

Sunstone Hotel Investors, Inc.
Form DEF 14A
March 20, 2019
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934 (Amendment No. _____)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

Sunstone Hotel Investors, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0 11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Dear Stockholder:

It is a pleasure to invite you to the 2019 annual meeting of stockholders (“Annual Meeting”) of Sunstone Hotel Investors, Inc., or Sunstone, a Maryland corporation, to be held at 200 Spectrum Center Drive, 2nd floor, Irvine, CA 92618, on Friday, May 3, 2019 at 8:30 a.m. local time, for the following purposes:

1. Election of eight directors to serve until the next annual meeting and until their successors are elected and qualified;
2. Ratification of the Audit Committee’s appointment of Ernst & Young LLP to act as the independent registered public accounting firm for the fiscal year ending December 31, 2019;
3. Advisory vote to approve the compensation of Sunstone’s Named Executive Officers, as set forth in the proxy statement for Sunstone’s 2019 Annual Meeting;
4. Vote on the stockholder proposal set forth in the proxy statement for Sunstone’s 2019 Annual Meeting, if properly presented at the annual meeting;
5. Transaction of other business as may properly come before the 2019 Annual Meeting, including any motion to adjourn to a later date to permit further solicitation of proxies, if necessary, or before any adjournment or postponement thereof.

Only stockholders of record of shares of Sunstone common stock, par value \$0.01 per share, at the close of business on March 5, 2019 are entitled to notice of and to vote at the 2019 Annual Meeting or any adjournment or postponement of the meeting.

Whether you own a few or many shares and whether or not you plan to attend in person, it is important that your shares be voted on matters that come before the meeting. You can ensure that your shares are voted at the meeting by submitting your instructions by completing, signing, dating and returning the enclosed proxy card in the envelope provided or, if you own shares through a bank or broker that provides for voting by telephone or over the internet, by submitting your authorization to vote by telephone or over the internet in accordance with your bank’s or broker’s instructions. If your proxy card is signed and returned without specifying your choices, your shares will be voted on each proposal in accordance with our Board of Directors’ recommendations.

We would like to take this opportunity to thank you for your continued support of Sunstone. We believe that our continued refinement of our compensation and corporate governance practices, coupled with our commitment to building long term value make Sunstone well positioned for a promising future. We continue to focus on improvements to Sunstone’s corporate compensation and governance practices, as reflected by the following previously implemented initiatives: Proxy Access; Director Holdover Resignation Guidelines; Limitations on Stockholder Rights Plans; Right of Stockholders to Amend Company Bylaws; Restrictions on Classifying Directors; Anti-Hedging and Pledging policies; and a Pay-For-Performance structure that is aligned with our stockholders.

Again, we thank you for your continued support and look forward to a promising future.

By Order of the Board of Directors

David M. Klein
Executive Vice President—General Counsel
and Secretary

March 20, 2019

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WHEN:

May 3, 2019,
8:30 a.m. local time

WHERE:

200 Spectrum Center Drive, 2nd Floor,
Irvine, CA 92618

AGENDA:

1. Election of eight directors to serve until the next annual meeting and until their successors are elected and qualified;
2. Ratify the appointment of Ernst & Young LLP to act as the independent registered public accounting firm for the fiscal year ending December 31, 2019;
3. Advisory vote to approve the compensation of Sunstone's Named Executive Officers; and
4. Vote on the stockholder proposal.

NOTICE OF ANNUAL MEETING
OF STOCKHOLDERS

March 20, 2019

You are invited to Sunstone's 2019 annual meeting of stockholders, or the Annual Meeting. Only stockholders of record at the close of business on March 5, 2019 are entitled to notice of and to vote at the Annual Meeting.

Stockholders can vote online, by telephone, by completing and returning the proxy card, or by attending the Annual Meeting. This Notice and the proxy card itself have detailed instructions for voting, including voting deadlines.

Internet	Telephone	Mail	In Person
Visit the website noted on your proxy card to vote online.	Use the toll-free telephone number on your proxy card to vote by telephone.	Sign, date, and return your proxy card in the enclosed envelope to vote by mail.	Cast your vote in person at the Annual Meeting.

Stockholders may revoke a proxy (change or withdraw their votes) at any time prior to the Annual Meeting by following the instructions in the Proxy Statement.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF
PROXY MATERIALS

Pursuant to the rules and regulations of the Securities and Exchange Commission, we are primarily furnishing proxy materials to our stockholders via the internet rather than mailing paper copies of the materials. This Proxy Statement and Sunstone's annual report on Form 10-K for the fiscal year ended December 31, 2018, or Annual Report, are available on the Internet at www.proxyvote.com. Internet distribution of the proxy materials is designed to expedite receipt by stockholders, lower costs and reduce the environmental impact of the Annual Meeting.

The Notice of Internet Availability of Proxy Materials, or Notice Card, has instructions on how to access and review our proxy materials online, as well as instructions for online or telephone voting. We sent the Notice Card to our stockholders on or about March 22, 2019. Stockholders who previously indicated a preference for paper copies of our proxy materials received paper copies. If you received a Notice Card but would like to request paper copies of our proxy materials, you may do so by following the instructions described in the Notice Card.

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IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 3, 2019

This proxy statement and our Annual Report are available at our Investor Relations website at <http://www.sunstonehotels.com/proxy>.

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PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement. It does not contain all of the information that you should consider, so please read the entire proxy statement before voting. In addition, for more complete information about our 2018 financial performance, please see our annual report on Form 10 K for the fiscal year ended December 31, 2018, or Annual Report, available at www.sunstonehotels.com.

VOTING INSTRUCTIONS

Your vote is very important. For this reason, our Board of Directors, is soliciting the enclosed proxy to allow your shares of common stock, par value \$0.01 per share, to be represented and voted, as you direct, by the proxy holders named in the enclosed proxy card at the 2019 annual meeting of stockholders, or Annual Meeting, of Sunstone Hotel Investors, Inc. “We,” “our,” “the Company” and “Sunstone” refer to Sunstone Hotel Investors, Inc.

Record Date:
March 5, 2019

Number of Common Shares Eligible to Vote at the Meeting as of the Record Date:
228,588,186

Company Principal Executive Offices:
200 Spectrum Center Drive, 21st Floor

Irvine, California 92618

Date of First Mailing of Proxy Statement and Accompanying Materials to Stockholders:
March 22, 2019

VOTING MATTERS

INVITATION TO THE ANNUAL MEETING

Stockholders are invited to attend the Annual Meeting on May 3, 2019, beginning at 8:30 a.m. local time.

The Annual Meeting will be held at:

200 Spectrum Center Drive,
2nd Floor, Irvine, CA 92618

Proposal Matter	Board Recommendation	Page Reference
1 Election of Eight Directors Identified in this Proxy Statement	FOR	12
	each nominee	
2 Ratification of Independent Registered Public Accounting Firm for 2019	FOR	22
3 Advisory Vote on Executive Compensation	FOR	23
4 Stockholder Proposal	AGAINST	25