

Sunstone Hotel Investors, Inc.  
Form 4  
August 26, 2009

**FORM 4**

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

OMB APPROVAL

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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 \*  
**ALTER ROBERT A**

2. Issuer Name and Ticker or Trading Symbol  
**Sunstone Hotel Investors, Inc. [SHO]**

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)

(Last) (First) (Middle)  
**903 CALLE AMANECER, SUITE 100**  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**12/09/2004**

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

**SAN CLEMENTE, CA 92673**  
  
(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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	08/24/2009		S	304,811 D	\$ 6.82 <sup>(1)</sup> 240,841 <sup>(2)</sup>	I	By Robert A. Alter Trust
Common Stock	08/25/2009		S	200,000 D	\$ 6.85 <sup>(3)</sup> 40,841	I	By Robert A. Alter Trust
Common Stock	12/09/2004		P <sup>(4)</sup>	100 A	\$ 19.6 40,941	I	By Robert A. Alter Trust
Common Stock	01/15/2009		J <sup>(5)</sup>	13 A	\$ 0 40,954	I	By Robert A. Alter

Trust

Common Stock 153,611 D

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

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**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. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ALTER ROBERT A 903 CALLE AMANECER SUITE 100 SAN CLEMENTE, CA 92673	X		Executive Chairman	

## Signatures

s/ Robert A. Alter 08/26/2009

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) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$6.80 to \$6.87, inclusive. The reporting person undertakes to provide to Sunstone Hotel Investors, Inc., any security holder of Sunstone Hotel

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Investors, Inc., or the staff of the Securities and Exchange Commission upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in footnotes (1) and (3) to this Form 4.

- (2) Includes 67,803 shares previously held by the reporting person directly and 21,902 shares previously held by the reporting person through Management Sub SHP, LLC. Subtracts one share included in prior filings by the reporting person due to rounding of fractional shares.
- (3) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$6.85 to \$6.90, inclusive.
- (4) To report the indirect acquisition by the reporting person of 100 shares on December 9, 2004, which was inadvertently not previously reported.
- (5) To report the 13 shares paid in connection with a special dividend paid on January 15, 2009 on the shares referenced in note (3), which was inadvertently not previously reported.

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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