RIVIERA HOLDINGS CORP

Form 4

December 27, 2005

Form 4 or

OMB APPROVAL UNITED STATES SECURITIES AND EXCHANGE COMMISSION OMB 3235-0287 Washington, D.C. 20549 Number: Check this box Expires: if no longer STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF subject to Estimated average **SECURITIES** Section 16.

2. Issuer Name and Ticker or Trading

January 31, 2005

burden hours per response... 0.5

5. Relationship of Reporting Person(s) to

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

(Print or Type Responses)

1. Name and Address of Reporting Person *

1(b).

WESTERMAN WILLIAM L			Symbol RIVIERA HOLDINGS CORP [RIV]					RIVI	Issuer				
(Land) (Eine) (Middle)									(Check all applicable)				
(Last) (First) (Middle) 2901 LAS VEGAS BLVD S			3. Date of Earliest Transaction (Month/Day/Year) 12/27/2005						_X_ Director _X_ 10% Owner _X_ Officer (give title Other (specify below) President and CEO				
		(Street)		4. If Amendment, Date Original						6. Individual or Joint/Group Filing(Check			
LAS VEGAS, NV 89109				Filed(Month/Day/Year)					Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person				
(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Own								ly Owned					
	1.Title of Security (Instr. 3)	2. Transaction D (Month/Day/Yea	ar) Execution	med on Date, if Day/Year)	3. Transa Code (Instr.	8)	4. Securitie on(A) or Disp (Instr. 3, 4 and Amount	osed c	of (D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)		
	Stock, par value \$.001 (1) (2) (3)	12/22/2005			S		400,000	D	\$ 15	1,691,471	I	Trust	
	Common Stock, par value \$.001 (1) (2) (3)	12/22/2005			S		300,000	D	\$ 15	1,391,471	I	Trust	
	Common Stock, par value \$.001	12/22/2005			S		300,000	D	\$ 15	1,091,471	I	Trust	

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

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SEC 1474 (9-02)

> 9. Nu Deriv Secu Bene Own Follo Repo Trans (Insti

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

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Title	e and	8. Price of	٩
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction	orNumber	Expiration Da	ate	Amou	nt of	Derivative	J
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Underl	ying	Security	,
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securit	ties	(Instr. 5)]
	Derivative				Securities			(Instr.	3 and 4)		(
	Security				Acquired						J
					(A) or						J
					Disposed						7
					of (D)						(
					(Instr. 3,						
					4, and 5)						
									Amount		
									or		
						Date	Expiration		Number		
						Exercisable	Date		of		
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships							
	Director	10% Owner	Officer	Other				
WESTERMAN WILLIAM L 2901 LAS VEGAS BLVD S	X	X	President and CEO					
LAS VEGAS, NV 89109								

Signatures

William L.

Westerman 12/27/2005 **Signature of Date Reporting Person

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).

On December 22, 2005, William L. Westerman and The William L. Westerman 2004 Revocable Family Trust, a trust formed under the laws of Nevada which is controlled by Mr. Westerman (the "Trust"), entered into a Stock Purchase Agreement with Flag Luxury Riv, LLC, a Delaware limited liability company (collectively, "Buyers"). Pursuant to the Purchase Agreement, Mr. Westerman and the Trust agreed to (i) sell a total of 1,000,000 shares of the Issuer's common stock (the "First Purchase") held by the Trust to Buyers as allocated below for a total of \$15,000,000 (\$15.00 per share) on a closing date between January 3, 2006 and January 10, 2006; (ii) sell a total 650,000 shares of the Issuer's common stock (the "Second Purchase") held by the Trust to Buyers as allocated below for a total of

\$9,750,000 (\$15.00 per share); and (iii) grant an option to purchase a total of 441,471 shares of the Issue's common stock (the "Option") see continuation in Footnote 2

Reporting Owners 2

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- held by the Trust to Buyers as allocated below at an exercise price of \$15.00 per share. The Second Purchase and the grant of the Option are subject to various conditions, including the receipt of certain approvals fo the Issuer's board of directors by Buyers and the receipt of the requisite approvals from applicable gaming regulators by the parties. Upon the satisfaction of these conditions or the waiver of the same by the parties (to the extent applicable), the Second Purchase and the Option will be reported on a seperate Form 4.
- Buyer Number of First Purchase Shares First Purchase Price Number of Second Purchase Shares Second Purchase Price Number of Option Shares Flag Luxury Riv, LLC 400,000 \$6,000,000 260,000 \$3,900,000 176,588 Rivacq LLc 300,000 \$4,500,000 195,000 \$2,925,000 132,442 High Desert Gaming LLC 300,000 \$4,500,000 195,000 \$2,925,000 132,441 Total 1,000,000 \$15,000,000 650,000 \$9,750,000 441,471

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.