Increases in the costs of utilities, insurance, and real estate taxes may also have a negative impact on our financial results.

Certain per person annual limits on Medicare reimbursement for therapy services became effective in 2006, subject to certain exceptions. These exceptions are currently scheduled to expire on December 31, 2010. If these exceptions are modified or not extended beyond that date, our revenues and net operating income relating to our outpatient therapy services could be materially adversely impacted.



In addition, there continues to be various federal and state legislative and regulatory proposals to implement cost containment measures that would limit payments to healthcare providers in the future. Changes in the reimbursement policies of the Medicare and Medicaid programs could have an adverse effect on our results of operations and cash flow.

### **Our History**

We were formed as a Delaware corporation in June 2005 for the purpose of combining two leading senior living operating companies, Brookdale Living Communities, Inc., or BLC, and Alterra Healthcare Corporation, or Alterra. BLC and Alterra had been operating independently since 1986 and 1981, respectively. On November 22, 2005, we completed our initial public offering of common stock, and on July 25, 2006, we acquired American Retirement Corporation, or ARC, another leading senior living provider which had been operating independently since 1978. Funds managed by affiliates of Fortress Investment Group LLC ( Fortress ) and various principals of Fortress, in the aggregate, beneficially own 43,116,326 shares, or approximately 36.1% of our outstanding common stock (excluding unvested restricted shares), as of May 11, 2010.

### **Our Product Offerings**

We offer a variety of senior living housing and service alternatives in communities located across the United States. Our primary product offerings consist of (i) retirement center communities; (ii) assisted living communities; and (iii) CCRCs. We also operate certain communities on behalf of third parties pursuant to management agreements.

*Retirement centers.* Our retirement center communities are primarily designed for middle to upper income seniors generally age 70 and older who desire an upscale residential environment providing the highest quality of service.

The majority of our retirement center communities consist of both independent and assisted living units in a single community, which allows residents to age-in-place by providing them with a continuum of senior independent and assisted living services. While the number varies depending upon the particular community, approximately 78.4% of all of the units at our retirement center communities are independent living units, with the balance of units licensed for assisted living.

Our retirement center communities are large multi-story buildings containing on average 185 units with extensive common areas and amenities. Residents may choose from studio, one-bedroom and two-bedroom units, depending upon the specific community.

Each retirement center community provides residents with basic services such as meal service, 24-hour emergency response, housekeeping, concierge services, transportation and recreational activities. Most of these communities also offer custom tailored supplemental care services at an additional charge, which may include medication reminders, check-in services and escort and companion services. In addition, our Innovative Senior Care program is currently available in most of our retirement centers communities. Through the program, we are able to offer our residents various education, wellness, therapy, home health and other ancillary services.

In addition to the basic services, our retirement center communities that include assisted living also provide residents with supplemental care service options to provide assistance with activities of daily living, or ADLs. The levels of care provided to residents vary from community to community depending, among other things, upon the licensing requirements of the state in which the community is located.

Residents in our retirement center communities are able to maintain their residency for an extended period of time due to the range of service options available to residents (not including skilled nursing) as their needs change. Residents with cognitive or physical frailties and higher level service needs are accommodated with

supplemental services in their own units or, in certain communities, are cared for in a more structured and supervised environment on a separate wing or floor. These communities also generally have a dedicated assisted living staff, including nurses at the majority of communities, and separate assisted living dining rooms and activity areas.

The communities in our Retirement Centers segment represent approximately 28.6% of our total senior living capacity.

*Assisted Living.* Our assisted living communities offer housing and 24-hour assistance with ADLs to mid-acuity frail and elderly residents.

Our assisted living communities include both freestanding, multi-story communities with more than 50 beds and smaller, freestanding single story communities with less than 50 beds. Depending upon the specific location, the community may include (i) private studio, one-bedroom and one-bedroom deluxe apartments, or (ii) individual rooms for one or two residents in wings or neighborhoods scaled to a single-family home, which includes a living room, dining room, patio or enclosed porch, laundry room and personal care area, as well as a caregiver work station.

Under our Clare Bridge brand, we also operate 86 memory care communities, which are freestanding assisted living communities specially designed for residents with Alzheimer's disease and other dementias requiring the attention, personal care and services needed to help cognitively impaired residents maintain a higher quality of life. Our memory care communities have from 19 to 60 beds and some are part of a campus setting, which includes a freestanding assisted living community.

All residents at our assisted living and memory care communities receive the basic care level, which includes ongoing health assessments, three meals per day and snacks, coordination of special diets planned by a registered dietitian, assistance with coordination of physician care, social and recreational activities, housekeeping and personal laundry services. In some locations we offer our residents exercise programs and programs designed to address issues associated with early stages of Alzheimer's and other forms of dementia. In addition, we offer at additional cost higher levels of personal care services to residents at these communities who are very physically frail or experiencing early stages of Alzheimer's disease or other dementia and who require more frequent or intensive physical assistance or increased personal care and supervision due to cognitive impairments. We also offer our Innovative Senior Care program at certain of our assisted living and memory care communities.

As a result of their progressive decline in cognitive abilities, residents at our memory care communities typically require higher levels of personal care and services and therefore pay higher monthly service fees. Specialized services include assistance with ADLs, behavior management and an activities program, the goal of which is to provide a normalized environment that supports residents' remaining functional abilities. Whenever possible, residents participate in all facets of daily life at the residence, such as assisting with meals, laundry and housekeeping.

The communities in our Assisted Living segment (including our memory care communities) represent approximately 40.8% of our total senior living capacity.

*CCRCs.* Our CCRCs are large communities that offer a variety of living arrangements and services to accommodate all levels of physical ability and health. Most of our CCRCs have independent living, assisted living and skilled nursing available on one campus, and some also include memory care/Alzheimer's units.

Eleven of our CCRCs are entrance fee communities, in which residents in the independent living apartment units pay a one-time upfront entrance fee, typically \$100,000 to \$400,000 or more, which fee is partially refundable in certain circumstances. The amount of the entrance fee varies depending upon the type and size of

the dwelling unit, the type of contract plan selected, whether the contract contains a lifecare benefit (i.e., a healthcare discount) for the resident, the amount and timing of refund, and other variables. These agreements are subject to regulations in various states. In addition to their initial entrance fee, residents under all of our entrance fee agreements also pay a monthly service fee, which entitles them to the use of certain amenities and services. Since we receive entrance fees upon initial occupancy, the monthly fees are generally less than fees at a comparable rental community.

The refundable portion of a resident's entrance fee is generally refundable within a certain number of months or days following contract termination or upon the sale of the unit, or in some agreements, upon the resale of a comparable unit or 12 months after the resident vacates the unit. In addition, some entrance fee agreements entitle the resident to a refund of the original entrance fee paid plus a percentage of the appreciation of the unit upon resale.

We also offer a broad array of ancillary services, including therapy, home health, and other services through our Innovative Senior Care program, to the residents of each of our CCRCs.

The communities in our CCRCs segment represent approximately 23.3% of our total senior living capacity. The independent living units at our entrance fee communities (those units on which entrance fees are paid) represent 6.0% of our total senior living capacity. Excluding managed communities and equity homes (which are residences located on certain of our CCRC campuses that we do not generally own), entrance fee communities represent 9.8% of our total senior living capacity.

### **Competitive Strengths**

We believe our nationwide network of senior living communities is well positioned to benefit from the growth and increasing demand in the industry. Some of our most significant competitive strengths are:

*Skilled management team with extensive experience.* Our senior management team has extensive experience in acquiring, operating and managing a broad range of senior living assets, including experience in the senior living, healthcare, hospitality and real estate industries.

*Geographically diverse, high-quality, purpose-built communities.* As of March 31, 2010, we operate a nationwide base of 564 purpose-built communities in 35 states, including 78 communities in nine of the top ten standard metropolitan statistical areas.

*Ability to provide a broad spectrum of care.* Given our diverse mix of retirement centers, assisted living communities and CCRCs, we are able to meet a wide range of our customers' needs. We believe that we are one of the few companies in the senior living industry with this capability. We believe that our multiple product offerings create marketing synergies and cross-selling opportunities.

*The size of our business allows us to realize cost and operating efficiencies.* We are the largest operator of senior living communities in the United States based on total capacity. The size of our business allows us to realize cost savings and economies of scale in the procurement of goods and services. Our scale also allows us to achieve increased efficiencies with respect to various corporate functions. We intend to utilize our expertise and size to capitalize on economies of scale resulting from our national platform. Our geographic footprint and centralized infrastructure provide us with a significant operational advantage over local and regional operators of senior living communities. In connection with our formation transactions and our acquisitions, we negotiated new contracts for food, insurance and other goods and services. In addition, we have and will continue to consolidate corporate functions such as accounting, finance, human resources, legal, information technology and marketing. We began to realize these savings upon the completion of our formation transactions in September 2005 and have realized additional savings as we continued to consolidate and integrate various corporate functions.

*Significant experience in providing ancillary services.* Through our Innovative Senior Care program, we provide a range of education, wellness, therapy, home health and other ancillary services to residents of certain of our retirement centers, assisted living, and CCRC communities. Having therapy clinics and home health agencies located in our buildings to provide needed services to our residents is a distinctive competitive difference. We have significant experience in providing these ancillary services and expect to receive additional revenues as we expand our ancillary service offerings to additional communities.

#### **Board of Directors**

Under our Stockholders Agreement, as amended, FIG LLC, an affiliate of Fortress, is permitted to designate a specified number of individuals to be elected to our board of directors depending on the percentage of voting power of our securities beneficially owned by certain Fortress investment funds and their affiliates and permitted transferees (Fortress Stockholders). In connection with the approval of an amendment to our Amended and Restated Certificate of Incorporation in November 2009, we and the Fortress Stockholders entered into Amendment Number Two to the Stockholders Agreement, which provided, among other things, that so long as the Fortress Stockholders beneficially own (i) more than 35% of the voting power of the Company, FIG LLC shall be entitled to designate four directors to our board, or, if the board shall be composed of eight or nine members, five directors; (ii) less than 35% but more than 25% of the voting power of the Company, FIG LLC shall be entitled to designate three directors; (iii) less than 25% but more than 10% of the voting power of the Company, FIG LLC shall be entitled to designate two directors; and (iv) less than 10% but more than 5% of the voting power of the Company, FIG LLC shall be entitled to designate one director. The amended Stockholders Agreement provides that in the event the number of directors FIG LLC is entitled to designate decreases due to a reduction in voting power, FIG LLC shall take reasonable actions to cause a sufficient number of designated directors to resign from the board at or prior to the end of such designated director's term so that the number of designated directors after the resignation(s) equals the number of directors FIG LLC would have been entitled to designate. However, such designees need not resign from the board at or prior to the end of their designated term if the nominating and corporate governance committee recommends the nomination of such designees for election at the next meeting.

In accordance with the Stockholders Agreement, FIG LLC (or its predecessor) designated Wesley R. Edens, Tobia Ippolito, Jeffrey R. Leeds, James R. Seward and Frank M. Bumstead to our board of directors.

Upon completion of this offering, the Fortress Stockholders will collectively own between 25% and 35% of the voting power of the Company. As a result, in accordance with our amended Stockholders Agreement, the number of our directors that FIG LLC is entitled to designate will decrease from five to three directors. In accordance with our amended Stockholders Agreement, our nominating and corporate governance committee has determined that none of the five designated directors must resign as a result of this offering. Additionally, our board of directors has waived any requirement under the Stockholders Agreement for Messrs. Bumstead, Leeds and Seward (each an independent director of the Company) to resign in the future in the event of any future reductions in the Fortress Stockholders' ownership of our common stock.

#### **Fortress**

Fortress is a leading global investment manager with approximately \$41.6 billion in pro forma assets under management as of March 31, 2010. Fortress offers a range of alternative and traditional investment strategies for institutional and private investors around the world. Fortress was founded in 1998.

**THE OFFERING**

**Common stock offered by the selling stockholders in this offering** 10,000,000 shares

**Use of proceeds**

We will not receive any proceeds from the sale of our common stock by the selling stockholders.

**New York Stock Exchange symbol**

BKD

**Risk factors**

Please read the section entitled "Risk Factors" on page S-11 of this prospectus supplement and in the documents incorporated by reference for a discussion of some of the factors you should carefully consider before deciding to invest in our common stock.

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**SUMMARY CONSOLIDATED FINANCIAL INFORMATION**

The following table sets forth certain summary consolidated financial information on a historical basis.

The summary consolidated financial information set forth below as of December 31, 2009, 2008 and 2007 and for each of the three years ended December 31, 2009, has been derived from our audited consolidated financial statements. The summary historical financial information set forth below as of March 31, 2010 and 2009, and for the three months ended March 31, 2010 and 2009, has been derived from our unaudited interim consolidated financial statements. The interim results of operations are not necessarily indicative of operations for a full fiscal year.

Statement of Operations Data	For the Three Months Ended March 31,		For the Years Ended December 31,		
	2010	2009	2009	2008	2007
	(In thousands, except per share data)				
Total revenue	\$ 544,424	\$ 497,946	\$ 2,023,068	\$ 1,928,054	\$ 1,839,296
Facility operating expense	355,324	318,112	1,302,277	1,261,581	1,170,937
General and administrative expense (including non-cash stock-based compensation expense)	31,952	33,707	134,864	140,919	138,013
Facility lease expense	68,249	67,741	272,096	269,469	271,628
Depreciation and amortization	73,061	68,133	271,935	276,202	299,925
Loss on sale of communities, net			2,043		
Goodwill and asset impairment			10,073	220,026	
Total operating expense	528,586	487,693	1,993,288	2,168,197	1,880,503
Income (loss) from operations	15,838	10,253	29,780	(240,143)	(41,207)
Interest income	627	820	2,354	7,618	7,519
Interest expense:					
Debt	(33,280)	(32,821)	(128,869)	(147,389)	(143,991)
Amortization of deferred financing costs and debt discount	(2,596)	(1,542)	(9,505)	(9,707)	(7,064)
Change in fair value of derivatives and amortization	(2,640)	(4,285)	3,765	(68,146)	(73,222)
Loss on extinguishment of debt, net	(19)		(1,292)	(3,052)	(2,683)
Equity in earnings (loss) of unconsolidated ventures	397	595	440	(861)	(3,386)
Other non-operating income		4,232	4,146	1,708	402
Loss before income taxes	(21,673)	(22,748)	(99,181)	(459,972)	(263,632)
Benefit for income taxes	7,378	9,112	32,926	86,731	101,260
Net loss	(14,295)	(13,636)	(66,255)	(373,241)	(162,372)
Net loss attributable to noncontrolling interest					393
Net loss attributable to common stockholders	\$ (14,295)	\$ (13,636)	\$ (66,255)	\$ (373,241)	\$ (161,979)

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