

PENN NATIONAL GAMING INC  
 Form 4  
 January 15, 2009

**FORM 4**

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

OMB APPROVAL

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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 \*  
**IPPOLITO ROBERT S**

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**  
 (Street)

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

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 VP, Secretary/Treasurer

**WYOMISSING, PA 19610**

(City) (State) (Zip)

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

**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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)
			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 (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. T...
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	V	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	<u>D</u> <sup>(1)</sup>			6,000	02/06/2007	02/06/2010	Co S
Non-Qualified Stock Option - right to buy	\$ 7.95	12/31/2008	<u>A</u> <sup>(1)</sup>		6,000		01/01/2010	12/31/2010	Co S
Non-Qualified Stock Option - right to buy	\$ 12.15	12/31/2008	<u>D</u> <sup>(2)</sup>			51,770	01/29/2008	01/29/2011	Co S
Non-Qualified Stock Option - right to buy	\$ 12.15	12/31/2008	<u>A</u> <sup>(2)</sup>		51,770		01/01/2012	12/31/2012	Co S
Incentive Stock Option - right to buy	\$ 29.22	12/31/2008	<u>D</u> <sup>(3)</sup>			3,422	01/06/2009	01/06/2012	Co S
Incentive Stock Option - right to buy	\$ 29.22	12/31/2008	<u>A</u> <sup>(3)</sup>		3,422		01/06/2009	01/06/2015	Co S
Non-Qualified Stock Option - right to buy	\$ 29.22	12/31/2008	<u>D</u> <sup>(4)</sup>			116,578	01/06/2009	01/06/2012	Co S
Non-Qualified Stock Option - right to buy	\$ 29.22	12/31/2008	<u>A</u> <sup>(4)</sup>		116,578		01/06/2009	01/06/2015	Co S
Incentive Stock Option - right to buy	\$ 33.12	12/31/2008	<u>D</u> <sup>(5)</sup>			3,019	01/12/2010	01/12/2013	Co S
Incentive Stock Option - right to buy	\$ 33.12	12/31/2008	<u>A</u> <sup>(5)</sup>		3,019		01/12/2010	01/12/2016	Co S
Non-Qualified Stock Option - right to buy	\$ 33.12	12/31/2008	<u>D</u> <sup>(6)</sup>			56,981	01/12/2007 <sup>(6)</sup>	01/12/2013	Co S
Non-Qualified Stock Option - right to buy	\$ 33.12	12/31/2008	<u>A</u> <sup>(6)</sup>		56,981		01/12/2007 <sup>(6)</sup>	01/12/2016	Co S
Incentive Stock Option - right to buy	\$ 41.62	12/31/2008	<u>D</u> <sup>(7)</sup>			2,402	01/02/2011	01/02/2014	Co S

Incentive Stock Option - right to buy	\$ 41.62	12/31/2008	A <sup>(7)</sup>	2,402	01/02/2011	01/02/2017	Co S
Non-Qualified Stock Option - right to buy	\$ 41.62	12/31/2008	D <sup>(8)</sup>	37,598	01/02/2008 <sup>(8)</sup>	01/02/2014	Co S
Non-Qualified Stock Option - right to buy	\$ 41.62	12/31/2008	A <sup>(8)</sup>	37,598	01/02/2008 <sup>(8)</sup>	01/02/2017	Co S
Incentive Stock Option - right to buy	\$ 29.87	12/31/2008	D <sup>(9)</sup>	3,347	07/08/2012	07/08/2015	Co S
Incentive Stock Option - right to buy	\$ 29.87	12/31/2008	A <sup>(9)</sup>	3,347	07/08/2012	07/08/2018	Co S
Non-Qualified Stock Option - right to buy	\$ 29.87	12/31/2008	D <sup>(10)</sup>	36,653	07/08/2009 <sup>(10)</sup>	07/08/2015	Co S
Non-Qualified Stock Option - right to buy	\$ 29.87	12/31/2008	A <sup>(10)</sup>	36,653	07/08/2009 <sup>(10)</sup>	07/08/2018	Co S

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
IPPOLITO ROBERT S 825 BERKSHIRE BLVD SUITE 200 WYOMISSING, PA 19610			VP, Secretary/Treasurer	

## Signatures

/s/Robert S  
Ippolito

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 01/29/2004.

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- (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 01/06/2005.
- (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 01/06/2005.
- (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 01/12/2006.
- (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 01/12/2006 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 01/02/2007.
- (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 01/02/2007 and vests in installments over 4 years on the anniversary of the date of grant.
- (9) 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.
- (10) 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.

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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