WHITEBOX ADVISORS LLC
Form 4
August 10, 2005

FORM 4

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

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

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
WHITEBOX ADVISORS LLC

(Last) (First) (Middle)

3033 EXCELSIOR BOULEVARD, SUITE 300

(Street)

MINNEAPOLIS, MN 55416

(City) (State) (Zip)

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

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director __X__ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

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)

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 Securitie

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	Amou or Numb of Shares
Convertible Subordinated Notes (Right to Purchase) (1)	$ 7 (3)	08/03/2005		S		50,000	(4)	10/01/2008	Common Stock	7,14 (3) (5
Convertible Subordinated Notes (Right to Purchase) (2)	$ 7 (3)	08/03/2005		S		50,000	(4)	10/01/2008	Common Stock	7,14 (3) (5

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 Diversified Convertible Arbitrage Advisors, LLC 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416		X		
Whitebox Diversified Convertible Arbitrage Partners, L.P. 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416		X		
Whitebox Diversified Convertible Arbitrage Fund, L.P. 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416		X		
Whitebox Diversified Convertible Arbitrage Fund, Ltd. 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416		X		
AJR Financial, LLC 3033 EXCELSIOR BOULEVARD, SUITE 300 MINNEAPOLIS, MN 55416		X		

Signatures

/s/ Jonathan D. Wood, Chief Financial Officer	08/10/2005
**Signature of Reporting Person	Date
/s/ Whitebox Diversified Convertible Arbitrage Advisors, LLC	08/10/2005
**Signature of Reporting Person	Date
/s/ Whitebox Diversified Convertible Arbitrage Partners, L.P.	08/10/2005
**Signature of Reporting Person	Date
/s/ Whitebox Diversified Convertible Arbitrage Fund, L.P.	08/10/2005
**Signature of Reporting Person	Date
/s/ Whitebox Diversified Convertible Arbitrage Fund, Ltd.	08/10/2005
**Signature of Reporting Person	Date
/s/ AJR Financial, LLC	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 Diversified Convertible Arbitrage Partners, L.P. ("WDCAP").

(2) Reporting Person is Whitebox Advisors, LLC.

(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)

(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. ("WDCAFLP") and Whitebox Diversified Convertible Arbitrage Fund, Ltd. ("WDCAFLTD"). 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, WDCAFLP, WCAFLTD, WHHYFLTD, WIFLTD, PSFLTD and WDCAFLTD 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, WDCAFLP, WCAFLTD, WHHYFLTD, WIFLTD, PSFLTD and WDCAFLTD 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.
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.