

Frater Stephen G
Form 4
August 18, 2011

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 *
Frater Stephen G

2. Issuer Name and Ticker or Trading Symbol
SCIENTIFIC GAMES CORP
[SGMS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
(Month/Day/Year)
08/16/2011

____ Director
 Officer (give title below)
____ 10% Owner
____ Other (specify below)
Division Executive Chairman

C/O SCIENTIFIC GAMES CORPORATION, 99, GREEN LANE, HOUNSLOW

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

MIDDLESEX, X0 TW46BW

(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) | 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)

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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) | | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|---|-----------------|--------------|----------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Employee Stock Option (right to buy) | \$ 37.47 | 08/16/2011 | | D | | 100,000 | | <u>(1)</u> | 04/19/2016 | Common Stock | 100,000 |
| Restricted Stock Units | <u>(1)</u> | 08/16/2011 | | A | | 4,277 | | <u>(1)</u> | <u>(1)</u> | Common Stock | 4,277 |
| Employee Stock Option (right to buy) | \$ 33.94 | 08/16/2011 | | D | | 13,737 | | <u>(2)</u> | 02/26/2017 | Common Stock | 13,737 |
| Restricted Stock Units | <u>(2)</u> | 08/16/2011 | | A | | 1,056 | | <u>(2)</u> | <u>(2)</u> | Common Stock | 1,056 |
| Employee Stock Option (right to buy) | \$ 21.27 | 08/16/2011 | | D | | 20,307 | | <u>(3)</u> | 02/25/2018 | Common Stock | 20,307 |
| Restricted Stock Units | <u>(3)</u> | 08/16/2011 | | A | | 4,044 | | <u>(3)</u> | <u>(3)</u> | Common Stock | 4,044 |
| Employee Stock Option (right to buy) | \$ 30.08 | 08/16/2011 | | D | | 35,000 | | <u>(4)</u> | 06/30/2018 | Common Stock | 35,000 |
| Restricted Stock Units | <u>(4)</u> | 08/16/2011 | | A | | 4,935 | | <u>(4)</u> | <u>(4)</u> | Common Stock | 4,935 |
| Employee Stock Option (right to buy) | \$ 12.21 | 08/16/2011 | | D | | 25,713 | | <u>(5)</u> | 02/22/2019 | Common Stock | 25,713 |

| | | | | | | | | |
|--------------------------------------|----------|------------|---|--------|-----|------------|--------------|--------|
| Restricted Stock Units | (5) | 08/16/2011 | A | 10,940 | (5) | (5) | Common Stock | 10,940 |
| Employee Stock Option (right to buy) | \$ 15.65 | 08/16/2011 | D | 19,810 | (6) | 02/21/2020 | Common Stock | 19,810 |
| Restricted Stock Units | (6) | 08/16/2011 | A | 7,336 | (6) | (6) | Common Stock | 7,336 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Frater Stephen G C/O SCIENTIFIC GAMES CORPORATION 99, GREEN LANE, HOUNSLOW MIDDLESEX, X0 TW46BW | | | Division Executive Chairman | |

Signatures

/s/ Jack Sarno, attorney-in-fact for Stephen G. Frater 08/18/2011

__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) On August 16, 2011, the issuer canceled, pursuant to the issuer's option exchange program, an option granted to the reporting person on April 20, 2006 (such canceled option provided for vesting in five equal installments beginning on April 20, 2007). In exchange for the option, the reporting person received 4,277 restricted stock units, all of which are scheduled to vest on August 16, 2012. Each unit converts into a share of common stock on a one-for-one basis.
- (2) On August 16, 2011, the issuer canceled, pursuant to the issuer's option exchange program, an option granted to the reporting person on February 27, 2007 (such canceled option provided for vesting in five equal installments beginning on February 27, 2008). In exchange for the option, the reporting person received 1,056 restricted stock units, all of which are scheduled to vest on August 16, 2012. Each unit converts into a share of common stock on a one-for-one basis.
- (3) On August 16, 2011, the issuer canceled, pursuant to the issuer's option exchange program, an option granted to the reporting person on February 26, 2008 (such canceled option provided for vesting in five equal installments beginning on February 26, 2009). In exchange for the option, the reporting person received 4,044 restricted stock units, 3,235 of which are scheduled to vest on August 16, 2012 and 809 of which are scheduled to vest on February 26, 2013. Each unit converts into a share of common stock on a one-for-one basis.
- (4) On August 16, 2011, the issuer canceled, pursuant to the issuer's option exchange program, an option granted to the reporting person on July 1, 2008 (such canceled option provided for vesting in five equal installments beginning on July 1, 2009). In exchange for the option, the reporting person received 4,935 restricted stock units, 3,948 of which are scheduled to vest on August 16, 2012 and 987 of which are scheduled to vest on July 1, 2013. Each unit converts into a share of common stock on a one-for-one basis.
- (5) On August 16, 2011, the issuer canceled, pursuant to the issuer's option exchange program, an option granted to the reporting person on February 23, 2009 (such canceled option provided for vesting in five equal installments beginning on February 23, 2010). In exchange for the option, the reporting person received 10,940 restricted stock units, 6,564 of which are scheduled to vest on August 16, 2012, 2,188 of which are scheduled to vest on February 23, 2013 and 2,188 of which are scheduled to vest on February 23, 2014. Each unit converts into

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a share of common stock on a one-for-one basis.

- On August 16, 2011, the issuer canceled, pursuant to the issuer's option exchange program, an option granted to the reporting person on February 22, 2010 (such canceled option provided for vesting in four equal installments beginning on February 22, 2011). In exchange for
- (6) the option, the reporting person received 7,336 restricted stock units, 3,668 of which are scheduled to vest on August 16, 2012, 1,834 of which are scheduled to vest on February 22, 2013 and 1,834 of which are scheduled to vest on February 22, 2014. Each unit converts into a share of common stock on a one-for-one basis.

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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