

PENN TREATY AMERICAN CORP  
 Form 4  
 September 06, 2005

**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 \*  
 WHITEBOX ADVISORS LLC

2. Issuer Name and Ticker or Trading Symbol  
 PENN TREATY AMERICAN CORP [PTA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 3033 EXCELSIOR BOULEVARD,  
 SUITE 300

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 08/31/2005

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

(Street)  
 MINNEAPOLIS, MN 55416

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_ Form filed by One Reporting Person  
 \_\_\_X\_\_\_ 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| Common Stock <sup>(1)</sup>     | 08/31/2005                           |  | S                              |   | 10,000  | D  | \$ 9.75                           |
|                                 |                                      |  |                                |   | 504.25  | I  | <sup>(2)</sup>                    |

Refer to Footnote (1) (3)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

**Edgar Filing: PENN TREATY AMERICAN CORP - Form 4**

| 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 Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       | Amount or Number of Shares |
|---|---------------|-----------|---------|-------|----------------------------|
|   | Director      | 10% Owner | Officer | Other |                            |
| WHITEBOX ADVISORS LLC<br>3033 EXCELSIOR BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416                         |               | X         |         |       |                            |
| Whitebox Convertible Arbitrage Partners, L.P.<br>3033 EXCELSIOR BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416 |               | X         |         |       |                            |

## Signatures

/s/ Jonathan D. Wood, Chief Financial Officer for Whitebox Advisors, LLC and Whitebox Convertible Arbitrage Partners, L.P. 09/06/2005

\_\_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) Reporting Person is Whitebox Convertible Arbitrage Partners, L.P. ("WCAP"). The general partner of WCAP, is Whitebox Convertible Arbitrage Advisors, LLC ("WCAA"), which manages accounts for the benefit of its clients WCAP, Whitebox Convertible Arbitrage Fund, L.P. ("WCAFLP") and Whitebox Convertible Arbitrage Fund, Ltd. ("WCAFLTD"). The managing member and controlling owner of WCAA is Whitebox Advisors, LLC.
- (2) This amount reflects a four for one reverse stock split of shares of common stock of the Issuer, effective July 8, 2005.
- (3) Based on the relationships described herein, these entities may be deemed to constitute a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934. The filing of this statement shall not be construed as an admission that Whitebox Advisors, LLC, WCCA, WCAP, WCAFLP and WCAFLTD are a group, or have agreed to act as a group. Whitebox Advisors, LLC, WCCA, WCAP, WCAFLP and WCAFLTD each disclaim beneficial ownership of such shares of common stock except to the extent of their pecuniary interest in such shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.