FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

ON	IB APPROVAL

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

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

		Reporting Person*			2. Issuer Name and Ticker or Trading Symbol PENN NATIONAL GAMING INC [PENN] 5. Relationship of Reporting Person(s) to Issuer (Check all applicable)										ier				
CRAM	<u>IER HAR</u>	<u>OLD</u>			<u>r</u>	LINI	N 1N/A1	IOINE	IL GA	VIII	NG IINC	[PEININ]	X	Director			10% Ov		
(Last) (First) (Middle) 825 BERKSHIRE BLVD SUITE 200						3. Date of Earliest Transaction (Month/Day/Year) 12/31/2008								below) `	give title		Other (s		
(Street)							endment	, Date of	Original F	iled (Month/Day/\	/ear)	Line)	lividual or Jo	·				
	ISSING P.	A	19610											X Form filed by One Reporting Person Form filed by More than One Reporting					
(City)	(5	State)	(Zip)											Person	.,		-1-2-		
		Ta	able I - Noi	n-Deriv	ativ	ve S	ecuriti	es Aco	quired,	Disp	oosed of,	or Bene	ficially	Owned					
1. Title of Security (Instr. 3) 2. Transa Date (Month/D.					Execution		on Date,	3. Transaction Code (Instr. 8)			s Acquired (A) or of (D) (Instr. 3, 4 and		and 5) Securities Beneficially Owned Fol		Form:	Direct Indirect str. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)		
									Code	v	Amount	(A) or (D)	Price	Transaction (Instr. 3 ar	on(s) nd 4)				
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 Da if any (Month/Day/Y	Co	nsac de (Ir		5. Numb Derivati Securiti Acquire Dispose (D) (Instand 5)	ve es ed (A) or ed of	6. Date E Expiratio (Month/D	n Dat	е	7. Title and of Securiti Underlying Derivative (Instr. 3 an	es J Security	8. Price of Derivative Security (Instr. 5)	9. Number derivative Securities Beneficial Owned Followin Reported	e es ally g	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Со	de	v	(A)	(D)	Date Exercisal	ole	Expiration Date	Title	Amount or Number of Shares		Transact (Instr. 4)	ion(s)			
Non- Qualified Stock Option - right to buy	\$7.95	12/31/2008		D(1)			15,000	02/06/20	007	02/06/2010	Common Stock	15,000	\$0	0		D		
Non- Qualified Stock Option - right to buy	\$7.95	12/31/2008		A	1)		15,000		01/01/20)11	12/31/2011	Common Stock	15,000	\$0	15,00	00	D		
Non- Qualified Stock Option - right to buy	\$29.22	12/31/2008		D	2)			60,000	01/06/20	009	01/06/2012	Common Stock	60,000	\$0	0		D		
Non- Qualified Stock Option - right to buy	\$29.22	12/31/2008		A	2)		60,000		01/06/20	009	01/06/2015	Common Stock	60,000	\$0	60,00	00	D		
Non- Qualified Stock Option - right to buy	\$33.12	12/31/2008		D	3)			30,000	01/12/200)7 ⁽³⁾	01/12/2013	Common Stock	30,000	\$0	0		D		
Non- Qualified Stock Option - right to buy	\$33.12	12/31/2008		A	3)		30,000		01/12/200)7 ⁽³⁾	01/12/2016	Common Stock	30,000	\$0	30,00	00	D		
Non- Qualified Stock Option - right to buy	\$41.62	12/31/2008		D	4)			30,000	01/02/200)8 ⁽⁴⁾	01/02/2014	Common Stock	30,000	\$0	0		D		
Non- Qualified Stock Option - right to buy	\$41.62	12/31/2008		A	4)		30,000		01/02/200)8 ⁽⁴⁾	01/02/2017	Common Stock	30,000	\$0	30,00	00	D		

	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)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		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	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		Transaction(s) (Instr. 4)		
Non- Qualified Stock Option - right to buy	\$29.34	12/31/2008		D ⁽⁵⁾			20,000	08/08/2009 ⁽⁵⁾	08/08/2015	Common Stock	20,000	\$0	0	D	
Non- Qualified Stock Option - right to buy	\$29.34	12/31/2008		A ⁽⁵⁾		20,000		08/08/2009 ⁽⁵⁾	08/08/2018	Common Stock	20,000	\$0	20,000	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 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
- 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.

/s/Robert S. Ippolito as attorney-01/15/2009 in-fact for Harold Cramer

** 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.