

PENN ENGINEERING & MANUFACTURING CORP  
 Form 4  
 May 31, 2005

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
 KAY ALAN

(Last) (First) (Middle)

C/O PENN ENGINEERING & MANUFACT, P O BOX 1000

(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  
 \_\_\_\_ Officer (give title below)  10% Owner  
 \_\_\_\_ Other (specify below)  
 President/Arconix-USA

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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock, \$.01 par value	05/25/2005		D	595.024	D 0	D	

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 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	\$ 12.688	05/25/2005		D	2,000 (2)	12/08/2000 12/08/2009	Common Stock 2,000 (2)
Employee Stock Option	\$ 18.063	05/25/2005		D	2,000 (2)	12/06/2001 12/06/2010	Common Stock 2,000 (2)
Employee Stock Option	\$ 16.58	05/25/2005		D	20,000 (2)	12/05/2002 12/05/2011	Common Stock 20,000 (2)
Employee Stock Option	\$ 11.7	05/25/2005		D	17,000 (2)	12/05/2003 12/05/2012	Common Stock 17,000 (2)
Employee Stock Option	\$ 17.3	05/25/2005		D	20,000 (2)	12/03/2004 12/03/2013	Common Stock 20,000 (2)

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director 10% Owner Officer Other

KAY ALAN  
C/O PENN ENGINEERING & MANUFACT  
P O BOX 1000  
DANBORO, PA 18916

President/Arconix-USA

## Signatures

/s/ Alan M. Kay 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

(2) option 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.

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