

WHITEBOX ADVISORS LLC  
 Form 4  
 August 10, 2005

**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 \*  
 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  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 08/03/2005

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

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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)**

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount Underlying Security
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Convertible Subordinated Notes (Right to Purchase) <sup>(1)</sup>	\$ 7 <sup>(3)</sup>	08/03/2005	S		200,000		<sup>(4)</sup>	10/01/2008	Common Stock	28,500 <sup>(3)</sup>
Convertible Subordinated Notes (Right to Purchase) <sup>(2)</sup>	\$ 7 <sup>(3)</sup>	08/03/2005	S		150,000		<sup>(4)</sup>	10/01/2008	Common Stock	21,400 <sup>(3)</sup>

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WHITEBOX ADVISORS LLC 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416		X		
Whitebox Intermarket Advisors, LLC 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416		X		
WHITEBOX INTERMARKET PARTNERS LP 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416		X		
WHITEBOX INTERMARKET FUND LP 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416		X		
Whitebox Intermarket Fund, Ltd. 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416		X		
Pandora Select Advisors, LLC 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416		X		
Pandora Select Partners, L.P. 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416		X		

Pandora Select Fund, L.P. 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416	X
PANDORA SELECT FUND LTD 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416	X

## Signatures

/s/ Jonathan D. Wood, Chief Financial Officer for Whitebox Advisors, LLC	08/10/2005
__Signature of Reporting Person	Date
/s/ Whitebox Intermarket Advisors, LLC	08/10/2005
__Signature of Reporting Person	Date
/s/ WHITEBOX INTERMARKET PARTNERS LP	08/10/2005
__Signature of Reporting Person	Date
/s/ WHITEBOX INTERMARKET FUND L.P.	08/10/2005
__Signature of Reporting Person	Date
/s/ Whitebox Intermarket Fund, Ltd	08/10/2005
__Signature of Reporting Person	Date
/s/ Pandora Select Advisors, LLC	08/10/2005
__Signature of Reporting Person	Date
/s/ Pandora Select Partners, L.P.	08/10/2005
__Signature of Reporting Person	Date
/s/ Pandora Select Fund, L.P.	08/10/2005
__Signature of Reporting Person	Date
/s/ PANDORA SELECT FUND LTD	08/10/2005
__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 Intermarket Partners, L.P. ("WIP").
- (2) Reporting Person is Pandora Select Partners, L.P. ("PSP").
- (3) This amount reflects a four for one reverse stock split of shares of common stock of the Issuer, effective July 8, 2005.
- (4) Immediately Exercisable.
- (5) Reported on an as converted basis.

- (6) 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 general partner of WHHYP is Whitebox Hedged High Yield Advisors, LLC ("WHHYA"), which manages accounts for the benefit of its clients WHHYP, Whitebox Hedged High Yield Fund, L.P. ("WHYYFLP") and Whitebox Hedged High Yield Fund, Ltd. ("WHHYFLTD"); the general partner of WIP is Whitebox Intermarket Advisors, LLC ("WIA"), which manages accounts for the benefit of its clients WIP, Whitebox Intermarket Fund, L.P. ("WIFLP") and Whitebox Intermarket Fund, Ltd. ("WIFLTD"). The managing member and controlling owner of each of WCAA, WHHYA and WIA is Whitebox Advisors, LLC. (Cont. in footnote 7)

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(7) The general partner of PSP is Pandora Select Advisors, LLC ("PSA"), which manages accounts for the benefit of its clients PSP, Pandora Select Fund, L.P. ("PSFLP") and Pandora Select Fund, Ltd. ("PSFLTD"). The general partner of WDCAP is Whitebox Diversified Convertible Arbitrage Advisors, LLC ("WDCAA"), which manages accounts for the benefit of its clients WDCAP Whitebox Diversified Convertible Arbitrage Fund, L.P. ("WDCAFPL") and Whitebox Diversified Convertible Arbitrage Fund, Ltd. ("WDCAFPLTD"). The managing member and controlling owner of each of PSA and WDCAA is AJR Financial, LLC. Whitebox Advisors, LLC and AJR Financial, LLC each have the same sole owner and managing member. (Cont. in footnote 8)

(8) 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, AJR Financial, LLC, WCCA, WHHYA, WIA, PSA, WDCAA, WCAP, WHHYP, WIP, PSP, WDCAP, WCAFLP, WHHYFLP, WIFLP, PSFLP, WDCAFPL, WCAFLTD, WHHYFLTD, WIFLTD, PSFLTD and WDCAFPLTD are a group, or have agreed to act as a group. Whitebox Advisors, LLC, AJR Financial, LLC, WCCA, WHHYA, WIA, PSA, WDCAA, WCAP, WHHYP, WIP, PSP, WDCAP, WCAFLP, WHHYFLP, WIFLP, PSFLP, WDCAFPL, WCAFLTD, WHHYFLTD, WIFLTD, PSFLTD and WDCAFPLTD each disclaim beneficial ownership of such shares of common stock except to the extent of their pecuniary interest in such shares.

### Remarks:

For additional information also refer to the two Form 4s filed concurrently herewith by the Reporting Persons.

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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