CLIFFORD WILLIAM J

Form 4

January 15, 2009

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB Number:

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SECURITIES Form 5 obligations

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

1(b).

(Print or Type Responses)

may continue.

See Instruction

1. Name and Address of Reporting Person *

(First)

2. Issuer Name and Ticker or Trading Symbol

Issuer

below)

5. Relationship of Reporting Person(s) to

CLIFFORD WILLIAM J

PENN NATIONAL GAMING INC

(Check all applicable)

[PENN]

(Last)

(Middle)

3. Date of Earliest Transaction

Director 10% Owner X_ Officer (give title Other (specify

(Month/Day/Year)

825 BERKSHIRE BLVD SUITE 200 12/31/2008

below) Chief Financial Officer

(Street) 4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Applicable Line)

Filed(Month/Day/Year)

(Instr. 8)

X Form filed by One Reporting Person Form filed by More than One Reporting

(Instr. 4)

Person

WYOMISSING, PA 19610

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D)

5. Amount of Securities Beneficially Owned

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I)

(Instr. 4)

Following Reported

(A) Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

(Instr. 3, 4 and 5)

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

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

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed

(Month/Day/Year) Execution Date, if any

4. 5. Number of TransactionDerivative Securities Code Acquired (A) or

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Titl Under (Instr.

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(Instr. 3)	Price of Derivative		(Month/Day/Year)	(Instr. 8)	(Instr. 8) Disposed of (D) (Instr. 3, 4, and 5)				
	Security			Code V	/ (A)	(D)	Date Exercisable	Expiration Date	Title
Incentive Stock Option - right to buy	\$ 29.22	12/31/2008		D <u>(1)</u>		3,422	01/06/2009	01/06/2012	Com
Incentive Stock Option - right to buy	\$ 29.22	12/31/2008		A(1)	3,422		01/06/2009	01/06/2015	Com
Non-Qualified Stock Option - right to buy	\$ 29.22	12/31/2008		D(2)		296,578	01/06/2009	01/06/2012	Com Sto
Non-Qualified Stock Option - right to buy	\$ 29.22	12/31/2008		A(2)	296,578		01/06/2009	01/06/2015	Com
Incentive Stock Option - right to buy	\$ 33.12	12/31/2008		D(3)		3,019	01/12/2010	01/12/2013	Com
Incentive Stock Option - right to buy	\$ 33.12	12/31/2008		A(3)	3,019		01/12/2010	01/12/2016	Com
Non-Qualified Stock Option - right to buy	\$ 33.12	12/31/2008		D(4)		96,981	01/12/2007(4)	01/12/2013	Com
Non-Qualified Stock Option - right to buy	\$ 33.12	12/31/2008		A(4)	96,981		01/12/2007(4)	01/12/2016	Com
Incentive Stock Option - right to buy	\$ 41.62	12/31/2008		D(5)		2,402	01/02/2011	01/02/2014	Com
Incentive Stock Option - right to buy	\$ 41.62	12/31/2008		A(5)	2,402		01/02/2011	01/02/2017	Com
Non-Qualified Stock Option - right to buy	\$ 41.62	12/31/2008		D(6)		97,598	01/02/2008(6)	01/02/2014	Com
Non-Qualified Stock Option - right to buy	\$ 41.62	12/31/2008		A(6)	97,598		01/02/2008(6)	01/02/2017	Com
Incentive Stock Option - right to buy	\$ 29.87	12/31/2008		D <u>(7)</u>		3,347	07/08/2012	07/08/2015	Com

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Incentive Stock Option - right to buy	\$ 29.87	12/31/2008	A <u>(7)</u>	3,347		07/08/2012	07/08/2018	Co
Non-Qualified Stock Option - right to buy	\$ 29.87	12/31/2008	D(8)		146,653	07/08/2009(8)	07/08/2015	Co
Non-Qualified Stock Option -	\$ 29.87	12/31/2008	A(8)	146,653		07/08/2009(8)	07/08/2018	Co

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Reporting Owners

Reporting Owner Name / Address	Relationships					
. 8	Director	10% Owner	Officer	Other		
CLIFFORD WILLIAM J			Chief			
825 BERKSHIRE BLVD SUITE 200			Financial			
WYOMISSING, PA 19610			Officer			
Signatures						
/s/Robert S Ippolito as attorney-in-fact for Clifford	or William J		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).
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- (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

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"new" replacement option. The option was originally granted on 07/08/2008.

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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.