

Kennedy James C
 Form 4
 August 18, 2011

FORM 4

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

OMB APPROVAL

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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 *
 Kennedy James C

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

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 ___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Chief Marketing Officer

(Last) (First) (Middle)
 C/O SCIENTIFIC GAMES CORPORATION, 1500 BLUEGRASS LAKES PARKWAY
 (Street)

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

ALPHARETTA, GA 30004
 (City) (State) (Zip)

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

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 or Number of Shares |
| Employee Stock Option (right to buy) | \$ 15.96 | 08/16/2011 | | D | | 7,400 | | <u>(1)</u> | 12/07/2013 | Common Stock | 7,400 |
| Restricted Stock Units | <u>(1)</u> | 08/16/2011 | | A | | 714 | | <u>(1)</u> | <u>(1)</u> | Common Stock | 714 |
| Employee Stock Option (right to buy) | \$ 23.15 | 08/16/2011 | | D | | 6,000 | | <u>(2)</u> | 12/08/2014 | Common Stock | 6,000 |
| Restricted Stock Units | <u>(2)</u> | 08/16/2011 | | A | | 385 | | <u>(2)</u> | <u>(2)</u> | Common Stock | 385 |
| Employee Stock Option (right to buy) | \$ 27.68 | 08/16/2011 | | D | | 6,000 | | <u>(3)</u> | 12/14/2015 | Common Stock | 6,000 |
| Restricted Stock Units | <u>(3)</u> | 08/16/2011 | | A | | 401 | | <u>(3)</u> | <u>(3)</u> | Common Stock | 401 |
| Employee Stock Option (right to buy) | \$ 33.94 | 08/16/2011 | | D | | 10,619 | | <u>(4)</u> | 02/26/2017 | Common Stock | 10,619 |
| Restricted Stock Units | <u>(4)</u> | 08/16/2011 | | A | | 816 | | <u>(4)</u> | <u>(4)</u> | Common Stock | 816 |
| Employee Stock Option (right to | \$ 21.27 | 08/16/2011 | | D | | 14,915 | | <u>(5)</u> | 02/25/2018 | Common Stock | 14,915 |

buy)

| | | | | | | | | |
|--|----------|------------|---|--------|-----|------------|-----------------|--------|
| Restricted Stock Units | (5) | 08/16/2011 | A | 2,970 | (5) | (5) | Common Stock | 2,970 |
| Employee Stock Option (right to buy) | \$ 12.21 | 08/16/2011 | D | 18,325 | (6) | 02/22/2019 | Common Stock | 18,325 |
| Restricted Stock Units | (6) | 08/16/2011 | A | 7,796 | (6) | (6) | Common Stock | 7,796 |
| Employee Stock Option (right to buy) | \$ 15.65 | 08/16/2011 | D | 17,547 | (7) | 02/21/2020 | Common Stock | 17,547 |
| Restricted Stock Units | (7) | 08/16/2011 | A | 6,496 | (7) | (7) | Common Stock | 6,496 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Kennedy James C C/O SCIENTIFIC GAMES CORPORATION 1500 BLUEGRASS LAKES PARKWAY ALPHARETTA, GA 30004 | | | Chief Marketing Officer | |

Signatures

/s/ Jack Sarno, attorney-in-fact for James C.
Kennedy

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 December 8, 2003 (such canceled option provided for vesting in five equal installments beginning on December 8, 2004). In exchange for the option, the reporting person received 714 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 December 9, 2004 (such canceled option provided for vesting in five equal installments beginning on December 9, 2005). In exchange for the option, the reporting person received 385 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.

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- (3) On August 16, 2011, the issuer canceled, pursuant to the issuer's option exchange program, an option granted to the reporting person on December 15, 2005 (such canceled option provided for vesting in five equal installments beginning on December 15, 2006). In exchange for the option, the reporting person received 401 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.
- (4) 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 816 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.
- (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 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 2,970 restricted stock units, 2,376 of which are scheduled to vest on August 16, 2012 and 594 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.
- (6) 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 7,796 restricted stock units, 4,678 of which are scheduled to vest on August 16, 2012, 1,559 of which are scheduled to vest on February 23, 2013 and 1,559 of which are scheduled to vest on February 23, 2014. Each unit converts into a share of common stock on a one-for-one basis.
- (7) 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 the option, the reporting person received 6,496 restricted stock units, 3,248 of which are scheduled to vest on August 16, 2012, 1,624 of which are scheduled to vest on February 22, 2013 and 1,624 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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