Cruse Kenneth Edward Form 4 February 06, 2009

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

3235-0287 Number: January 31, Expires:

2005 Estimated average

0.5

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Check this box

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).

(Print or Type Responses)

1. Name and Address of Reporting Person ** Cruse Kenneth Edward			2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer			
			Sunstone Hotel Investors, Inc. [SHO]	(Check all applicable)			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction				
			(Month/Day/Year)	Director 10% Owner			
903 CALLE . 100	AMANECE	ER, SUITE	02/05/2009	_X_ Officer (give title Other (specify below)			
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
SAN CLEMENTE, CA 92673			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			
				1 CISOII			
(City)	(State)	(Zip)	Table I - Non-Derivative Securities Acq	uired, Disposed of, or Beneficially Owned			

	Table 1 - Non-Derivative Securities Acquired, Disposed of, or Deficiencially Owned								
2. Transaction Date	2A. Deemed	3.	4. Securiti	ies Acqı	uired	5. Amount of	6. Ownership	7. Nature of	
(Month/Day/Year)	Execution Date, if	Transactio	on(A) or Dis	sposed o	of	Securities	Form: Direct	Indirect	
(Instr. 3)		Code	(D)			Beneficially	(D) or	Beneficial	
	(Month/Day/Year)	(Instr. 8)	(Instr. 3, 4 and 5)		Owned	Indirect (I)	Ownership		
						Following	(Instr. 4)	(Instr. 4)	
				(A)		Reported			
						Transaction(s)			
		Code V	Amount		Price	(Instr. 3 and 4)			
02/05/2009		A	56,412	A	<u>(1)</u>	167,348	D		
	(Month/Day/Year)	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if any (Month/Day/Year)	2. Transaction Date 2A. Deemed 3. (Month/Day/Year) Execution Date, if any Code (Month/Day/Year) (Instr. 8) Code V	2. Transaction Date 2A. Deemed 3. 4. Security (Month/Day/Year) Execution Date, if any Code (D) (Month/Day/Year) (Instr. 8) (Instr. 3, 4) Code V Amount	2. Transaction Date (Month/Day/Year) Execution Date, if any Code (D) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (A) or Code V Amount (D)	2. Transaction Date (Month/Day/Year) 2A. Deemed (Month/Day/Year) Execution Date, if any	2. Transaction Date (Month/Day/Year) 2. Transaction Date (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) (A)	2. Transaction Date (Month/Day/Year) 2A. Deemed (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) (A) (Reported Transaction(s) (Instr. 3 and 4) (Instr. 3 and 4) (Instr. 3 and 4)	

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

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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. Transactic Code (Instr. 8)	5. onNumber of Derivative Securities Acquired (A) or Disposed of (D)		ate	Amount Underly Securiti	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	(Instr. 3, 4, and 5) (A) (D)	Date Exercisable	Expiration Date	Title N	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Cruse Kenneth Edward 903 CALLE AMANECER SUITE 100 SAN CLEMENTE, CA 92673

Chief Financial Officer

Signatures

/s/ Kenneth E. 02/06/2009 Cruse

**Signature of Date
Reporting Person

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).

On February 5, 2009, Sunstone Hotel Investors, Inc. (the "Company") granted 56,412 restricted shares of common stock to the Reporting (1) Person pursuant to its 2004 Long-Term Incentive Plan. Such shares are subject to the satisfaction of vesting requirements over a three-year period.

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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