

PENN NATIONAL GAMING INC
 Form 4
 January 05, 2011

FORM 4

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

OMB APPROVAL

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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 *
 EDENS WESLEY R

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)
 C/O FORTRESS INVESTMENT GROUP LLC, 1345 AVENUE OF THE AMERICAS, 46TH FLOOR
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 01/03/2011

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

NEW YORK, NY 10105
 (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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock				(A) or (D)	21,195	D (1)	
Common Stock				(A) or (D)	157,822	I	By FIG PNG HOLDINGS LLC (2) (3) (4)

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

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number.

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 Underlying Securities (Instr. 3 and 4)	8. Price or Amount of Derivative Security (Instr. 3 and 4)
Phantom Stock Unit	\$ 0 ⁽⁵⁾	01/03/2011		A	7,113	⁽⁶⁾ ⁽⁶⁾	Common Stock	7,113

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

EDENS WESLEY R
C/O FORTRESS INVESTMENT GROUP LLC
1345 AVENUE OF THE AMERICAS, 46TH FLOOR
NEW YORK, NY 10105

X

Signatures

/s/ Wesley R.
Edens

01/05/2011

**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 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

(1) 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

(2) 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.

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- 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)
- (3)

- (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.
- (4)

- (5) Upon vesting, the recipient is entitled to a cash payment for each unit of the Phantom Stock Unit equal to the fair market value on the vesting date of one share of the Company's common stock.

- The Phantom Stock Unit was granted to Mr. Edens, a director of PENN, pursuant to PENN's 2008 Long Term Incentive Compensation Plan as a component of non-employee director compensation. The Phantom Stock Unit is scheduled to vest as follows: 2,371 units on January 3, 2012; 2,371 units on January 3, 2013 and 2,371 units on January 3, 2014. Pursuant to arrangements in place between FIG and Mr. Edens, Mr. Edens is deemed to hold the reported Phantom Stock Unit on behalf of FIG. FIG may be deemed the indirect beneficial owner of the reported Phantom Stock Unit and Mr. Edens disclaims beneficial ownership of the reported Phantom Stock Unit except to the extent of his pecuniary interest therein by virtue of his indirect interest in FIG as described herein.
- (6)

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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