

PENN NATIONAL GAMING INC
 Form 4
 October 19, 2004

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
IPPOLITO ROBERT S

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)
10/15/2004

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Vice President, Secretary/Trea

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock ⁽¹⁾	10/15/2004		M		2,998	A	\$ 14.84
Common Stock	10/15/2004		M		4,502	A	\$ 14.84
Common Stock	10/15/2004		S		7,500	D	\$ 42 3,700

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 (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)	Amount or Number of Shares
				Code V (A) (D)		Date Exercisable Expiration Date	Title	
Incentive Stock Options (Right to buy)	\$ 14.84	10/15/2004		M	2,998	01/02/2003 01/02/2009	Common Stock	2,998
Non-Qualified Stock Options (Right to buy)	\$ 14.84	10/15/2004		M	4,502	01/02/2003 01/02/2009	Common Stock	4,502

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
IPPOLITO ROBERT S 825 BERKSHIRE BLVD SUITE 200 WYOMISSING, PA 19610			Vice President, Secretary/Trea	

Signatures

/s/Robert S Ippolito 10/19/2004

**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 April 23, 2004, established pursuant to rule 10b5-1.

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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