

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

SCHEDULE 13G  
Under the Securities Exchange Act of 1934  
Amendment No. \_

Penn National Gaming Inc.

-----  
(Name of Issuer)

Common Stock

-----  
(Title of Class of Securities)

707569109

-----  
(CUSIP Number)

December 31, 1998

-----  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)  
 Rule 13d-1(c)  
 Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on following page(s))

Page 1 of 9 Pages

CUSIP NO. 707569109                      13G                      PAGE 2 OF 9 PAGES

1    NAME OF REPORTING PERSON  
     S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Friedman, Billings, Ramsey Group, Inc.  
54-1837743

2    CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) [     ]  
(b) [ X   ]

3    SEC USE ONLY

4    CITIZENSHIP OR PLACE OF ORGANIZATION  
     Virginia

5 SOLE VOTING POWER  
1,189,310

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

6 SHARED VOTING POWER  
0

7 SOLE DISPOSITIVE POWER  
1,189,310

8 SHARED DISPOSITIVE POWER  
0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
1,189,310

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES \*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
8.07%

12 TYPE OF REPORTING PERSON\*  
HC

\*SEE INSTRUCTION BEFORE FILLING OUT!

- 1 NAME OF REPORTING PERSON  
S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
Eric F. Billings
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a) [     ]   
(b) [ X   ]
- 3 SEC USE ONLY
- 4 CITIZENSHIP OR PLACE OF ORGANIZATION  
United States
- |  |   |                                       |
|--|---|---------------------------------------|
|  | 5 | SOLE VOTING POWER<br>0                |
| NUMBER OF<br>SHARES<br>BENEFICIALLY<br>OWNED BY<br>EACH<br>REPORTING<br>PERSON<br>WITH | 6 | SHARED VOTING POWER<br>1,189,310      |
|  | 7 | SOLE DISPOSITIVE POWER<br>0           |
|  | 8 | SHARED DISPOSITIVE POWER<br>1,189,310 |
- 9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
1,189,310
- 10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES \*
- 11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
8.07%
- 12 TYPE OF REPORTING PERSON\*  
IN

\*SEE INSTRUCTION BEFORE FILLING OUT!

- 1 NAME OF REPORTING PERSON  
S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
  
Emanuel J. Friedman
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*
- (a) [        ]  
(b) [ X     ]
- 3 SEC USE ONLY
- 4 CITIZENSHIP OR PLACE OF ORGANIZATION  
  
United States
- 5 SOLE VOTING POWER  
0
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
- 6 SHARED VOTING POWER  
1,189,310
- 7 SOLE DISPOSITIVE POWER  
0
- 8 SHARED DISPOSITIVE POWER  
1,189,310
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1,189,310
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- 11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
  
8.07%
- 12 TYPE OF REPORTING PERSON\*  
  
IN

\*SEE INSTRUCTION BEFORE FILLING OUT!

- 1 NAME OF REPORTING PERSON  
S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
W. Russell Ramsey
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*
- (a) [     ] ]  
(b) [ X    ] ]
- 3 SEC USE ONLY
- 4 CITIZENSHIP OR PLACE OF ORGANIZATION  
United States
- 5 SOLE VOTING POWER  
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- 11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
8.07%
- 12 TYPE OF REPORTING PERSON\*  
IN

\*SEE INSTRUCTION BEFORE FILLING OUT!

Item 1. (a). Name of Issuer: Penn National Gaming, Inc.

(b). Address of Issuer's Principal Executive Offices:

825 Berkshire Blvd., Suite 200  
Wyomissing, PA 19610

Item 2. (a). Name of Person Filing:

Friedman, Billings, Ramsey Group, Inc.

(b). Address of Principal Business Office or, if none,  
Residence:

1001 19th Street North  
Arlington, VA 22209-1710

- Item 2. (c). Citizenship: Virginia
- (d). Title of Class of Securities: Common Stock
- (e). CUSIP Number: 707569109

Item 3. If this statement is filed pursuant to sections 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c.);
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C.80a-8);
- (e)  An investment adviser in accordance with section 240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with section 240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with section 240.13d-1(b)(1)(ii)(G);
- (h)  A savings associations as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  Group, in accordance with section 240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a). Amount beneficially owned: 1,189,310.
- (b). Percent of class: 8.07%
- (c). Number of shares as to which the person has:
  - (i) Sole power to vote or to direct the vote 1,189,310.
  - (ii) Shared power to vote or to direct the vote 0.
  - (iii) Sole power to dispose or to direct the disposition of 1,189,310.
  - (iv) Shared power to dispose or to direct the disposition of 0.

Item 5. Ownership of Five Percent or Less of a Class:

Not Applicable.

Item 6. Ownership of More Than Five Percent on Behalf of Another Person:

Not Applicable.

Item 7. Identification and Classification of Subsidiaries which Acquired the Security Being Reported on by the Parent Holding Company:

Friedman Billings Ramsey & Co., Inc. 3(a)

Friedman Billings Ramsey Investment Management, Inc. 3(e)

FBR Fund Advisrrs, Inc. 3(e)

Item 8. Identification and Classification of Members of the Group:

Not Applicable



Item 9. Notice of Dissolution of Group:

Not Applicable

Item 10. Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

In accordance with Rule 13d-4 of the Securities Exchange Act of 1934, each of the persons filing this statement expressly disclaims the beneficial ownership of the securities covered by this statement and the filing of this report shall not be construed as an admission by such persons that they are the beneficial owners of such securities.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

FRIEDMAN, BILLINGS, RAMSEY GROUP, INC.

Dated: February 16, 1999

By: /s/ EMANUEL J. FRIEDMAN

-----  
Name: Emanuel J. Friedman  
Title: Chairman

Dated: February 16, 1999

/s/ ERIC F. BILLINGS

-----  
Eric F. Billings

Dated: February 16, 1999

/s/ EMANUEL J. FRIEDMAN

-----  
Emanuel J. Friedman

Dated: February 16, 1999

/s/ W. RUSSELL RAMSEY

-----  
W. Russell Ramsey

EXHIBIT 1

JOINT FILING AGREEMENT AMONG FRIEDMAN, BILLINGS, RAMSEY GROUP, INC.,  
ERIC F. BILLINGS, EMANUEL J. FRIEDMAN AND W. RUSSELL RAMSEY

WHEREAS, in accordance with Rule 13d-1(k) under the Securities and Exchange Act of 1934 (the "Act"), only one joint statement and any amendments thereto need to be filed whenever one or more persons are required to file such a statement or any amendments thereto pursuant to Section 13(d) of the Act with respect to the same securities, provided that said persons agree in writing that such statement or amendments thereto is filed on behalf of each of them;

NOW, THEREFORE, the parties hereto agree as follows:

FRIEDMAN, BILLINGS, RAMSEY GROUP, INC., ERIC F. BILLINGS, EMANUEL J. FRIEDMAN AND W. RUSSELL RAMSEY hereby agree, in accordance with Rule 13d-1(k) under the Act, to file a statement on Schedule 13G relating to their ownership of Common Stock of the Issuer and do hereby further agree that said statement shall be filed on behalf of each of them.

FRIEDMAN, BILLINGS, RAMSEY GROUP, INC.

Dated: February 16, 1999

By: /s/ EMANUEL J. FRIEDMAN

-----  
Name: Emanuel J. Friedman  
Title: Chairman

Dated: February 16, 1999

/s/ ERIC F. BILLINGS

-----  
Eric F. Billings

Dated: February 16, 1999

/s/ EMANUEL J. FRIEDMAN

-----  
Emanuel J. Friedman

Dated: February 16, 1999

/s/ W. RUSSELL RAMSEY

-----  
W. Russell Ramsey

Item 9. Notice of Dissolution of Group:

Not Applicable

Item 10. Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

In accordance with Rule 13d-4 of the Securities Exchange Act of 1934, each of the persons filing this statement expressly disclaims the beneficial ownership of the securities covered by this statement and the filing of this report shall not be construed as an admission by such persons that they are the beneficial owners of such securities.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief,

I certify that the information set forth in this statement is true,  
complete and correct.

FRIEDMAN, BILLINGS, RAMSEY GROUP, INC.

Dated: February 16, 1999

By:

-----  
Name: Emanuel J. Friedman  
Title: Chairman

Dated: February 16, 1999

-----  
Eric F. Billings

Dated: February 16, 1999

-----  
Emanuel J. Friedman

Dated: February 16, 1999

-----  
W. Russell Ramsey

Original Signature Page

EXHIBIT 1 - Original Signature Page

JOINT FILING AGREEMENT AMONG FRIEDMAN, BILLINGS, RAMSEY GROUP, INC.,  
ERIC F. BILLINGS, EMANUEL J. FRIEDMAN AND W. RUSSELL RAMSEY

WHEREAS, in accordance with Rule 13d-1(k) under the Securities and Exchange Act of 1934 (the "Act"), only one joint statement and any amendments thereto need to be filed whenever one or more persons are required to file such a statement or any amendments thereto pursuant to Section 13(d) of the Act with respect to the same securities, provided that said persons agree in writing that such statement or amendments thereto is filed on behalf of each of them;

NOW, THEREFORE, the parties hereto agree as follows:

FRIEDMAN, BILLINGS, RAMSEY GROUP, INC., ERIC F. BILLINGS, EMANUEL J. FRIEDMAN AND W. RUSSELL RAMSEY hereby agree, in accordance with Rule 13d-1(k) under the Act, to file a statement on Schedule 13G relating to their ownership of Common Stock of the Issuer and do hereby further agree that said statement shall be filed on behalf of each of them.

FRIEDMAN, BILLINGS, RAMSEY GROUP, INC.

Dated: February 16, 1999

By:

-----  
Name: Emanuel J. Friedman  
Title: Chairman

Dated: February 16, 1999

-----  
Eric F. Billings

Dated: February 16, 1999

-----  
Emanuel J. Friedman

Dated: February 16, 1999

-----  
W. Russell Ramsey