

CRAMER HAROLD  
Form 4  
January 15, 2009

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
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).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
CRAMER HAROLD

2. Issuer Name and Ticker or Trading Symbol  
PENN NATIONAL GAMING INC  
[PENN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
825 BERKSHIRE BLVD SUITE 200

3. Date of Earliest Transaction  
(Month/Day/Year)  
12/31/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)

(Street)  
WYOMISSING, PA 19610

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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 Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title of Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	(A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title
				(A)	(D)			
Non-Qualified Stock Option - right to buy	\$ 7.95	12/31/2008	D <sup>(1)</sup>		15,000	02/06/2007	02/06/2010	Comm Stock
Non-Qualified Stock Option - right to buy	\$ 7.95	12/31/2008	A <sup>(1)</sup>	15,000		01/01/2011	12/31/2011	Comm Stock
Non-Qualified Stock Option - right to buy	\$ 29.22	12/31/2008	D <sup>(2)</sup>		60,000	01/06/2009	01/06/2012	Comm Stock
Non-Qualified Stock Option - right to buy	\$ 29.22	12/31/2008	A <sup>(2)</sup>	60,000		01/06/2009	01/06/2015	Comm Stock
Non-Qualified Stock Option - right to buy	\$ 33.12	12/31/2008	D <sup>(3)</sup>		30,000	01/12/2007 <sup>(3)</sup>	01/12/2013	Comm Stock
Non-Qualified Stock Option - right to buy	\$ 33.12	12/31/2008	A <sup>(3)</sup>	30,000		01/12/2007 <sup>(3)</sup>	01/12/2016	Comm Stock
Non-Qualified Stock Option - right to buy	\$ 41.62	12/31/2008	D <sup>(4)</sup>		30,000	01/02/2008 <sup>(4)</sup>	01/02/2014	Comm Stock
Non-Qualified Stock Option - right to buy	\$ 41.62	12/31/2008	A <sup>(4)</sup>	30,000		01/02/2008 <sup>(4)</sup>	01/02/2017	Comm Stock
Non-Qualified Stock Option - right to buy	\$ 29.34	12/31/2008	D <sup>(5)</sup>		20,000	08/08/2009 <sup>(5)</sup>	08/08/2015	Comm Stock
Non-Qualified Stock Option - right to buy	\$ 29.34	12/31/2008	A <sup>(5)</sup>	20,000		08/08/2009 <sup>(5)</sup>	08/08/2018	Comm Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CRAMER HAROLD 825 BERKSHIRE BLVD SUITE 200 WYOMISSING, PA 19610	X			

## Signatures

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

01/15/2009

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* 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).

(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 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 08/08/2008 and vests over 4 years at 25% on the anniversary of the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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