SEC Form 4

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FORM 4

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

Washington, D.C. 20549

OMB APPROVAL											
OMB Number:	3235-0287										

0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP Estimated average burden hours per response:

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

	Reporting Person*			2. Issu	er Name i	and Ticko	r or Troding Cu	ma la cal		1			_						
1. Name and Address of Reporting Person [*] <u>CLIFFORD WILLIAM J</u>					2. Issuer Name and Ticker or Trading Symbol <u>PENN NATIONAL GAMING INC</u> [PENN]							5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner v Officer (give title Other (specify							
	irst) LVD SUITE 20	(Middle) 0		3. Date of Earliest Transaction (Month/Day/Year) 12/31/2008							X Onicer (give tute Outer (specify below) below) Chief Financial Officer								
(Street) WYOMISSING PA 19610							. If Amendment, Date of Original Filed (Month/Day/Year)							6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person					
(S	State)	(Zip)									Form filed by More than One Reporting Person								
		Table I - Noi	1		_		-	1		-	1								
Date				Day/Year) Execution Date,			Transaction Code (Instr. 8)		f (D) (Instr. 3, 4 and 5)		Securities Beneficially Owned Following Reported		Form: Direct (D) or Indirect (I) (Instr. 4)		7. Nature of Indirect Beneficial Ownership (Instr. 4)				
				(D)						Price	(Instr. 3 and 4)								
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)																			
titve Conversion Date Execution Date if any or Exercise (Month/Day/Year) Price of Derivative		if any	Code	action Derivative (Instr. Securities Acquired Disposed		re es I (A) or d of (D)	Expiration Dat	te of Securitie ear) Underlying Derivative S		es J Security	8. Price of Derivative Security (Instr. 5)	derivative Securities Beneficial Owned	e Owner S Form: ally Direct or Indi	Ownershij Form: Direct (D) or Indirect	Beneficial Ownership (Instr. 4)				
			Code	v	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		Reported Transact	d tion(s)	() (
\$29.22	12/31/2008		D ⁽¹⁾			3,422	01/06/2009	01/06/2012	Common Stock	3,422	\$0	0		D					
\$29.22	12/31/2008		A ⁽¹⁾		3,422		01/06/2009	01/06/2015	Common Stock	3,422	\$0	3,422		D					
\$29.22	12/31/2008		D ⁽²⁾			296,578	01/06/2009	01/06/2012	Common Stock	296,578	\$0	0		D					
\$29.22	12/31/2008		A ⁽²⁾		296,578		01/06/2009	01/06/2015	Common Stock	296,578	\$0	296,578		D					
\$33.12	12/31/2008		D ⁽³⁾			3,019	01/12/2010	01/12/2013	Common Stock	3,019	\$0	0		D					
\$33.12	12/31/2008		A ⁽³⁾		3,019		01/12/2010	01/12/2016	Common Stock	3,019	\$0	3,019		D					
\$33.12	12/31/2008		D ⁽⁴⁾			96,981	01/12/2007 ⁽⁴⁾	01/12/2013	Common Stock	96,981	\$0	0		D					
\$33.12	12/31/2008		A ⁽⁴⁾		96,981		01/12/2007 ⁽⁴⁾	01/12/2016	Common Stock	96,981	\$0	96,9	81	D					
\$41.62	12/31/2008		D ⁽⁵⁾			2,402	01/02/2011	01/02/2014	Common Stock	2,402	\$0	0		D					
	SHIRE B ING P. (c urity (Inst second \$29.22 \$29.22 \$29.22 \$29.22 \$29.22 \$29.22 \$29.22 \$29.22 \$33.12 \$33.12 \$33.12	SHIRE BLVD SUITE 20 ING PA (State)	SHIRE BLVD SUITE 200 ING PA 19610 (State) (Zip) Table 1 - Nor urity (Instr. 3) Table I - Nor nversion Inversion Date Month/Day/Year) Secorise Colspan="2">S. Transaction Date Exercise Colspan="2">SA. Deemed Exercise Colspan="2">Exercise Colspan="2">Secorise Colspan="2">Colspan="2">S. Transaction Date Exercise Colspan="2">S. Transaction Date Exercise Colspan="2">Sa. Deemed Exercise Colspan="2">Secorise Colspan="2">Sa. Deemed Exercise Colspan="2">Sa. Deemed Exercise Colspan="2">Sa. Deemed Exercise Colspan="2">Secorise Colspan="2">Sa. Deemed Exercise Colspan="2">Secorise Colspan="2">Sa. Deemed Exercise Colspan="2" Sa. Deem	HIRE BLVD SUITE 200 ING PA 19610 (State) (Zip) Table 1 - Non-Deriva (State) (Zip) Table 1 - Non-Deriva (State) (Zip) Table 1 - Non-Deriva Table II - Deriva (Month/Day/Year) 3. Transaction Date, if any (Month/Day/Year) 4. Trans Code Second Date, if any (Month/Day/Year) 4. Trans Code \$29.22 12/31/2008 Sale Second Date, if any (Month/Day/Year) 4. Trans Code \$29.22 12/31/2008 Sale Second Date, if any (Month/Day/Year) 4. Trans Code \$29.22 12/31/2008 Sale Second Date, if any (Month/Day/Year) 6. Code \$29.22 12/31/2008 Sale Second Date, if any (Month/Day) 6. Code \$29.22 12/31/2008 Sale Second Date, if any (Month/Day) 6. Code \$33.12 12/31/2008 Sale Second Date, if any (Month/Day) 6. Code \$33.12 12/31/2008 Sale Second Date, if any (Month/Day) 6. Code \$33.12 12/31/2008 Sale Second Date, if any (Month/Day) 6. Code \$33.12	HIRE BLVD SUITE 200 12/31 ING PA 19610 Table 1 - NOD-DETIVE 19 (State) (Zip) Table 1 - NOD-DETIVE 9 urity (Instr. 3) 2. Transaction Date (Month/Day/Year) Table II - Derivetive Sc (e.g., puts, c.g., puts, c.g.	SHIRE BLVD SUITE 200 12/31/2008 ING PA 19610 12/31/2008 ING PA 19610 4. If Amendmen Table 1 - NO-Derivative Securité Onthi/Day/Year) ING PA 19610 (State) (Zip) Table 1 - NO-Derivative Securité Onthi/Day/Year) State end Date for the part of the	SHIRE BLVD SUITE 200 12/31/2008 ING PA 19610 12/31/2008 Table 1- Non-Derivative Securities Accurities (State) Colspan="2">Colspan="2" Intervalue Colspan="2" Same Colspan="2" Colspan="2" Same Colspan= 2"	$\begin{array}{ c c c c c c } \hline \begin{tabular}{ c c c c } \hline \begin{tabular}{ c c c c c } \hline \hline \begin{tabular}{ c c c c c c } \hline \hline \begin{tabular}{ c c c c c c c c } \hline \hline \begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	12/31/2008 12/31/2008 12/31/2008 12/31/2008 12/31/2008 12/31/2008 12/31/2008 12/31/2008 12/31/2008 Table 1 - Non-Derivative Securities Acquired, Disposed of, or Benefice, Statisman, Statisman	HIRE BLVD SUITE 200 $12731/2008$ ING PA 19610 (Sate) (20) Table 1 - Non-Derivative Securities Acquired, Disposed of, or Beneficially O unity (Instr. 3) 2, Transaction 2, Table 1 - Non-Derivative Securities Acquired, Disposed of, or Beneficially O unity (Instr. 3) 2, Transaction 2, Table 1 - Non-Derivative Securities Acquired, Disposed of, Or Beneficially O (e.g., puts, calls, warrants, options, convertible Securities Security 2, Table 1 - Derivative Securities Acquired, Disposed of, Or Beneficially O (e.g., puts, calls, warrants, options, convertible Securities Security 2, Table 1 - Derivative Securities Acquired, Disposed of, Or Beneficially O (e.g., puts, calls, warrants, options, convertible Security 2, Table 1 - Derivative Securities Acquired, Disposed of, Or Beneficially O 2, Table 1 - Derivative Securities Acquired, Disposed of, Or Beneficially O 2, Table 1 - Derivative Security 2, Table 1 - Derivative Security 2, Table 1 - Derivative Securities Acquired, Disposed of, Or Beneficially O 2, Table 1 - Derivative Security 2, Table 2 - Derivative Security 2, Table 2 - Derivativ	$\begin{array}{ $	Chief Fasa Chief	HHRE BLVD SUTT 200 12/31/2008 12/31/2008 12/31/2008 Chief Financial G ING PA 19610 4. If Amendment, Date of Original Field (Month/Duy/tear) 6. Individual or Joint/Group Filing (X Second of the tear of	$\begin{array}{ $				

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)	ative Conversion Date Execution Date, Tran rity or Exercise (Month/Day/Year) if any Cod		Transa Code (Transaction Code (Instr. 8) Derivat Securit Acquire Dispos		e s I (A) or	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)	derivative Securities Beneficially Owned Following	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	Amount or Number of Shares		Reported Transaction(s) (Instr. 4)		
Incentive Stock Option - right to buy	\$41.62	12/31/2008		A ⁽⁵⁾		2,402		01/02/2011	01/02/2017	Common Stock	2,402	\$0	2,402	D	
Non- Qualified Stock Option - right to buy	\$41.62	12/31/2008		D ⁽⁶⁾			97,598	01/02/2008 ⁽⁶⁾	01/02/2014	Common Stock	97,598	\$0	0	D	
Non- Qualified Stock Option - right to buy	\$41.62	12/31/2008		A ⁽⁶⁾		97,598		01/02/2008 ⁽⁶⁾	01/02/2017	Common Stock	97,598	\$0	97,598	D	
Incentive Stock Option - right to buy	\$29.87	12/31/2008		D ⁽⁷⁾			3,347	07/08/2012	07/08/2015	Common Stock	3,347	\$0	0	D	
Incentive Stock Option - right to buy	\$29.87	12/31/2008		A ⁽⁷⁾		3,347		07/08/2012	07/08/2018	Common Stock	3,347	\$0	3,347	D	
Non- Qualified Stock Option - right to buy	\$29.87	12/31/2008		D ⁽⁸⁾			146,653	07/08/2009 ⁽⁸⁾	07/08/2015	Common Stock	146,653	\$0	0	D	
Non- Qualified Stock Option - right to buy	\$ 29.87	12/31/2008		A ⁽⁸⁾		146,653		07/08/2009 ⁽⁸⁾	07/08/2018	Common Stock	146,653	\$0	146,653	D	

Explanation of Responses:

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 01/06/2005.

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.

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 01/12/2006 and vests in installments over 4 years 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 01/02/2007.

6. 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 in installments over 4 years on the anniversary of the date of grant.

7. 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 07/08/2008.

8. 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 07/08/2008 and vests in installments over 4 years on the anniversary of the date of grant.

/s/Robert S Ippolito as attorneyin-fact for William J Clifford 01/15/2009

Date

** Signature of Reporting Person

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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.