

PENN NATIONAL GAMING INC  
 Form 4  
 November 07, 2013

**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 \*  
**CARLINO PETER M**

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)  
**11/05/2013**

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

**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 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)	6,905,874 <sup>(1)</sup>	I	By a Trust

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)**

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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 Security (Instr. 3 and 4)	Am	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Nur Sha
Non-Qualified Stock Option (right to buy)	\$ 12.15	11/05/2013		D	107,939	<u>(2)</u> 01/29/2014	Common Stock	10	
Non-Qualified Stock Option (right to buy)	\$ 29.22	11/05/2013		D	403,907	<u>(3)</u> 01/06/2015	Common Stock	40	
Non-Qualified Stock Option (right to buy)	\$ 33.12	11/05/2013		D	215,877	<u>(4)</u> 01/12/2016	Common Stock	21	
Non-Qualified Stock Option (right to buy)	\$ 41.62	11/05/2013		D	215,877	<u>(5)</u> 01/02/2017	Common Stock	21	
Non-Qualified Stock Option (right to buy)	\$ 29.87	11/05/2013		D	215,877	<u>(6)</u> 07/08/2018	Common Stock	21	
Non-Qualified Stock Option (right to buy)	\$ 21.38	11/05/2013		D	215,877	<u>(7)</u> 01/02/2016	Common Stock	21	
Non-Qualified Stock Option (right to buy)	\$ 27.19	11/05/2013		D	215,877	<u>(8)</u> 01/02/2017	Common Stock	21	
Non-Qualified Stock Option (right to buy)	\$ 35.15	11/05/2013		D	215,877	<u>(9)</u> 01/02/2018	Common Stock	21	
Non-Qualified Stock Option (right to buy)	\$ 38.07	11/05/2013		D	215,877	<u>(10)</u> 01/03/2019	Common Stock	21	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CARLINO PETER M 825 BERKSHIRE BLVD SUITE 200 WYOMISSING, PA 19610		X		

## Signatures

/s/ Robert S. Ippolito as attorney-in-fact for Peter M. Carlino

11/07/2013

\_\_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) Represents the aggregate number of shares held by the Carlino Family Trust as to which Peter M. Carlino has sole voting power for certain matters. Mr. Carlino disclaims beneficial ownership of the shares owned by the trust, and this report should not be deemed an admission that Peter M. Carlino is the beneficial owner of such securities for purposes of Section 16 or any other purpose.
- (2) This option, which was fully exercisable as of the transaction date, was surrendered pursuant to that certain Exchange Agreement, dated as of October 30, 2013 ("Exchange Agreement"), by and among Peter M. Carlino, Commonwealth Trust Company, as Trustee of the Carlino Dynasty Trust dated September 25, 2013, Penn National Gaming, Inc. ("PNG"), and Gaming and Leisure Properties, Inc. ("GLPI"), and replaced with an option to purchase 32,813 shares of GLPI common stock for an exercise price of \$9.32 per share.
- (3) This option, which was fully exercisable as of the transaction date, was surrendered pursuant to the Exchange Agreement and replaced with an option to purchase 122,788 shares of GLPI common stock for an exercise price of \$22.41 per share.
- (4) This option, which was fully exercisable as of the transaction date, was surrendered pursuant to the Exchange Agreement and replaced with an option to purchase 65,627 shares of GLPI common stock for an exercise price of \$25.40 per share.
- (5) This option, which was fully exercisable as of the transaction date, was surrendered pursuant to the Exchange Agreement and replaced with an option to purchase 65,627 shares of GLPI common stock for an exercise price of \$31.92 per share.
- (6) This option, which was fully exercisable as of the transaction date, was surrendered pursuant to the Exchange Agreement and replaced with an option to purchase 65,627 shares of GLPI common stock for an exercise price of \$22.91 per share.
- (7) This option, which was fully exercisable as of the transaction date, was surrendered pursuant to the Exchange Agreement and replaced with an option to purchase 65,627 shares of GLPI common stock for an exercise price of \$16.40 per share.
- (8) This option, which provided for vesting in four equal annual installments beginning 1/2/2010, was surrendered pursuant to the Exchange Agreement and replaced with an option to purchase 65,627 shares of GLPI common stock for an exercise price of \$20.85 per share.
- (9) This option, which provided for vesting in four equal annual installments beginning 1/3/2011, was surrendered pursuant to the Exchange Agreement and replaced with an option to purchase 65,627 shares of GLPI common stock for an exercise price of \$26.96 per share.
- (10) This option, which provided for vesting in four equal annual installments beginning 1/3/2012, was surrendered pursuant to the Exchange Agreement and replaced with an option to purchase 65,627 shares of GLPI common stock for an exercise price of \$29.19 per share.
- (11) In connection with the November 1, 2013 pro rata distribution by PNG to its shareholders of all of the outstanding shares of common stock of GLPI which, prior to the Spin-Off, was a wholly-owned subsidiary of PNG (the "Spin-Off"), the exercise price of this option was revised to \$2.83 per share in a manner to ensure the intrinsic value held by Mr. Carlino pertaining to the existing award was maintained immediately following the Spin-Off. In addition to this adjustment, to maintain such intrinsic value, stock options issued by GLPI were also granted to Mr. Carlino.
- (12) In connection with the Spin-Off, the exercise price of this option was revised to \$6.81 per share in a manner to ensure the intrinsic value held by Mr. Carlino pertaining to the existing award was maintained immediately following the Spin-Off. In addition to this adjustment, to maintain such intrinsic value, stock options issued by GLPI were also granted to Mr. Carlino.
- (13) In connection with the Spin-Off, the exercise price of this option was revised to \$7.72 per share in a manner to ensure the intrinsic value held by Mr. Carlino pertaining to the existing award was maintained immediately following the Spin-Off. In addition to this adjustment, to maintain such intrinsic value, stock options issued by GLPI were also granted to Mr. Carlino.
- (14) In connection with the Spin-Off, the exercise price of this option was revised to \$9.70 per share in a manner to ensure the intrinsic value held by Mr. Carlino pertaining to the existing award was maintained immediately following the Spin-Off. In addition to this adjustment, to maintain such intrinsic value, stock options issued by GLPI were also granted to Mr. Carlino.
- (15) In connection with the Spin-Off, the exercise price of this option was revised to \$6.96 per share in a manner to ensure the intrinsic value held by Mr. Carlino pertaining to the existing award was maintained immediately following the Spin-Off. In addition to this adjustment, to maintain such intrinsic value, stock options issued by GLPI were also granted to Mr. Carlino.
- (16) In connection with the Spin-Off, the exercise price of this option was revised to \$4.98 per share in a manner to ensure the intrinsic value held by Mr. Carlino pertaining to the existing award was maintained immediately following the Spin-Off. In addition to this adjustment,

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to maintain such intrinsic value, stock options issued by GLPI were also granted to Mr. Carlino.

(17) In connection with the Spin-Off, the exercise price of this option was revised to \$6.34 per share in a manner to ensure the intrinsic value held by Mr. Carlino pertaining to the existing award was maintained immediately following the Spin-Off. In addition to this adjustment, to maintain such intrinsic value, stock options issued by GLPI were also granted to Mr. Carlino.

(18) In connection with the Spin-Off, the exercise price of this option was revised to \$8.19 per share in a manner to ensure the intrinsic value held by Mr. Carlino pertaining to the existing award was maintained immediately following the Spin-Off. In addition to this adjustment, to maintain such intrinsic value, stock options issued by GLPI were also granted to Mr. Carlino.

(19) In connection with the Spin-Off, the exercise price of this option was revised to \$8.88 per share in a manner to ensure the intrinsic value held by Mr. Carlino pertaining to the existing award was maintained immediately following the Spin-Off. In addition to this adjustment, to maintain such intrinsic value, stock options issued by GLPI were also granted to Mr. Carlino.

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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