

PENN ENGINEERING & MANUFACTURING CORP
 Form 4
 May 31, 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 *
 SIMON MARK W

(Last) (First) (Middle)

PENN ENGINEERING &
 MANUFACTURING CORP., 5190
 OLD EASTON RD.

(Street)

DANBORO, PA 18916

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 PENN ENGINEERING &
 MANUFACTURING CORP
 [PNN&PNNA]

3. Date of Earliest Transaction
 (Month/Day/Year)
 05/25/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
 Senior Vice President Finance/

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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 Ownership (Instr. 4)
Common Stock, \$.01 par value	05/25/2005		D	5,409.893	D 0	D	
Common Stock, \$.01 par value	05/25/2005		D	1,000	D 0	D	
Common Stock, \$.01 par value	05/25/2005		D	238	D 0	I	By daughter

Common
 Stock, \$.01 05/25/2005 D 200 D (1) 0 D
 par value

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

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(9-02)

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

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option	\$ 9.188	05/25/2005		D	20,000 (2)	12/04/1997 12/04/2006	Common Stock 20,000 (2)
Employee Stock Option	\$ 12.813	05/25/2005		D	20,000 (2)	12/16/1998 12/16/2007	Common Stock 20,000 (2)
Employee Stock Option	\$ 11	05/25/2005		D	20,000 (2)	12/14/1999 12/14/2008	Common Stock 20,000 (2)
Employee Stock Option	\$ 12.688	05/25/2005		D	20,000 (2)	12/08/2000 12/08/2009	Common Stock 20,000 (2)
Employee Stock Option	\$ 18.063	05/25/2005		D	30,000 (2)	12/06/2001 12/06/2010	Common Stock 30,000 (2)
Employee Stock Option	\$ 16.58	05/25/2005		D	30,000 (2)	12/05/2002 12/05/2011	Common Stock 30,000 (2)
Employee Stock Option	\$ 11.7	05/25/2005		D	30,000 (2)	12/05/2003 12/05/2012	Common Stock 30,000 (2)
Employee Stock	\$ 17.3	05/25/2005		D	30,000 (2)	12/03/2004 12/03/2013	Common Stock 30,000 (2)

Option

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SIMON MARK W PENN ENGINEERING & MANUFACTURING CORP. 5190 OLD EASTON RD. DANBORO, PA 18916	X		Senior Vice President Finance/	

Signatures

/s/ Mark W.
Simon

05/25/2005

**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).
- Sale of Stock: Pursuant to the Agreement and Plan of Merger, dated as of January 17, 2005, as amended as of May 10, 2005, by and among PEM Holding Co., PN Merger Sub, Inc. and Penn Engineering & Manufacturing Corp. (the "Company"), each issued and
- (1) outstanding share of the Company's common stock and class A common stock has been converted as of the effective time of the merger into the right to receive \$18.25 in cash, without interest, except for shares for which appraisal rights have been perfected under Delaware law.
- Cash-Out of Stock Options: Pursuant to the Agreement and Plan of Merger, dated as of January 17, 2005, as amended as of May 10, 2005, by and among PEM Holding Co., PN Merger Sub, Inc. and Penn Engineering & Manufacturing Corp. (the "Company"), this option
- (2) was canceled in exchange for a cash payment of \$18.25 by the Company, representing the difference between the exercise price of the option and the \$18.25 per share merger consideration.

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.