Sunstone Hotel Investors, Inc.

Form 4 May 31, 2005

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

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if no longer subject to Section 16. Form 4 or Form 5

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obligations may continue. See Instruction

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

1(b).

Common

Stock

05/10/2005

(Print or Type Responses)

1. Name and Address of Reporting Person ** RUSSELL KEITH P			2. Issuer Name and Ticker or Trading Symbol Sunstone Hotel Investors, Inc. [SHO]			5. Relationship of Reporting Person(s) to Issuer		
(T)	(F' A)				Inc. [SHO]	(Che	eck all applicable	e)
(Last)	(First) (M		ate of Earliest T	ransaction				
		*	onth/Day/Year)			_X_ Director		6 Owner
903 CALLE 100	AMANECER, S	UITE 05/	10/2005			Officer (gives)	ve title Oth below)	er (specify
(Street)			4. If Amendment, Date Original			6. Individual or Joint/Group Filing(Check		
		Filed	d(Month/Day/Yea	r)		Applicable Line) _X_ Form filed by		
SAN CLEM					Form filed by More than One Reporting Person			
(City)	(State) ((Zip)	Table I - Non-l	Derivative S	Securities Ac	quired, Disposed	of, or Beneficia	lly Owned
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securi	ties	5. Amount of	6. Ownership	7. Nature of
Security	(Month/Day/Year)	Execution Da	te, if Transact	ionAcquired	(A) or	Securities	Form: Direct	Indirect
(Instr. 3)		any	Code	Disposed	of (D)	Beneficially	(D) or	Beneficial
		(Month/Day/Y	Year) (Instr. 8)	(Instr. 3,	4 and 5)	Owned	Indirect (I)	Ownership
						Following	(Instr. 4)	(Instr. 4)
					(A)	Reported		
					or	Transaction(s)		
			Code V	7 Amount	(D) Price	(Instr. 3 and 4)		

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

A

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D

2,296

<u>(1)</u>

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

2,296

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1. Titl Deriv Secur (Instr.	ative ity	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transac Code (Instr. 8	5. tiorNumber of) Derivativ Securities Acquired (A) or Disposed of (D)	s I	ate	Amou Under Secur	le and unt of rlying rities . 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
					Code \	(Instr. 3, 4, and 5)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
RUSSELL KEITH P 903 CALLE AMANECER SUITE 100 SAN CLEMENTE, CA 92673	X						

Signatures

/s/ Jon D. Kline, Attorney-in-Fact 05/31/2005

**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) On May 10, 2005, Sunstone Hotel Investors, Inc. granted 2,296 shares of common stock pursuant to its 2004 Long-Term Incentive Plan, such shares to vest on the date of the 2006 annual meeting.

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.

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