

Frater Stephen G
 Form 4
 August 18, 2011

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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

(Last) (First) (Middle)
 C/O SCIENTIFIC GAMES CORPORATION, 99, GREEN LANE, HOUNSLOW
 (Street)

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

MIDDLESEX, X0 TW46BW
 (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 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

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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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