

CARLINO PETER M  
Form 4  
March 22, 2006

**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)  
03/20/2006

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

WYOMISSING, PA 19610

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

(City) (State) (Zip)

**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 Indirect Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock <u>(1)</u>	03/20/2006		M		75,000	A	\$ 7.95	1,615,246	D	
Common Stock <u>(1)</u>	03/20/2006		M		75,000	A	\$ 12.15	1,690,246	D	
Common Stock <u>(1)</u>	03/20/2006		M		11,200	A	\$ 29.22	1,701,446	D	
Common Stock <u>(1)</u>	03/20/2006		S		161,200	D	\$ 40	1,540,246 <u>(3)</u>	D	
Common Stock <u>(2)</u>	03/20/2006		S		152,500	D	\$ 40	1,060,160	I	Sold by GRAT

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Common Stock <sup>(2)</sup> 03/21/2006 S 101,380 D \$ 40 958,780 <sup>(4)</sup> I Sold by GRAT

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)	8. Amount or Number of Shares of Underlying Security
Non-Qualified Stock Option (right to buy) <sup>(1)</sup>	\$ 7.95	03/20/2006		M	75,000	02/06/2006 02/06/2013	Common Stock	75
Non-Qualified Stock Options (right to buy) <sup>(1)</sup>	\$ 12.15	03/20/2006		M	75,000	01/29/2006 01/29/2014	Common Stock	75
Non-Qualified Stock Options (right to buy) <sup>(1)</sup>	\$ 29.22	03/20/2006		M	11,200	01/06/2006 01/06/2015	Common Stock	11

## Reporting Owners

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

## Signatures

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

03/22/2006

\_\_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) Mr Carlino's Stock Option Transactions reported on this Form 4 were made pursuant to a stock trading plan, dated February 28, 2005 and amended on November 30, 2005, established pursuant to rule 10b5-1.
- (2) The Grantor Retained Annuity Trust (GRAT) Transactions reported on this Form 4 were made pursuant to a stock trading plan, dated November 30, 2005, established pursuant to rule 10b5-1.  

The reporting person is also the indirect beneficial owner of 10,082,073 shares, which are owned by The Carlino Family Trust, a greater than ten percent owner of the issuer, of which Peter M. Carlino is a Trustee. Peter M. Carlino is also the indirect beneficial owner of 958,780 shares owned by the Grantor Retained Annuity Trust of Marshia W. Carlino dated January 19, 2005 of which Peter M. Carlino is the Trustee. Peter M. Carlino disclaims beneficial ownership of the shares owned by the Carlino Family Trust and the Grantor Retained Annuity Trust, and this report should not be deemed an admission that Peter M. Carlino is the beneficial owner of such securities for the purpose of section 16 or any other purpose
- (4) The reporting person is also the indirect beneficial owner of 10,082,073 shares, which are owned by The Carlino Family Trust, a greater than ten percent owner of the issuer, of which Peter M. Carlino is a Trustee and the direct owner of 1,540,246 shares.

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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