

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): April 4, 2002

PENN NATIONAL GAMING, INC.

(Exact Name of Registrant Specified in Charter)

PENNSYLVANIA ----- (State or Other Jurisdiction of Incorporation)	0-24206 ----- (Commission File Number)	23-2234473 ----- (I.R.S. Employer Identification No.)
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825 Berkshire Boulevard Wyomissing, PA ----- (Address of Principal Executive Offices)	19610 ----- (Zip Code)
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Registrant's telephone number, including area code: (610) 373-2400

NOT APPLICABLE

(Former Name or Former Address, if Changed Since Last Report)

ITEM 5. OTHER EVENTS

The registrant hereby incorporates by reference the press release dated March 28, 2002, attached hereto as Exhibit 99.1.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA INFORMATION AND EXHIBITS.

(c) Exhibits.

Exhibit Number -----	Description -----
99.1	Press Release - Penn National Gaming and Showboat Development Company Settle All Outstanding Litigation

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934,
the Registrant has duly caused this report to be signed on its behalf by the
undersigned hereunto duly authorized.

PENN NATIONAL GAMING, INC.
(Registrant)

By /s/ Robert S. Ippolito

Robert S. Ippolito
Vice President, Secretary and
Treasurer

Dated: April 4, 2002

EXHIBIT INDEX

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99.1	Press Release - Penn National Gaming and Showboat Development Company Settle All Outstanding Litigation

PRESS RELEASE

PENN NATIONAL GAMING AND SHOWBOAT DEVELOPMENT COMPANY SETTLE ALL
OUTSTANDING LITIGATION

SHOWBOAT DEVELOPMENT WITHDRAWS PENNSYLVANIA SUIT

WYOMISSING, Penn.--(BUSINESS WIRE)--March 28, 2002--Penn National Gaming, Inc. (Nasdaq:PENN - news) and Showboat Development Company announced today that they have agreed to settle all of their outstanding litigation including any rights Showboat alleged to have had relative to Penn National's Charles Town Races property in West Virginia.

Under the settlement, Penn National will make a one-time payment of \$1 million to Showboat Development. As required by Generally Accepted Accounting Principles, Penn National will recognize the payment in the fourth quarter 2001 and adjust fourth quarter and full year 2001 earnings, as reported February 4, 2002, by \$650,000 (after-tax) or \$0.04 per share.

Under the terms of the settlement, Showboat Development Company has withdrawn its lawsuit in the United States District Court for the Eastern District of Pennsylvania against Penn National which in summary claimed that Penn National's operation of its Charles Town Races property in West Virginia constitutes the operation of a casino, thereby triggering an option Showboat held to manage a casino at the facility.

Penn National Gaming owns and operates Charles Town Races in Charles Town, West Virginia, which presently features 2,000 gaming machines; two Mississippi casinos, the Casino Magic hotel, casino, golf resort and marina in Bay St. Louis and the Boomtown Biloxi casino in Biloxi; and the Casino Rouge, a riverboat gaming facility in Baton Rouge, Louisiana. Penn National also owns two racetracks and eleven off-track wagering facilities in Pennsylvania and the racetrack at Charles Town Races in West Virginia, and operates the Casino Rama, a gaming facility located approximately 90 miles north of Toronto, Canada, pursuant to a management contract.

Contact:

Penn National Gaming
William J. Clifford, 610/373-2400
or
Jaffoni & Collins Incorporated
Joseph N. Jaffoni, 212/835-8500
penn@jcir.com