

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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

| OMB APPROVAL                                 |           |
|--|-----------|
| OMB Number:                                  | 3235-0287 |
| Estimated average burden hours per response: | 0.5       |

|  |   |   |
|--|---|---|
| 1. Name and Address of Reporting Person*<br><u>EDENS WESLEY R</u><br><br>(Last) (First) (Middle)<br><u>C/O FORTRESS INVESTMENT GROUP LLC</u><br><u>1345 AVENUE OF THE AMERICAS, 46TH FLOOR</u><br><br>(Street)<br><u>NEW YORK NY 10105</u><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>PENN NATIONAL GAMING INC [ PENN ]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable)<br><input checked="" type="checkbox"/> Director 10% Owner<br>Officer (give title below) Other (specify below) |
|  | 3. Date of Earliest Transaction (Month/Day/Year)<br><u>01/02/2010</u>                   |   |
|  | 4. If Amendment, Date of Original Filed (Month/Day/Year)                                | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br>Form filed by More than One Reporting Person |

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  | (A) or (D) | Price  |   |  |   |
| Common Stock                    | 01/02/2010                           |  | A                              |   | 9,195 <sup>(1)</sup>  | A          | \$0.00 | 21,195  | D <sup>(1)</sup>   |   |
| Common Stock                    |                                      |  |                                |   |   |            |        | 157,822   | I  | By FIG PNG HOLDINGS LLC <sup>(2)(3)(4)</sup>          |

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) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) |   | 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) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|---|--|--|---|--|
|  |  |                                      |  | Code                           | V | (A)  | (D) |   |  |  |   |  |

Explanation of Responses:

- The reported shares of Common Stock were granted to Wesley R. Edens, a director of Penn National Gaming, Inc. ("PENN"), pursuant to PENN's 2008 Long Term Incentive Compensation Plan as a component of non-employee director compensation. Pursuant to arrangements in place between FIG LLC ("FIG") and Mr. Edens, Mr. Edens is deemed to hold the shares on behalf of FIG. FIG may be deemed the indirect beneficial owner of the reported shares and Mr. Edens disclaims beneficial ownership of all such shares except to the extent of his pecuniary interest therein by virtue of his indirect interest in FIG as described below.
- By virtue of his indirect interest in FIG PNG Holdings LLC ("FIG PNG Holdings") as described below, Mr. Edens may be deemed to beneficially own the shares listed in this report as beneficially owned by FIG PNG Holdings. Mr. Edens disclaims beneficial ownership of all such shares except to the extent of his pecuniary interest therein by virtue of his indirect interest in FIG as described below. The inclusion of the shares in this report shall not be deemed to be an admission of beneficial ownership of all of the reported shares for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or otherwise.
- FIG PNG Holdings is owned by Fortress Investment Fund V (Fund A) L.P., Fortress Investment Fund V (Fund D) L.P., Fortress Investment Fund V (Fund E) L.P., Fortress Investment Fund V (Coinvestment Fund A) L.P., Fortress Investment Fund V (Coinvestment Fund D) L.P., (collectively, "Fund V ADE Funds"), and Fortress Investment Fund V (Fund B) L.P., Fortress Investment Fund V (Fund C) L.P., Fortress Investment Fund V (Fund F) L.P., Fortress Investment Fund V (Coinvestment Fund B) L.P., Fortress Investment Fund V (Coinvestment Fund C) L.P., (Continued in Footnote 4)
- (Continued from Footnote 3) Fortress Coinvestment Fund V (Coinvestment Fund F) L.P., (collectively, "Fund V BCF Funds"). Fortress Fund V GP L.P. is the general partner of each of the Fund V ADE Funds, and the general partner of Fortress Fund V GP L.P. is Fortress Fund V GP Holdings Ltd., which is wholly-owned by Fortress Operating Entity I LP ("FOE I"). Fortress Fund V GP (BCF) L.P. is the general partner of each of the Fund V BCF Funds, and the general partner of Fortress Fund V GP (BCF) L.P. is Fortress Fund V GP (BCF) Holdings Ltd., which is wholly-owned by Principal Holdings I LP. FIG is the investment manager of Fund V ADE Funds and Fund V BCF Funds, and is wholly-owned by FOE I. FIG Corp. is the general partner of FOE I. FIG Asset Co. LLC is the general partner of Principal Holdings I LP. Fortress Investment Group LLC ("Fortress") wholly owns each of FIG Corp. and FIG Asset Co. LLC.

Remarks:

/s/ Wesley R. Edens 01/06/2010  
 \*\* Signature of Reporting Person Date

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.