PENN NATIONAL GAMING INC

Form 4

October 17, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

January 31, Expires: 2005

OMB APPROVAL

Estimated average burden hours per response... 0.5

if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

Check this box

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)

1. Name and Address of Reporting Person * CRAMER HAROLD			2. Issuer Name and Ticker or Trading Symbol PENN NATIONAL GAMING INC	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
			[PENN]			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year)	X Director 10% Owner Officer (give title Other (specify below)		
825 BERKSHIRE BLVD SUITE 200			10/13/2006	below)		
	(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line)		
WYOMISSIN	NG, PA 19	610	` ,	_X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State) (Zip) Table	e I - Non-D	erivative S	Securit	ties Acq	uired, Disposed o	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	4. Securit (A) or Dis (Instr. 3, 4)	sposed	of (D)	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 Indirect Beneficial Ownership (Instr. 4)
Common Stock (1)	10/13/2006		M	15,000	A	\$ 7.42	75,000	D	
Common Stock (1)	10/13/2006		M	15,000	A	\$ 7.95	90,000	D	
Common Stock (1)	10/13/2006		S	30,000	D	\$ 40	60,000	D	

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control

Edgar Filing: PENN NATIONAL GAMING INC - Form 4

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 orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	ive Expiration Date es (Month/Day/Year) ed (A) osed of		7. Title and Amot Underlying Secur (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Am or Nu of S
Non-Qualified Stock Options (right to buy)	\$ 7.42	10/13/2006		M	15,000	01/02/2006	01/02/2009	Common Stock	15
Non-Qualified Stock Options (right to buy)	\$ 7.95	10/13/2006		M	15,000	02/06/2006	02/06/2010	Common Stock	15

Reporting Owners

Reporting Owner Name / Address	Relationships						
- 5	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 10/17/2006

**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) All transactions on this Form 4 were made pursuant to a stock trading plan, dated May 5, 2006 established pursuant to rule 10b5-1(c) promulgated under the Securities Exchange Act of 1934.

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.

Reporting Owners 2