Motorola Solutions, Inc.
Form 4
April 02, 2014

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

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

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Pramaggiore Anne R

(Last) (First) (Middle)

MOTOROLA SOLUTIONS, INC., 1303 E. ALGONQUIN ROAD

(Street)

SCHAUMBURG, IL 60196

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Motorola Solutions, Inc. [MSI]

3. Date of Earliest Transaction (Month/Day/Year)
03/31/2014

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Motorola Solutions, Inc. - Common Stock	03/31/2014		A		195 (1)	A	$ 64.29	4,154.3115 (2)	D	

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)

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)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Pramaggiore Anne R MOTOROLA SOLUTIONS, INC. 1303 E. ALGONQUIN ROAD SCHAUMBURG, IL 60196	X			

Signatures

Kristin L. Kruska, on behalf of Anne R. Pramaggiore, Director, Motorola Solutions, Inc. (Power of Attorney on File)	04/02/2014
**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) Deferred Stock Units issued for payment of Board compensation, subject to deferred distribution after termination of service as a director of issuer, an exempt transaction pursuant to Rule 16b-3(d) under the Securities and Exchange Act of 1934, as amended.

(2) Includes Deferred Stock Units received pursuant to dividend equivalent rights which were credited to the reporting person when and as dividends were paid on Motorola Solutions, Inc. common stock.

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. eciding how to allocate resources.

Second Quarter Six Months

	2005	2004	2005	2004
Revenues				
Tropicana Atlantic City				
Tropicana Las Vegas				
Ramada Express Laughlin	$ 122.7	$ 96.4	$ 234.5	$ 188.2
Casino Aztar Evansville	41.8	42.1	84.0	82.7
Casino Aztar Caruthersville	23.4	22.8	49.9	47.1
Total consolidated	33.5	32.1	68.9	65.3
	6.9	5.3	14.3	11.4
EBITDA (a)	$ 228.3	$ 198.7	$ 451.6	$ 394.7
Tropicana Atlantic City	========	========	========	========
Tropicana Las Vegas				
Ramada Express Laughlin	$ 30.9	$ 24.3	$ 52.0	$ 47.8
Casino Aztar Evansville	10.7	10.1	21.7	19.4
Casino Aztar Caruthersville	6.0	6.0	14.8	13.2
Property EBITDA	10.3	9.6	21.3	19.7
Corporate	1.5	0.9	3.3	2.2
Depreciation and amortization	59.4	50.9	113.1	102.3
Operating income	(5.2)	(4.2)	(13.2)	(8.9)
Other income	(16.7)	(13.2)	(33.0)	(26.2)
Interest income	37.5	33.5	66.9	67.2
Interest expense	2.9	--	4.4	--
Loss on early retirement of debt	0.3	0.2	0.5	0.4
Income taxes	(14.2)	(8.8)	(28.0)	(17.4)
Net income	--	(8.6)	--	(8.6)
	(11.0)	(7.0)	(18.4)	(28.6)
	$ 15.5	$ 9.3	$ 25.4	$ 13.0
	========	========	========	========

(a) EBITDA is net income before income taxes, loss on early retirement of debt, interest expense, interest income, other income, and depreciation and amortization. EBITDA should not be construed as a substitute for either operating income or net income as they are determined in accordance with generally accepted accounting principles (GAAP). Management uses EBITDA as a measure to compare operating results among our properties and between accounting periods. We manage cash and finance our operations at the corporate level. We manage the allocation of capital among properties at the corporate level. We also file a consolidated income tax return. Management accordingly believes EBITDA is useful as a measure of operating results at the property level because it reflects the results of operating decisions at that level separated from the effects of tax and financing decisions that are managed at the corporate level. We also use EBITDA as the primary operating performance measure in our bonus programs for executive officers. Management also believes that EBITDA is a commonly used measure of operating performance in the gaming industry and is an important basis for the valuation of gaming companies. Our calculation of EBITDA may not be comparable to similarly titled measures reported by other companies and, therefore, any such differences must be considered when comparing performance among different companies. While management believes EBITDA provides a useful perspective for some purposes, EBITDA has material limitations as an analytical tool. For example, among other things, although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and EBITDA does not reflect the requirements for such replacements. Other income, interest expense, net of interest income, loss on early retirement of debt, and income taxes are also not reflected in EBITDA. Therefore, management does not consider EBITDA in isolation, and it should not be considered as a substitute for measures determined in accordance with GAAP. A reconciliation of EBITDA with operating income and net income as determined in accordance with GAAP is reflected in the above summary.

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AZTAR CORPORATION AND SUBSIDIARIES

Six Months Ended June 30, 2005 Compared to Six Months Ended July 1, 2004

The Tropicana Atlantic City expansion project opened on a limited basis in late November 2004 and was substantially completed by December 2004. As a result, both consolidated operating revenues and consolidated operating costs increased significantly during the first half of 2005, thus affecting comparability with the first half of 2004. All our properties benefited from the timing of New Year's Eve and New Year's Day, which fell in the 2005 fiscal first quarter but did not fall in the 2004 fiscal first quarter.

Consolidated general and administrative expenses were $49.2 million during the first six months of 2005, up $7.9 million from $41.3 million during the first six months of 2004. The increase was largely due to corporate, where general and administrative expenses increased $4.7 million during the 2005 versus 2004 six-month period. The increase at corporate consisted of a settlement loss of $2.9 million related to a lump sum cash payment made to a defined benefit plan participant and employee termination expenses totaling $1.5 million.

Other income was $4.4 million in the first half of 2005. Other income consists of $4.9 million of insurance recovery associated with the rebuilding of the expansion at the Atlantic City Tropicana, net of direct costs to obtain the recovery.

Consolidated interest expense was $28.0 million in the first half of 2005 compared with $17.4 million in the first half of 2004. The increase in interest expense was due to a decrease in capitalized interest as well as an increase in the average level of debt outstanding. The decrease in capitalized interest was attributable to the Atlantic City expansion project, which was substantially completed in December 2004. Interest capitalized was $6.3 million lower in the 2005 versus 2004 six-month period.

Loss on early retirement of debt was $8.6 million in the first half of 2004. The loss, which resulted from the June 2, 2004 redemption of $192.3 million of our outstanding 8 7/8% Senior Subordinated Notes, consisted of a redemption premium of $6.3 million and the write-off of unamortized debt issuance costs of $2.3 million.

Consolidated income taxes were $18.4 million in the first half of 2005 compared with $28.6 million in the first half of 2004. The decrease of $10.2 million was largely due to a decrease in the Indiana income tax provision, partially offset by an increase in income before income taxes. In connection with a review of our Indiana income tax returns for the years 1996 through 2002, the Indiana Department of Revenue took the position that our gaming taxes that are based on gaming revenue are not deductible for Indiana income tax purposes. In response to the position taken by the Indiana Department of Revenue, we filed a petition with the Indiana Tax Court for the 1996 and 1997 tax years and we filed a formal protest for the 1998 through 2002 tax years. In April 2004, the Indiana Tax Court ruled in favor of the Indiana Department of Revenue. We asked the Indiana Supreme Court to review the ruling. Our request was denied. As a result, we estimated that we were obligated to pay approximately $17.3 million to cover assessments of taxes and interest from 1996 through the end of the first quarter of 2004. This amount was deductible for federal income tax purposes, resulting in a net effect of approximately $11.3 million, which was recorded as an increase to income tax expense in the first quarter of 2004.

TROPICANA ATLANTIC CITY

As previously noted, the Tropicana Atlantic City expansion project includes 502 additional hotel rooms, 20,000 square feet of meeting space, 2,400 parking spaces, and the Quarter, the project's centerpiece, a 200,000-square-foot dining, entertainment and retail center. As a result of the expansion, Tropicana Atlantic City now has approximately 2,125 hotel rooms, which represents a 30% increase over the property's previous capacity. The Quarter includes approximately 40 outlets consisting of restaurants, entertainment venues and retail stores. Due to its unique nature and the diversity of venues available to customers, the Quarter

generated media attention and created interest among local residents and visitors to Atlantic City. For these reasons, coupled with marketing efforts, demand for hotel rooms and gaming activities at the Tropicana increased during the first half of 2005 compared with the first half of 2004. Revenues in the first half of 2005 totaled $234.5 million, up $46.3 million or 25% from the first half of 2004. The comparatively higher revenues in the 2005 versus 2004 six-month period also were attributable to business interruption caused by the October 30, 2003 construction accident, which was more severe in the 2004 versus 2005 six-month period. The increase in revenues consisted primarily of casino revenue, which increased $34.9 million or 21%, and to a lesser extent rooms revenue, which increased $5.2 million or 47%.

The increase in casino revenue of $34.9 million during the 2005 versus 2004 six-month period consisted of a $19.7 million increase in slot revenue and a $15.2 million increase in games revenue. Casino costs increased $9.6 million or 14% in the 2005 versus 2004 six-month period primarily as a result of the increase in casino revenue.

The increase in rooms revenue of $5.2 million during the 2005 versus 2004 six-month period was attributable to an increase in the number of rooms occupied on a non-complimentary basis and an increase in the average daily rate. The total number of rooms occupied on a non-complimentary basis increased 31% and the average daily rate increased 12% during the 2005 versus 2004 six-month period. Rooms costs increased $2.4 million or 37% in the 2005 versus 2004 six-month period primarily as a result of the increase in rooms revenue.

As previously noted, the increase in gaming and hotel revenues was partially attributable to our marketing efforts to promote the opening of the expansion. As a result, marketing costs increased $12.4 million or 53% in the first half of 2005 from $23.5 million the first half of 2004. The increase in marketing costs consisted primarily of increases in business promotional expenses, entertainment contracts, payroll costs and advertising expenses.

Utilities expense was $8.0 million in the first six months of 2005, up $3.2 million or 67% from $4.8 million in the first six months of 2004. In addition to the increased energy consumption brought on by the expansion, the increase was also attributable to a new electrical power contract that became effective July 2004. The new contract, which replaced a contract that had been in place since July 1997, contains less favorable rates.

Construction accident insurance recoveries were $8.0 million lower in the 2005 versus 2004 six-month period. The 2004 recoveries consisted of a business interruption recovery of $3.5 million and a recovery due to the delay in the opening of the Atlantic City Tropicana expansion project of $5.0 million. The business interruption recovery in 2004 reflected a profit recovery applicable to the fourth quarter of 2003. The recovery in 2004 from the delay in the opening of the expansion project represented a portion of the anticipated profit that we would have recognized had the expansion opened as originally projected as well as some reimbursement for costs incurred as a result of the delay. These type of insurance recoveries are recorded when they are agreed to by our insurers.

Depreciation expense was $21.6 million during the first half of 2005, up $5.7 million or 36% from $15.9 million in the first half of 2004. The increase was primarily due to the expansion.

TROPICANA LAS VEGAS

Rooms revenue increased $3.9 million in the first half of 2005, up 15% from $26.4 million in the first half of 2004. The increase was primarily attributable to a 14% increase in the average daily rate. The increase in the average daily rate is due primarily to increased tourism to the Las Vegas market.

CASINO AZTAR CARUTHERSVILLE

Casino revenue increased $2.9 million in the first half of 2005, up 26% from $11.0 million in the first half of 2004. This increase consisted of a $2.6 million increase in slot revenue that was due primarily to an increase in the number of patrons visiting our riverboat. Casino costs increased by $0.9 million or 21% in the 2005 versus 2004 first half primarily as a result of the increase in casino revenue.

CORPORATE

Corporate general and administrative expenses increased $4.7 million during the first half of 2005 up 55% from $8.5 million in the first half of 2004. During the 2005 first quarter, we made a lump sum cash payment of $8.2 million to a defined benefit plan participant in exchange for the participant's right to receive specified pension benefits. The distribution resulted in a settlement loss of $2.9 million in the 2005 first quarter. During the 2005 second quarter, we recognized employee termination expenses of $1.5 million consisting of a severance payment and costs recognized upon the acceleration of the vesting provisions of certain of the individual's stock options.

Quarter Ended June 30, 2005 Compared to Quarter Ended July 1, 2004

As previously indicated, the Tropicana Atlantic City expansion project opened on a limited basis in late November 2004 and was substantially completed by December 2004. As a result, both consolidated operating revenues and consolidated operating costs were significantly higher during the 2005 second quarter as compared with the 2004 second quarter.

Consolidated general and administrative expenses were $22.9 million in the 2005 second quarter, up $2.5 million from $20.4 million in the 2004 second quarter. The increase was due primarily to employee termination expenses at corporate, which totaled $1.5 million in the 2005 second quarter.

Other income was $2.9 million in the 2005 second quarter. Other income consists of $3.1 million of insurance recovery associated with the rebuilding of the expansion at the Atlantic City Tropicana, net of direct costs to obtain the recovery.

Consolidated interest expense was $14.2 million in the second quarter of 2005 compared with $8.8 million in the second quarter of 2004. The increase in interest expense was due to a decrease in capitalized interest as well as an increase in the average level of debt outstanding. The decrease in capitalized interest was attributable to the Atlantic City expansion project, which was substantially completed in December 2004. Interest capitalized during the second quarter was $3.4 million lower in 2005 versus 2004.

Loss on early retirement of debt was $8.6 million in the 2004 second quarter. The loss, which resulted from the June 2, 2004 redemption of $192.3 million of our outstanding 8 7/8% Senior Subordinated Notes, consisted of a redemption premium of $6.3 million and the write-off of unamortized debt issuance costs of $2.3 million.

TROPICANA ATLANTIC CITY

As noted above, the Tropicana Atlantic City expansion opened on a limited basis in late November 2004 and was substantially completed by December 2004. Due to its unique nature and the diversity of venues available to customers, the Quarter generated media attention and created interest among local residents and visitors to Atlantic City. For these reasons, coupled with marketing efforts, demand for hotel rooms and gaming activities at the Tropicana increased during the 2005 second quarter compared with the 2004 second quarter. Revenues in the 2005 second quarter totaled $122.7 million, up $26.3 million or 27% from the 2004 second quarter. The comparatively higher revenues in the 2005 versus 2004 second quarter also were

AZTAR CORPORATION AND SUBSIDIARIES

attributable to business interruption caused by the October 30, 2003 construction accident, which was more severe in the 2004 quarter than the 2005 quarter. The increase in revenues consisted primarily of casino revenue, which increased $20.6 million or 25%, and to a lesser extent rooms revenue, which increased $2.8 million or 42%.

The increase in casino revenue of $20.6 million during the 2005 versus 2004 second quarter consisted of a $10.5 million increase in slot revenue and a $10.1 million increase in games revenue. Casino costs increased $4.9 million or 14% in the 2005 versus 2004 second quarter primarily as a result of the increase in casino revenue.

The increase in rooms revenue of $2.8 million during the 2005 versus 2004 second quarter was attributable to an increase in the number of rooms occupied on a non-complimentary basis and an increase in the average daily rate. The total number of rooms occupied on a non-complimentary basis increased 31% and the average daily rate increased 8% during the 2005 versus 2004 second quarter. Rooms costs increased $1.3 million or 34% in the 2005 versus 2004 second quarter primarily as a result of the increase in rooms revenue.

As previously noted, the increase in gaming and hotel revenues was partially attributable to our marketing efforts to promote the opening of the expansion. As a result, marketing costs increased $5.9 million or 50% in the 2005 second quarter from $11.8 million in the 2004 second quarter. The increase in marketing costs consisted primarily of increases in entertainment contracts, business promotional expenses and payroll costs.

Utilities expense was $3.7 million in the 2005 second quarter, up $1.3 million or 54% from $2.4 million in the 2004 second quarter. In addition to the increased energy consumption brought on by the expansion, the increase was also attributable to a new electrical power contract that became effective July 2004. The new contract, which replaced a contract that had been in place since July 1997, contains less favorable rates.

Construction accident insurance recoveries decreased $4.7 million during the 2005 second quarter from $5.0 million in the 2004 second quarter. During the 2004 second quarter, we received a larger recovery due to the delay in the opening of the Atlantic City Tropicana expansion project. This type of insurance recovery is recorded when it is agreed to by our insurers.

Depreciation expense was $10.9 million in the 2005 second quarter, up 36% from $8.0 million in the 2004 second quarter. The increase was primarily due to the expansion.

TROPICANA LAS VEGAS

Rooms revenue increased $1.7 million in the 2005 second quarter, up 13% from $13.2 million in the 2004 second quarter. The increase was primarily attributable to an 11% increase in the average daily rate. The increase in the average daily rate is due primarily to increased tourism to the Las Vegas market.

CASINO AZTAR CARUTHERSVILLE

Casino revenue increased $1.6 million in the second quarter of 2005, up 32% from $5.0 million in the second quarter of 2004. This increase consisted of a $1.5 million increase in slot revenue that was due primarily to an increase in the number of patrons visiting our riverboat. Casino costs increased by $0.5 million in the 2005 versus 2004 second quarter primarily as a result of the increase in casino revenue.

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AZTAR CORPORATION AND SUBSIDIARIES

CORPORATE

Corporate general and administrative expenses increased $1.5 million during the 2005 second quarter, up 38% from $4.0 million in the 2004 second quarter. The increase was due primarily to employee termination expenses of $1.5 million that were recognized in the 2005 second quarter. These expenses consisted of a severance payment and costs recognized upon the acceleration of the vesting provisions of certain of the individual's stock options.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America that require us to make estimates and assumptions about the effects of matters that are inherently uncertain. Those estimates and assumptions affect the reported amounts and disclosures in our consolidated financial statements. Actual results inevitably will differ from those estimates, and such difference may be material to the financial statements. Of our accounting estimates, we believe the following may involve a higher degree of judgment and complexity.

Property and equipment - At June 30, 2005 we have property and equipment of $1.2 billion, representing 83% of our total assets. We exercise judgment with regard to property and equipment in the following areas: (1) determining whether an expenditure is eligible for capitalization or if it should be expensed as incurred, (2) estimating the useful life and determining the depreciation method of a capitalized asset, and (3) if events or changes in circumstances warrant an assessment, determining if and to what extent an asset has been impaired. The accuracy of our judgments impacts the amount of depreciation expense we recognize, the amount of gain or loss on the disposal of these assets, whether or not an asset is impaired and, if an asset is impaired, the amount of the loss related to the impaired asset that is recognized. Our judgments about useful lives as well as the existence and degree of asset impairments could be affected by future events, such as property expansions, property developments, obsolescence, new competition, new regulations and new taxes, and other economic factors. Historically, there have been no events or changes in circumstances that have resulted in an impairment loss and our other estimates as they relate to property and equipment have not resulted in significant changes. With the exception of a possible impairment review with regard to the Tropicana Las Vegas development discussed below, we don't anticipate that our current estimates are reasonably likely to change in the future.

Expenditures associated with the repair or maintenance of a capital asset are expensed as incurred. Expenditures that are expected to provide future benefits to the company or that extend the useful life of an existing asset are capitalized. The useful lives that we assign to property and equipment represent the estimated number of years that the property and equipment is expected to contribute to the revenue generating process based on our current operating strategy. We believe that the useful lives of our property and equipment expire evenly over time. Accordingly, we depreciate our property and equipment on a straight-line basis over their useful lives.

When events or changes in circumstances indicate the carrying value of an asset may not be recoverable, we group assets to the level where we can identify future cash flows and estimate the undiscounted future cash flows that the assets are expected to generate. In the event that the sum of the undiscounted future cash flows is less than the carrying amount, we would recognize an impairment loss equal to the excess of the carrying value over the fair value. Such an impairment loss would be recognized as a non-cash component of operating income. Our ability to determine and measure an impaired asset depends, to a large extent, on our ability to properly estimate future cash flows. Our master plan for a potential development of our Las Vegas Tropicana site envisions the creation of two separate but essentially equal and inter-connected 17-acre sites. The north site would be developed by us. The south site would be held for our future development, joint venture development, or sale for development by another party. For development of a potential project on

the north site, a detailed design has substantially been completed. However, we have postponed a decision about whether and when we will proceed with this development. The amount and timing of any future expenditure, and the extent of any impact on existing operations, will depend on the nature and timing of the development we ultimately undertake, if any. If we decide to abandon any facilities in the development process, we would have to conduct a review for impairment with a possible write-down and review their useful lives with a possible adjustment to depreciation and amortization expense. These reviews could result in adjustments that have a material adverse effect on our consolidated results of operations. The net book value of the property and equipment used in the operation of the Las Vegas Tropicana, excluding land at a cost of $110 million, was $55.3 million at June 30, 2005. The net book value of accounts receivable, inventories, and prepaid expenses at the Las Vegas Tropicana was $6.6 million at June 30, 2005.

Development Costs - At June 30, 2005, capitalized development costs, included as part of other assets, totaled $20.4

million. These costs relate primarily to expenditures incurred in connection with the master plan for a potential development of our Las Vegas Tropicana site, including a detailed design plan and construction documents. However, we have postponed a decision about whether and when we will proceed with this development. If we ultimately decide to abandon the project and there is no other use for our plans, we would write off these development costs. Our final decision could be impacted by a number of factors, including, but not limited to, changing market conditions, an inability to obtain sufficient financing, an act of terror, new regulations and new laws, the estimated construction costs, etc.

Income tax liabilities - We are subject to federal income taxes and state income taxes in those jurisdictions in which our properties operate. We exercise judgment with regard to income taxes in the following areas: (1) interpreting whether expenses are deductible in accordance with federal income tax and state income tax codes, (2) estimating annual effective federal and state income tax rates and (3) assessing whether deferred tax assets are, more likely than not, expected to be realized. The accuracy of these judgments impacts the amount of income tax expense we recognize each period.

As a matter of law, we are subject to examination by federal and state taxing authorities. We have estimated and provided for income taxes in accordance with settlements reached with the Internal Revenue Service in prior audits. Although we believe that the amounts reflected in our tax returns substantially comply with the applicable federal and state tax regulations, both the IRS and the various state taxing authorities can and have taken positions contrary to ours based on their interpretation of the law. A tax position that is challenged by a taxing authority could result in an adjustment to our income tax liabilities and related tax provision.

In June 2005, the IRS completed its examination of the Company's income tax return for the year 2003. The only issue in dispute involved the deductibility of a portion of payments on certain liabilities related to the restructuring of Ramada Inc. We believe that adequate provision for income taxes and interest has been made in the financial statements.

During the first quarter of 2004, the IRS completed its examination of the company's income tax returns for the years 2000 through 2002. The only issue in dispute involved the deductibility of a portion of the payments on certain liabilities related to the restructuring of Ramada Inc. During the fourth quarter of 2003, the IRS completed its examination for the years 1994 through 1999 and settled one of the two remaining issues entirely and a portion of the other remaining issue, resulting in a tax benefit of $6.7 million. The issue that was settled entirely involved the deductibility of certain complimentaries provided to customers. The other issue involved the deductibility of a portion of payments on certain liabilities related to the restructuring, the same issue as described above for the 2000 through 2003 years. We have reserved the right to pursue the unagreed portion of this issue in court and we would receive a refund, if successful.

On July 2, 2002, the State of New Jersey enacted the Business Tax Reform Act. We have provided for New Jersey income taxes based on our best estimate of the effect of this law. Certain provisions of the Act are subject to future rules and regulations and the discretion of the Director. We believe our interpretation of the law is reasonable and we don't expect material adjustments; however, we are unable to determine the discretion of the Director. The New Jersey Division of Taxation is examining the New Jersey income tax returns for the years 1995 through 2001. We believe that adequate provision for income taxes and interest has been made in the financial statements.

Ramada indemnification - We have agreed to indemnify Ramada against all monetary judgments in lawsuits pending against Ramada and its subsidiaries as of the conclusion of the Restructuring on December 20, 1989, as well as all related attorney's fees and expenses not paid at that time, except for any judgments, fees or expenses accrued on the hotel business balance sheet and except for any unaccrued and unreserved aggregate amount up to $5.0 million of judgments, fees or expenses related exclusively to the hotel business. Aztar is entitled to the benefit of any crossclaims or counterclaims related to such lawsuits and of any insurance proceeds received. There is no limit to the term or the maximum potential future payment under this indemnification. In addition, we agreed to indemnify Ramada for certain lease guarantees made by Ramada. The lease terms potentially extend through 2015 and Ramada guaranteed all obligations under these leases. We have recourse against a subsequent purchaser of the operations covered by these leases. The estimated maximum potential amount of future payments we could be required to make under these indemnifications is $7 million at June 30, 2005. We would be required to perform under this guarantee 1) if monetary judgments and related expenses in lawsuits pending against Ramada and its subsidiaries as of the conclusion of the Restructuring exceeded the above described amount, or 2) if lessees with lease guarantees failed to perform under their leases, the lessee and lessor could not reach a negotiated settlement and the lessor was able to successfully proceed against Ramada, who in turn was able to successfully proceed against the company. In connection with these matters, we established a liability at the time of the Restructuring and our remaining accrued liability was $3.8 million at June 30, 2005.

Impact of the October 30, 2003 construction accident - An accident occurred on the site of the parking-garage component of the expansion of the Atlantic City Tropicana. In order to ensure that the construction proceed expeditiously and in order to settle certain disputes, we and the general contractor entered into a settlement agreement on October 6, 2004 that delineates how we and the contractor will share the cost of and the insurance proceeds received for the dismantlement, debris removal, and rebuild.

During the first half of 2005, we recorded $4.9 million of insurance recovery for rebuild activities of which $0.7 million was included in construction accident receivables at June 30, 2005. The recovery was recognized as other income and was offset by $0.5 million of direct costs to obtain the recovery.

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Recent Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board issued Statement No. 123 (revised 2004), "Share-Based Payment." SFAS 123(R) establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS 123(R) requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and the estimated number of awards that are expected to vest. That cost will be recognized over the period during which an employee is required to provide service in exchange for the award, which is usually the vesting period. SFAS 123(R) supersedes APB 25, which we have elected to follow. As a result of an amendment by the Securities and Exchange Commission in April 2005, SFAS 123(R) is effective for us at the beginning of our 2006 fiscal year. SFAS 123(R) applies to all awards granted after the required effective date and to awards modified, repurchased, or cancelled after that date. Compensation cost is recognized on or after the required effective date for the portion of outstanding awards for which the requisite service has not yet been rendered, based on the grant-date fair value of those awards calculated under SFAS 123 that we have followed for disclosure purposes. For periods before the required effective date, we may elect to adjust financial statements of prior periods on a basis consistent with the pro forma disclosures required for those periods by SFAS 123. We have not decided whether or not to restate prior periods. Based on stock options granted through June 30, 2005, we estimate that, net of the related income tax benefits, we will record an additional cost of $2.5 million for fiscal year 2006.

In March 2005, the Financial Accounting Standards Board issued Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations, an interpretation of FASB Statement No. 143." SFAS 143 requires that the fair value of a liability for an obligation associated with the retirement of a tangible long-lived asset be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The offset to the liability is recorded as an adjustment to the asset's carrying amount and subsequently allocated to expense over the asset's useful life. FIN 47 was issued to address the diversity in practice with respect to the timing of liability recognition for legal obligations associated with the retirement of a tangible long-lived asset when the timing and (or) method of settlement are conditional on a future event. FIN 47 clarifies that an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation when incurred if the liability's fair value can be reasonably estimated. FIN 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. FIN 47 is effective no later than the end of our 2005 fiscal year. As a result of FIN 47, we have determined that we have asset retirement obligations where the timing is uncertain but the amount is not material to our consolidated financial position, results of operations or cash flows. We will adopt FIN 47 in the fourth quarter of 2005.

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Private Securities Litigation Reform Act

Certain information included in Aztar's Form 10-K for the year ended December 30, 2004, this Form 10-Q and other materials filed or to be filed with, or furnished or to be furnished to the Securities and Exchange Commission (as well as information included in oral statements or other written statements made or to be made by us, including those made in Aztar's 2004 annual report) contains statements that are forward-looking. These include forward-looking statements relating to the following activities, among others: operation and expansion of existing properties, in particular the Atlantic City Tropicana, including future performance; development of the Las Vegas Tropicana and financing and/or concluding an arrangement with a partner for such development; other business development activities; uses of free cash flow; stock repurchases; debt repayments; possible future debt refinancings; and use of derivatives. These forward-looking statements generally can be identified by phrases such as we "believe," "expect," "anticipate," "foresee," "forecast," "estimate," "target," or other words or phrases of similar import. Similarly, statements that describe our business strategy, outlook, objectives, plans, intentions or goals are also forward-looking statements.

Such forward-looking information involves important risks and uncertainties that could significantly affect results in the future and, accordingly, such results may differ materially from those expressed in any forward-looking statements made by us or on our behalf. These risks and uncertainties include, but are not limited to, the following factors as well as other factors described from time to time in Aztar's reports filed with or furnished to the SEC: those factors relating to war and terrorist activities and other factors affecting discretionary consumer spending; uncertainties related to the extent and timing of our recoveries from our insurance carriers for our various losses suffered in connection with the accident on October 30, 2003; the extent to which our existing operations will continue to be adversely affected by the ongoing effects of the accident on October 30, 2003; the extent to which we realize revenue and EBITDA increases as a result of the Tropicana Atlantic City expansion; our ability to execute our development plans, estimates of development costs and returns on development capital; construction and development factors, including zoning and other regulatory issues, environmental restrictions, soil conditions, weather, fire, flood and other natural hazards, site access matters, shortages of material and skilled labor, labor disputes and work stoppages, and engineering and equipment problems; factors affecting leverage and debt service, including sensitivity to fluctuation in interest rates; access to available and feasible financing; regulatory and licensing matters; third-party consents, approvals and representations, and relations with suppliers and other third parties; reliance on key personnel; business and economic conditions; the cyclical nature of the hotel business and the gaming business; the effects of weather; market prices of our common stock; litigation outcomes, judicial actions, labor negotiations, legislative matters and referenda including the potential legalization of gaming in Maryland and New York and VLTs at the Meadowlands in New Jersey, and taxation including potential tax increases in Indiana, Missouri, Nevada and New Jersey; the impact of new competition on our operations including prospective new competition in Pennsylvania; and the effects of other competition, including locations of competitors and operating and marketing competition. Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and speak only as of the date made.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For current information that affects information incorporated by reference in Item 7A of the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2004 see "Note 3: Long-term Debt" of the Notes to Consolidated Financial Statements included in this Form 10-Q under Item 1.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the

SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We carried out an evaluation as of June 30, 2005, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our chief executive officer and chief financial officer concluded that the Company's disclosure controls and procedures were effective to provide reasonable assurance that the desired control objectives were achieved.

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting during the quarter ended June 30, 2005, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In connection with Case No. CV-S-94-1126-DAE(RJJ)-BASE FILE (the "Poulos/Ahearn Case"), Case No. CV-S-95-00923-DWH(RJJ) (the "Schreier Case") and Case No. CV-S-95-936-LDG(RLH) (the "Cruise Ship Case"), (collectively, the "Consolidated Cases" as Case No. CV-S-94-1126-RLH(RJJ)), as reported under Part I, Item 3 of the Company's Form 10-K for the year ended December 30, 2004 and under Part II, Item 1 of the Company's Form 10-Q for the quarter ended March 31, 2005, all defendants have filed motions for summary judgment, which are fully briefed. No argument has been scheduled.

As reported under Part I, Item 3 of the Company's Form 10-K for the year ended December 30, 2004, the Company and its affiliate Adamar of New Jersey, Inc. were named as defendants to an action brought by Zurich American Insurance Company. Zurich has filed an amended complaint as it informed the Company that it would do as reported in the Company's Form 10-Q for the quarter ended March 31, 2005, that asserts additional claims in which Zurich contests its obligation to pay all or portions of the Company's "delay," "physical damage," and "extending general conditions" claims. The Company disagrees with Zurich's positions and intends to contest the action vigorously.

As reported under Part I, Item 3 of the Company's Form 10-K for the year ended December 30, 2004, the Company filed an action against Lexington Insurance Company; U.S. Fire Insurance Company; Westchester Surplus Lines Insurance Company; Essex Insurance Company; Certain Underwriters at Lloyd's, London; Hartford Fire Insurance Company and Zurich American Insurance Company. As reported under Part II, Item 1 of the Company's Form 10-Q for the quarter ended March 31, 2005, Lexington Insurance Company paid its applicable policy limits and has been dismissed from the action. The Company recently added AXIS (Bermuda) Limited as an additional defendant. Discovery has begun.

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Shortly after paying its limits of liability to the Company, Lexington Insurance Company filed a subrogation action in the Superior Court of New Jersey, Atlantic County, against Fabi Construction, Inc., Pro Management Group, Inc., and Mitchell Bar Placement, Inc. On June 15, 2005, those subrogation defendants filed a third party complaint against the Company and others, alleging claims against the Company for breach of implied covenant of good faith and fair dealing and comparative fault and seeking contribution or indemnity from the Company for any sums that those entities are held liable to pay to Lexington Insurance Company. The Company disagrees with the allegations in this third party complaint and intends to contest the action vigorously. Discovery has not yet begun.

As reported under Part I, Item 3 of the Company's Form 10-K for the year ended December 30, 2004, the Company was named as a defendant to an action brought by Aaron Dolgin. As reported under Part II, Item 1 of the Company's Form 10-Q for the quarter ended March 31, 2005, the parties briefed the issue of whether this matter should be certified as a class action. In an order dated February 28, 2005, the Court denied the plaintiff's motion to certify this matter as a class action. As a result, only the plaintiff's individual claims based on the single $1 telephone surcharge he paid to the Tropicana Resort and Casino in Las Vegas, Nevada are still pending. The plaintiff has not actively litigated this matter since the denial of the motion for class certification. The Court subsequently placed the case on the Inactive Calendar for dismissal on June 20, 2005 unless the plaintiff filed a motion to set the matter for trial before that date. The plaintiff failed to file a motion to set the matter for trial before the June 20, 2005 deadline. On July 15, 2005, the Court ordered dismissing this case without prejudice due to lack of prosecution. The possibility still remains that the plaintiff may appeal the denial of class certification. The Company is vigorously defending this litigation.

As reported under Part I, Item 3 of the Company's Form 10-K for the year ended December 30, 2004, the Company and its affiliate Adamar of New Jersey, Inc. were named as defendants to an action brought by Liberty Mutual Fire Insurance Company. In April 2005, the District Court of New Jersey dismissed this action without prejudice.

As reported under Part I, Item 3 of the Company's Form 10-K for the year ended December 30, 2004, the Company and its affiliate Adamar of New Jersey, Inc. were named as defendants to an action brought by Govathlay Givens in the Superior Court of New Jersey in Atlantic County and other lawsuits filed in connection with the October 30, 2003 garage collapse. On July 7, 2005, an additional lawsuit for personal injuries was filed. This lawsuit included some additional defendants. The Company disagrees with the allegations against it and its affiliate and is contesting the liability aspect of them vigorously. Initial mediation was unsuccessful. Subsequent mediation will begin later this year.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Purchases of Equity Securities

The following table provides information on a monthly basis for the second quarter ended June 30, 2005 with respect to the Company's purchases of equity securities.

Period	(a) Total Number of Shares Purchased	(b)Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
Month #1 April 1, 2005 to April 28, 2005	--	--	--	794,224**
Month #2 April 29, 2005 to June 2, 2005	249,959*	$28.81*	--	794,224**
Month #3 June 3, 2005 to				

June 30, 2005	59,008*	$34.65*	--	794,224**

* In May and June 2005, the Company accepted 249,959 and 59,008 shares, respectively, of its common stock from an employee in lieu of cash due to the Company in connection with the exercise of stock options. Such shares are stated at cost and held as treasury shares to be used for general corporate purposes.

** In December 2002, the Board of Directors authorized the Company to make discretionary repurchases of up to 4,000,000 shares of its common stock. There is no expiration date under this authority. There were 2,922,576 and 283,200 shares repurchased under this program in 2003 and 2002, respectively.

Item 4. Submission of Matters to a Vote of Security Holders

At the Company's annual meeting of shareholders held on May 12, 2005, three items were voted on as follows:

1.

The persons whose names are set forth below were elected as directors to serve until the 2008 annual meeting of shareholders or until their successors are elected and qualified. The relevant voting information is as follows:

	Votes Cast	
Nominee	For	Withheld
John B. Bohle	31,461,477	1,229,936
John A. Spencer	31,502,885	1,188,528

2. A proposal for the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year 2005 was adopted. The relevant voting information is as follows:

	Votes Cast
For	32,475,751
Against	134,622
Abstain	81,040

3. A shareholder proposal concerning Board declassification. The relevant voting information is as follows:

	Votes Cast
For	18,165,495
Against	9,158,860
Abstain	229,169
Broker Non-Votes	5,137,889

Item 6. Exhibits

31.1 Certification of CEO.

31.2 Certification of CFO.

32 Certification of CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AZTAR CORPORATION
(Registrant)

Date: August 2, 2005

NEIL A. CIARFALIA
Neil A. Ciarfalia
Chief Financial Officer,
Vice President and Treasurer

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EXHIBIT INDEX

Exhibit Number	Description
31.1	Certification of CEO.
31.2	Certification of CFO.
32	Certification of CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.