Cruse Kenneth Edward Form 4 February 06, 2012

## FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB APPROVAL** 

**OMB** 3235-0287 Number:

January 31, Expires: 2005

0.5

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Section 16. Form 4 or Form 5 obligations may continue.

See Instruction

Check this box

if no longer

subject to

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 Sunstone Hotel Investors, Inc. [SHO]						5. Relationship of Reporting Person(s) to Issuer			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction					(Check all applicable)				
120 VANTIS, SUITE 350			(Month/Day/Year) 02/05/2012					X Director 10% Owner X Officer (give title Other (specify below) President & CEO				
(Street) 4. If				. If Amendment, Date Original					6. Individual or Joint/Group Filing(Check			
ALISO VIEJO, CA 92656				iled(Month/Day/Year)					Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			
(City)	(State) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned								lly Owned			
1.Title of Security (Instr. 3)	2. Transaction D (Month/Day/Ye	ar) Execution	emed on Date, if /Day/Year)	Code (Instr.		4. Securion Acquired Disposed (Instr. 3,	(A) of (D	))	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	02/05/2012			F		7,263	D	<u>(1)</u>	555,667	D		
Common Stock									5,215	I	Family Trust	

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	2.	3. Transaction Date		4. T	5.	6. Date Exer		7. Titl		8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if		ionNumber	Expiration D		Amou		Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day	(Year)		rlying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivativ	e		Secur	ities	(Instr. 5)	Bene
	Derivative				Securities	3		(Instr.	. 3 and 4)		Owne
	Security				Acquired						Follo
	•				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						(211512
					4, and 5)						
					4, and 3)						
									Amount		
						<b>.</b>	<b>.</b>		or		
							Expiration Date	Title 1	Number		
									of		
				Code V	(A) (D)				Shares		

Relationships

## **Reporting Owners**

Reporting Owner Name / Address								
	Director	10% Owner	Officer	Other				

Cruse Kenneth Edward 120 VANTIS **SUITE 350** 

X President & CEO

ALISO VIEJO, CA 92656

### **Signatures**

/s/ Kenneth E. 02/06/2012 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, 2012, 18,804 restricted shares of common stock (awarded to the Reporting Person on February 5, 2009) vested, and 7,263 (1) shares of common stock were withheld to satisfy tax withholding obligations. The closing price on February 3, 2012 (as February 5, 2012) fell on a weekend) of common stock of Sunstone Hotel Investors, Inc. on the New York Stock Exchange was \$9.63 per share.

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.

Reporting Owners 2