

CRAMER HAROLD

Form 4

January 15, 2009

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
CRAMER HAROLD

2. Issuer Name **and** Ticker or Trading
Symbol
PENN NATIONAL GAMING INC
[PENN]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
825 BERKSHIRE BLVD SUITE 200

3. Date of Earliest Transaction
(Month/Day/Year)
12/31/2008

☒ Director ☐ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)

(Street)

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)

☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

WYOMISSING, PA 19610

(City) (State) (Zip)

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 (D) Price | | | |

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

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information contained in this form are not
required to respond unless the form
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SEC 1474
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities Acquired | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title a Underlyi (Instr. 3 a |
|---------------------------------------|------------------------------|---|---|------------------------|---|--|---------------------------------------|
|---------------------------------------|------------------------------|---|---|------------------------|---|--|---------------------------------------|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) Code | (A) or Disposed of (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | Title |
|---|------------------------------------|------------------|--------------------|---|---------|---------------------------|--------------------|---------------|
| | | | | V | (A) (D) | | | |
| Non-Qualified Stock Option - right to buy | \$ 7.95 | 12/31/2008 | D ⁽¹⁾ | | 15,000 | 02/06/2007 | 02/06/2010 | Comm Stock |
| Non-Qualified Stock Option - right to buy | \$ 7.95 | 12/31/2008 | A ⁽¹⁾ | | 15,000 | 01/01/2011 | 12/31/2011 | Comm Stock |
| Non-Qualified Stock Option - right to buy | \$ 29.22 | 12/31/2008 | D ⁽²⁾ | | 60,000 | 01/06/2009 | 01/06/2012 | Comm Stock |
| Non-Qualified Stock Option - right to buy | \$ 29.22 | 12/31/2008 | A ⁽²⁾ | | 60,000 | 01/06/2009 | 01/06/2015 | Comm Stock |
| Non-Qualified Stock Option - right to buy | \$ 33.12 | 12/31/2008 | D ⁽³⁾ | | 30,000 | 01/12/2007 ⁽³⁾ | 01/12/2013 | Comm Stock |
| Non-Qualified Stock Option - right to buy | \$ 33.12 | 12/31/2008 | A ⁽³⁾ | | 30,000 | 01/12/2007 ⁽³⁾ | 01/12/2016 | Comm Stock |
| Non-Qualified Stock Option - right to buy | \$ 41.62 | 12/31/2008 | D ⁽⁴⁾ | | 30,000 | 01/02/2008 ⁽⁴⁾ | 01/02/2014 | Comm Stock |
| Non-Qualified Stock Option - right to buy | \$ 41.62 | 12/31/2008 | A ⁽⁴⁾ | | 30,000 | 01/02/2008 ⁽⁴⁾ | 01/02/2017 | Comm Stock |
| Non-Qualified Stock Option - right to buy | \$ 29.34 | 12/31/2008 | D ⁽⁵⁾ | | 20,000 | 08/08/2009 ⁽⁵⁾ | 08/08/2015 | Comm Stock |
| Non-Qualified Stock Option - right to buy | \$ 29.34 | 12/31/2008 | A ⁽⁵⁾ | | 20,000 | 08/08/2009 ⁽⁵⁾ | 08/08/2018 | Comm Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| CRAMER HAROLD 825 BERKSHIRE BLVD SUITE 200 WYOMISSING, PA 19610 | X | | | |

Signatures

/s/Robert S. Ippolito as attorney-in-fact for Harold
Cramer

01/15/2009

__Signature of Reporting Person

Date

Explanation of Responses:

* 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).

(1) The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 02/06/2003.

(2) The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 01/06/2005.

(3) The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 01/12/2006 and vests over 4 years at 25% on the anniversary of the date of grant.

(4) The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 01/02/2007 and vests over 4 years at 25% on the anniversary of the date of grant.

(5) The two reported transactions involve an amendment of an outstanding option to extend the expiration date of such option. For purposes of Section 16 reporting, the amendment of the outstanding option constitutes a deemed cancellation of an "old" option and the grant of a "new" replacement option. The option was originally granted on 08/08/2008 and vests over 4 years at 25% on the anniversary of the date of grant.

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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