

PANDORA SELECT FUND LTD  
 Form 4  
 June 27, 2005

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
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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)  
 06/23/2005

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
 \_\_\_ Officer (give title below) \_\_\_ 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 Following 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)  | Price   |  |                                   |  |
|                                 |                                      |  |                                | Code  | V   | Amount   |                                   |  |
| Common Stock <sup>(5)</sup>     | 06/23/2005                           |  | S                              | D   | \$ 500  | 2,017 <sup>(6)</sup>                                     | I                                 | Refer to Footnote <sup>(7)</sup> <sup>(8)</sup> <sup>(9)</sup> |
|                                 |                                      |  |                                |   |   |  |                                   |  |

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)**

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| 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 Beneficially (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares                                       |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| WHITEBOX ADVISORS LLC<br>3033 EXCELSIOR BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416                                    |               | X         |         |       |
| Whitebox Diversified Convertible Arbitrage Advisors, LLC<br>3033 EXCELSIO BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416  |               | X         |         |       |
| Whitebox Diversified Convertible Arbitrage Partners, L.P.<br>3033 EXCELSIO BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416 |               | X         |         |       |
| Whitebox Diversified Convertible Arbitrage Fund, L.P.<br>3033 EXCELSIO BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416     |               | X         |         |       |
| Whitebox Diversified Convertible Arbitrage Fund, Ltd.<br>3033 EXCELSIOR BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416    |               | X         |         |       |
| Pandora Select Advisors, LLC<br>3033 EXCELSIOR BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416                             |               | X         |         |       |
| Pandora Select Partners, L.P.<br>3033 EXCELSIOR BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416                            |               | X         |         |       |
| Pandora Select Fund, L.P.<br>3033 EXCELSIOR BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416                                |               | X         |         |       |
| PANDORA SELECT FUND LTD<br>3033 EXCELSIOR BOULEVARD, SUITE 300   |               | X         |         |       |

MINNEAPOLIS, MN 55416

## Signatures

|  |            |
|--|------------|
| /s/ Whitebox Diversified Convertible Arbitrage Advisors, LLC | 06/27/2005 |
| __Signature of Reporting Person                              | Date       |
| /s/ Whitebox Diversified Convertible Partners, LLC           | 06/27/2005 |
| __Signature of Reporting Person                              | Date       |
| /s/ Whitebox Diversified Convertible Arbitrage Fund, L.P.    | 06/27/2005 |
| __Signature of Reporting Person                              | Date       |
| /s/ Whitebox Diversified Convertible Arbitrage Fund, Ltd.    | 06/27/2005 |
| __Signature of Reporting Person                              | Date       |
| /s/ Pandora Select Advisors, LLC                             | 06/27/2005 |
| __Signature of Reporting Person                              | Date       |
| /s/ Pandora Select Partners, L.P.                            | 06/27/2005 |
| __Signature of Reporting Person                              | Date       |
| /s/ Pandora Select Fund, L.P.                                | 06/27/2005 |
| __Signature of Reporting Person                              | Date       |
| /s/ Pandora Select Fund, Ltd.                                | 06/27/2005 |
| __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).
- (5) Reporting Person is Whitebox Advisors, LLC.
- (6) Each of WCAP, WHHYP, WDCAP, PSP and Whitebox Advisors, LLC beneficially own Convertible Subordinated Notes of which the Common Stock of Penn American Corporation is the underlying security.
- 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 managing member and controlling owner of each of WCAA, WHHYA and WIA is Whitebox Advisors, LLC. (Cont. in footnote 8)
- (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 9)
- (8)
- (9) 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, PSA, WDCAA, WCAP, WHHYP, PSP, WDCAP, WCAFLP, WHHYFLP, PSFLP, WDCAFLP, WCAFLTD, WHHYFLTD, PSFLTD and WDCAFLTD are a group, or have agreed to act as a group. Whitebox Advisors, LLC, AJR Financial, LLC, WCCA, WHHYA, PSA, WDCAA, WCAP, WHHYP, PSP, WDCAP, WCAFLP, WHHYFLP, PSFLP, WDCAFLP, WCAFLTD, WHHYFLTD, PSFLTD and WDCAFLTD each disclaim beneficial ownership of such shares of common stock

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except to the extent of their pecuniary interest in such shares.

**Remarks:**

For additional transactions also refer to the additional Form 4 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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