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HOLLYWOOD CASINO CORP
Form SC 13D
August 16, 2002

OMB APPROVAL

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

OMB Number: 3235-0145
Expires: October 31, 2002
Estimated average burden
hours per response....14.90

SCHEDULE 13D
(RULE 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO 13d-2(a)
(AMENDMENT NO. *) (1)

HOLLYWOOD CASINO CORPORATION

(Name of Issuer)

CLASS A COMMON STOCK, \$0.0001 PAR VALUE PER SHARE

(Title Class of Securities)

436132203

(CUSIP Number)

Kevin DeSanctis, President and Chief Operating Officer
Penn National Gaming, Inc.
825 Berkshire Boulevard, Suite 200
Wyomissing, Pennsylvania 19610
(610) 373-2400

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

August 7, 2002

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.ss.240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss.240.13d-7 for other parties to whom copies are to be sent.

(1) The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would

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alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, SEE the NOTES).

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION OF ABOVE PERSON

PENN NATIONAL GAMING, INC. 22-2234473

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) / /
(b) /X/

3 SEC USE ONLY

4 SOURCE OF FUNDS*

see responses to Items 3 and 4

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(D) OR 2(E) / /

6 CITIZENSHIP OR PLACE OF ORGANIZATION

PENNSYLVANIA

NUMBER OF SHARES
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON WITH

7 SOLE VOTING POWER
100 (see response to Item 5)

8 SHARED VOTING POWER
13,040,156 shares of Common Stock
(see response to Item 5)

9 SOLE DISPOSITIVE POWER
100 shares of Common Stock
(see response to Item 5)

10 SHARED DISPOSITIVE POWER

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

13,040,256 shares of Common Stock (see responses to Items 4 and 5)

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

/ /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

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approximately 51.2% as of June 30, 2002 (see response to Item 5)

14 TYPE OF REPORTING PERSON

CO

*SEE INSTRUCTION BEFORE FILLING OUT

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ITEM 1. SECURITY AND ISSUER

This Statement relates to Class A Common Stock, par value \$0.0001 per share (the "Common Stock"), of Hollywood Casino Corporation, a Delaware corporation ("Hollywood"). The address of the principal executive offices of Hollywood is Two Galleria Tower, 13455 Noel Road, Suite 2200, Dallas, Texas 75240.

ITEM 2. IDENTITY AND BACKGROUND

This Statement is filed on behalf of Penn National Gaming, Inc., a Pennsylvania corporation ("Penn National"). The business address of Penn National is 825 Berkshire Blvd., Suite 200, Wyomissing Professional Center, Wyomissing, PA 19610. Set forth on Annex I to this Statement is the name, present principal occupation or employment and the business address of each of the persons enumerated in Instruction C of Schedule 13D (the "Additional Persons"). Each of the Additional Persons is a citizen of the United States. Penn National expressly disclaims the existence of any "group" within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), between Penn National and any other person, with respect to the Common Stock. The filing of this Statement and any disclosure contained in this Statement shall not be construed as an admission that Penn National is, for the purposes of Section 13(d) or 13(g) of the Exchange Act, the beneficial owner of any securities covered by this Statement (other than with respect to the 100 shares of Common Stock of Hollywood directly owned by Penn National).

Penn National is a leading diversified, multi-jurisdictional owner and operator of gaming properties, as well as horse racetracks and associated off-track wagering facilities, which are also known as pari-mutuel operations. Penn National owns or operates six gaming properties located in West Virginia, Colorado, Mississippi, Louisiana and Ontario, Canada that are focused primarily on serving customers within driving distance of the properties. Penn National also owns two racetracks and eleven off-track wagering facilities in Pennsylvania.

During the past five years, neither Penn National nor any of the Additional Persons has been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors).

During the past five years, neither Penn National nor any of the Additional Persons has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

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ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

See response to Item 4.

ITEM 4. PURPOSE OF TRANSACTION

On August 7, 2002, Penn National, P Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Penn National ("Merger Sub"), and Hollywood entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which, and subject to the terms and conditions thereof, Hollywood will become a wholly-owned subsidiary of Penn National through the merger of Merger Sub with and into Hollywood (the "Merger"). Upon the consummation of the Merger, the composition of the board of directors of Hollywood will change, Hollywood will be delisted from the American Stock

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Exchange and Hollywood will cease to be a reporting company for the purposes of the Securities Exchange Act of 1934.

In connection with the Merger Agreement, Penn National, Hollywood and certain stockholders of Hollywood executed and delivered Stockholder Agreements, pursuant to which such stockholders have, among other things, covenanted to vote in favor of the adoption of and otherwise to support the Merger Agreement. A copy of the Merger Agreement is attached hereto as Exhibit 1.1. A copy of the press release dated August 7, 2002 announcing the transactions contemplated by the Merger Agreement is attached hereto as Exhibit 1.15. Copies of the Stockholder Agreements are attached hereto as Exhibits 1.2 through 1.13. A copy of the commitment letter dated August 5, 2002 relating to the transactions contemplated by the Merger Agreement is attached hereto as Exhibit 1.14. Such Exhibits are incorporated by reference into this Statement, including Items 3 through 6 herein, and the descriptions contained above, as well as in the responses to Items 5 and 6 are qualified in their entirety by reference to such Exhibits.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a) As a result of the execution of the Stockholder Agreements, Penn National may be deemed to be the beneficial owner of 13,040,156 shares of Common Stock, which constitute approximately 51.2% of the issued and outstanding shares of Common Stock of Hollywood based on a total of 25,477,625 issued and outstanding shares of Common Stock of Hollywood as of June 30, 2002 as disclosed by Hollywood in the Merger Agreement. Penn National also is the direct owner of 100 shares of Common Stock of Hollywood. None of the Additional Persons have any beneficial ownership of any Common Stock of Hollywood.

(b) As described in the Stockholder Agreements, upon the occurrence of certain events, Penn National will have voting power over 13,040,156 shares of the Common Stock with respect to certain actions related to the Merger. Penn National also has sole voting and dispositive power over 100 shares of Common Stock of Hollywood that Penn National owns directly.

(c) Other than the transactions that are the subject of this Statement, neither Penn National nor any of the Additional Persons has effected any transactions in the Common Stock of Hollywood during the past 60 days.

(d) The following persons have the right to receive or the power to direct

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the receipt of dividends from, or the proceeds of the sale of, the shares of Common Stock of Hollywood that are the subject of this Statement but that are not directly owned by Penn National:

Edward T. Pratt, Jr.	1,102,544
Edward T. Pratt, III	1,083,713
Sharon Pratt Naftel	479,604
Diana Pratt Wyatt	479,604
Carolyn Pratt Hickey	479,604
Jack E. Pratt, Sr.	4,110,477
C.A. Pratt Partners, Ltd.	1,642,001
MEP Family Partnership	14,000
CLP Family Partnership	7,000
Jack E. Pratt, Sr. as Custodian for Michael Eldon Pratt	487,568
Jack E. Pratt, Sr. as Custodian for Caroline de la Fontaine Pratt	487,568
Jill Pratt LaFerney	408,767
John R. Pratt	521,616

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Jack E. Pratt, Sr. as trustee under certain trusts for the benefit of the family of Jack E. Pratt	31,500
Maria A. Pratt	814,970
William D. Pratt	13,200
WDP Family, Ltd.	400,582
WDP Jr. Family Trust	200,294
Michael Shannan Pratt	275,544

Note: In responding to this Item 5, Penn National has relied solely upon the information and covenants contained in the Stockholder Agreements and the Exhibits and Schedules that accompany the Stockholder Agreements (see Exhibits 1.2 to 1.13 of this Statement).

(e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Penn National and certain stockholders of Hollywood have entered into Stockholder Agreements with respect to certain shares of Common Stock of Hollywood, pursuant to which such stockholders have, among other things, covenanted: (i) to vote in favor of the Merger and against certain actions that would impede or delay the Merger; (ii) subject to approval from any applicable gaming authorities, in the event that such stockholder does not vote in favor of the Merger and against certain actions that would impede or delay the Merger, to irrevocably appoint Penn National or its designees as such stockholder's proxy to vote in favor of the Merger and against certain actions that would impede or delay the Merger; and (iii) not to transfer or dispose of any securities held by such stockholder without Penn National's consent.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
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- 1.1 - Agreement and Plan of Merger, dated as of August 7, 2002, by and among Hollywood, Penn National and Merger Sub.
 - 1.2 - Stockholder Agreement, dated as of August 7, 2002, by and among Penn National and Edward T. Pratt, Jr.
 - 1.3 - Stockholder Agreement, dated as of August 7, 2002, by and among Penn National and the Hollywood and Lisa Pratt and Edward T. Pratt III
 - 1.4 - Stockholder Agreement, dated as of August 7, 2002, by and among Penn National and Hollywood, Aileen Pratt and Jack E. Pratt, Sr.
 - 1.5 - Stockholder Agreement, dated as of August 7, 2002, by and among Penn National and Hollywood and William D. Pratt
 - 1.6 - Stockholder Agreement, dated as of August 7, 2002, by and among Penn National and Hollywood and Maria A. Pratt
 - 1.7 - Stockholder Agreement, dated as of August 7, 2002, by and among Penn National and Hollywood and Sharon Pratt Naftel
 - 1.8 - Stockholder Agreement, dated as of August 7, 2002, by and among Penn National and Hollywood and Diana Pratt Wyatt
 - 1.9 - Stockholder Agreement, dated as of August 7, 2002, by and among Penn National and Hollywood and Carolyn Pratt Hickey

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EXHIBIT NUMBER

DESCRIPTION

- 1.10 - Stockholder Agreement, dated as of August 7, 2002, by and among Penn National and Hollywood and Michael Shannan Pratt
- 1.11 - Stockholder Agreement, dated as of August 7, 2002, by and among Penn National and Hollywood and Jill Pratt LaFerney
- 1.12 - Stockholder Agreement, dated as of August 7, 2002, by and among Penn National and Hollywood and John R. Pratt
- 1.13 - Stockholder Agreement, dated as of August 7, 2002, by and among Penn National and Hollywood and William D. Pratt, Jr.
- 1.14 - Commitment Letter, dated as of August 5, 2002, by and among Penn National, Bear, Stearns & Co. Inc., Bear Stearns Corporate Lending Inc. and Merrill Lynch Capital Corporation
- 1.15 - Press Release, dated as of August 7, 2002

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ANNEX I

Additional Persons, as enumerated in Instruction C of Schedule 13D

NAME -----	POSITION -----	BUSINESS ADDRESS -----
Peter M. Carlino	Chairman of the Board and Chief Executive Officer	825 Berkshire Boulevard, Suite 100 Wyomissing, PA 19610
Kevin DeSanctis	President and Chief Operating Officer	825 Berkshire Boulevard, Suite 100 Wyomissing, PA 19610
William Clifford	Chief Financial Officer	825 Berkshire Boulevard, Suite 100 Wyomissing, PA 19610
Robert S. Ippolito	Vice President, Secretary and Treasurer	825 Berkshire Boulevard, Suite 100 Wyomissing, PA 19610
John R. Rauen	Vice President/Operations	825 Berkshire Boulevard, Suite 100 Wyomissing, PA 19610
Harold Cramer	Member of the Board of Directors and Retired Partner, Schnader Harrison Segal & Lewis LLP	Schnader Harrison Segal & Lewis 1735 Market Street, Suite 380 Philadelphia, PA 19103
David A. Handler	Member of the Board of Directors and Senior Managing Director, Bear Stearns & Co., Inc.	Bear Stearns & Co., Inc. 245 Park Avenue New York, NY 10167
John M. Jacquemin	Member of the Board of Directors and President, Mooring Financial Corporation	Mooring Financial Corp. 8614 Westwood Center Drive Suite 650 Vienna, VA 22182
Robert P. Levy	Member of the Board of Directors and Chairman of the Board of Directors of DRT Industries, Inc.	2 Logan Square Suite 2450 Philadelphia, PA 19103

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

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Date: August 16, 2002

PENN NATIONAL GAMING, INC.

By: /S/ KEVIN DESANCTIS

Name: Kevin DeSanctis
Title: President and Chief
Operating Officer