

RIVIERA HOLDINGS CORP
 Form 4
 December 27, 2005

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 *
WESTERMAN WILLIAM L

(Last) (First) (Middle)

2901 LAS VEGAS BLVD S

(Street)

LAS VEGAS, NV 89109

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

RIVIERA HOLDINGS CORP [RIV]

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

12/27/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

President and CEO

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock, par value \$.001 <u>(1)</u> <u>(2)</u> <u>(3)</u>	12/22/2005		S		400,000	D	\$ 15 1,691,471
Common Stock, par value \$.001 <u>(1)</u> <u>(2)</u> <u>(3)</u>	12/22/2005		S		300,000	D	\$ 15 1,391,471
Common Stock, par value \$.001 <u>(1)</u> <u>(2)</u> <u>(3)</u>	12/22/2005		S		300,000	D	\$ 15 1,091,471

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- (2) 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 for 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 separate Form 4.

- (3) 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.