

STRATEGIC HOTELS & RESORTS, INC  
Form SC 13G  
August 22, 2008

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

**SCHEDULE 13G**

**Under the Securities Exchange Act of 1934  
(Amendment No. )\***

**STRATEGIC HOTELS & RESORTS, INC.**

(Name of Issuer)

**Common Stock, \$.01 Par Value**

(Title of Class of Securities)

**86272T106**

(CUSIP Number)

**August 12, 2008**

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

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The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 86272T106

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|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 1.                                                                                  | Names of Reporting Persons<br>Cascade Investment, L.L.C.                                                                      |                                         |
| 2.                                                                                  | Check the Appropriate Box if a Member of a Group (See Instructions)<br>(a) <input type="radio"/><br>(b) <input type="radio"/> |                                         |
| 3.                                                                                  | SEC Use Only                                                                                                                  |                                         |
| 4.                                                                                  | Citizenship or Place of Organization<br>State of Washington                                                                   |                                         |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 5.                                                                                                                            | Sole Voting Power<br>3,890,000(1)       |
|                                                                                     | 6.                                                                                                                            | Shared Voting Power<br>-0-              |
|                                                                                     | 7.                                                                                                                            | Sole Dispositive Power<br>3,890,000 (1) |
|                                                                                     | 8.                                                                                                                            | Shared Dispositive Power<br>-0-         |
| 9.                                                                                  | Aggregate Amount Beneficially Owned by Each Reporting Person<br>3,890,000 (1)                                                 |                                         |
| 10.                                                                                 | Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) <input type="radio"/>                     |                                         |
| 11.                                                                                 | Percent of Class Represented by Amount in Row (9)<br>5.23%                                                                    |                                         |
| 12.                                                                                 | Type of Reporting Person (See Instructions)<br>OO                                                                             |                                         |

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(1) All shares of Common Stock held by Cascade Investment, L.L.C. ( Cascade ) may be deemed to be beneficially owned by William H. Gates III as the sole member of Cascade. Michael Larson, the Business Manager of Cascade, has voting and investment power with respect to the shares of Common Stock held by Cascade. Mr. Larson disclaims any beneficial ownership of the shares of Common Stock beneficially owned by Cascade and Mr. Gates.

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CUSIP No. 86272T106

- |                                                                                     |                                                                                                                               |                                         |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 1.                                                                                  | Names of Reporting Persons<br>William H. Gates III                                                                            |                                         |
| 2.                                                                                  | Check the Appropriate Box if a Member of a Group (See Instructions)<br>(a) <input type="radio"/><br>(b) <input type="radio"/> |                                         |
| 3.                                                                                  | SEC Use Only                                                                                                                  |                                         |
| 4.                                                                                  | Citizenship or Place of Organization<br>United States of America                                                              |                                         |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 5.                                                                                                                            | Sole Voting Power<br>3,890,000 (1)      |
|                                                                                     | 6.                                                                                                                            | Shared Voting Power                     |
|                                                                                     | 7.                                                                                                                            | Sole Dispositive Power<br>3,890,000 (1) |
|                                                                                     | 8.                                                                                                                            | Shared Dispositive Power                |
| 9.                                                                                  | Aggregate Amount Beneficially Owned by Each Reporting Person<br>3,890,000 (1)                                                 |                                         |
| 10.                                                                                 | Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) <input type="radio"/>                     |                                         |
| 11.                                                                                 | Percent of Class Represented by Amount in Row (9)<br>5.23%                                                                    |                                         |
| 12.                                                                                 | Type of Reporting Person (See Instructions)<br>IN                                                                             |                                         |

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(1) All shares of Common Stock held by Cascade may be deemed to be beneficially owned by William H. Gates III as the sole member of Cascade. Michael Larson, the Business Manager of Cascade, has voting and investment power with respect to the shares of Common Stock held by Cascade. Mr. Larson disclaims any beneficial ownership of the shares of Common Stock beneficially owned by Cascade and Mr. Gates.

**Item 1.**

- (a) Name of Issuer  
Strategic Hotels & Resorts, Inc. (the Issuer )
- (b) Address of Issuer's Principal Executive Offices  
200 West Madison, Suite 1700  
  
Chicago, Illinois 60606-3415

**Item 2.**

- (a) Name of Person Filing  
Cascade Investment, L.L.C. ( Cascade ) and William H. Gates III
- (b) Address of Principal Business Office or, if none, Residence  
Cascade 2365 Carillon Point, Kirkland, Washington 98033  
  
Mr. Gates One Microsoft Way, Redmond, Washington 98052
- (c) Citizenship  
Cascade is a limited liability company organized under the laws of the State of Washington.  
  
Mr. Gates is a citizen of the United States of America.
- (d) Title of Class of Securities  
Common Stock, \$.01 Par Value (the Common Stock )
- (e) CUSIP Number  
  
86272T106

**Item 3.** If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:  
Not Applicable.

**Item 4. Ownership**

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount beneficially owned:  
  
See the responses to Item 9 on the attached cover pages.
- (b) Percent of class:  
  
See the responses to Item 11 on the attached cover pages.
- (c) Number of shares as to which the person has:
  - (i) Sole power to vote or to direct the vote
  - (ii) See the responses to Item 5 on the attached cover pages.  
Shared power to vote or to direct the vote
  - (iii) See the responses to Item 6 on the attached cover pages.  
Sole power to dispose or to direct the disposition of
  - (iv) See the responses to Item 7 on the attached cover pages.  
Shared power to dispose or to direct the disposition of  
  
See the responses to Item 8 on the attached cover pages.

**Item 5. Ownership of Five Percent or Less of a Class**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

**Item 6. Ownership of More than Five Percent on Behalf of Another Person**

Not Applicable.

**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person**

Not Applicable.

**Item 8. Identification and Classification of Members of the Group**

Not Applicable.

**Item 9. Notice of Dissolution of Group**

Not Applicable.

**Item 10. Certification**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: August 22, 2008

CASCADE INVESTMENT, L.L.C.

By                    /s/Michael Larson  
                          Name:                    Michael Larson  
                          Title:                    Business Manager

WILLIAM H. GATES III

By                    /s/Michael Larson  
                          Name:                    Michael Larson (1)  
                          Title:                    Attorney-in-fact

**JOINT FILING AGREEMENT**

We, the signatories of the statement to which this Joint Filing Agreement is attached, hereby agree that such statement is filed, and any amendments thereto filed by either or both of us will be filed on behalf of each of us.

Date: August 22, 2008

CASCADE INVESTMENT, L.L.C.

By                    /s/Michael Larson  
                          Name:                    Michael Larson  
                          Title:                    Business Manager

WILLIAM H. GATES III

By                    /s/Michael Larson  
                          Name:                    Michael Larson (1)  
                          Title:                    Attorney-in-fact

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(1) Duly authorized under Special Power of Attorney appointing Michael Larson attorney-in-fact, dated February 3, 2006, by and on behalf of William H. Gates III, filed as Exhibit 99.1 to Cascade Investment, L.L.C.'s Amendment No. 2 to Schedule 13G with respect to Arch Capital Group Ltd. on March 7, 2006, SEC File No. 005-45257, and incorporated by reference herein.

