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

STATEMENT OF
CHANGES IN
BENEFICIAL
OWNERSHIP / /
Check this box
if no longer
subject to
Section 16.
Form 4 or Form
5 obligations
may continue.
SEE Instruction
1(b). - -----

----- 1. Name
and Address of
Reporting
Person* 2.

Issuer Name and
Ticker or
Trading Symbol
6. Relationship
of Reporting
Person(s) to
Issuer (Check
all applicable)
Penn National
Gaming, Inc.
Director 10%
Owner Clifford
William J. PENN

X Officer (give
Other (Last)
(First)
(Middle) 3.
I.R.S.

Identification
4. Statement
for --- title -
--- (specify
Number of
Reporting
Month/Day/Year
below) below
Person, if an
entity Chief
Financial 122
Oak Hill Lane
(voluntary)
08/31/2002
Officer - -----

(Street) 5. If
Amendment, 7.
Individual or
Joint/Group
Filing Date of
Original (Check
Applicable
Line)
(Month/Day/Year)
_X_Form filed
by One
Reporting
Person ___Form
filed by More
than One
Wyomissing PA
19610 Reporting
Person - -----

----- (City)
(State) (Zip)
TABLE I - NON-
DERIVATIVE
SECURITIES
ACQUIRED,
DISPOSED OF, OR
BENEFICIALLY
OWNED - -----

----- 1. Title
of 2. Trans-
2A. Deemed 3.
Trans- 4.
Securities
Acquired (A) 5.
Amount of 6.
Owner- 7.
Nature Security
action
Execution
action or
Disposed of (D)
Securities ship
of In- (Instr.
3) Date Date,
Code (Instr. 3,
4 and 5)
Beneficially
Form: direct if
any (Instr. 8)
Owned Follow-
Direct Bene-
(Month/ (Month/
ing Reported
(D) or ficial
Day/ Day/ -----

Transaction(s)
Indirect Owner-
Year) Year) (A)
or (Instr. 3
(I) ship Code V
Amount (D)
Price and 4)

(Instr. 4)
(Instr. 4) - -

Common Stock
08/21/02 M
12,500 A 9.48 D

Common Stock
08/21/02 S
12,500 D 18.12
0 D - -----

FORM 4
(CONTINUED)
TABLE II -
DERIVATIVE
SECURITIES
ACQUIRED,
DISPOSED OF,
OR
BENEFICIALLY
OWNED (E.G.,
PUTS, CALLS,
WARRANTS,
OPTIONS,
CONVERTIBLE
SECURITIES) -

- 1. Title of
Derivative
Security 2.
Conver- 3.
Trans- 3A.
Deemed 4.
Transac- 5.
Number of
Deriv- 6.
Date Exer-
(Instr. 3)
sion or
action
Execution
tion Code
ative
Securities
Ac- cisable
and Ex-
Exercise Date
Date, (Instr.
8) quired (A)
or Dis-
piration Date
Price of
(Month/ if
any posed of
(D)
(Month/Day/
Deriv- Day/
(Month/
(Instr. 3, 4,
and 5) Year)
ative Year)
Day/ Security
Year) -----

Date Expira-
Exer- tion
Code V (A)
(D) cisable
Date - -----

Incentive
Stock Option
(right to
buy) 9.48
07/30/01
07/30/02
07/30/08 - --

Incentive
Stock Option
(right to
buy) 14.84
01/02/02
01/02/03
01/02/09 - --

Private
Beneficial
Ownership (Instr.
Beneficial
Ownership
5) Owned
Direct
(Instr. 4) --

Following (D)
or Title
Amount or
Reported
Indi- Number
of
Transaction(s)
Direct (I)
Shares
(Instr. 4)
(Instr. 4) -

---- Common
Stock 42,216
42,216 D - --

-- Common
Stock 6,738
6,738 D - ---

- Common
Stock 12,500
18.12 45,284
D - -----

Common Stock
43,262 43,262
D - -----

Explanation
of Responses:
/s/ William
J. Clifford
08/10/02 ----

**Signature
of Reporting

Person Date
Reminder:
Report on a
separate line
for each
class of
securities
beneficially
owned
directly or
indirectly. *
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).
Note: File
three copies
of this Form,
one of which
must be
manually
signed. If
space is
insufficient,
SEE
Instruction 6
for
procedure.