

Sunstone Hotel Investors, Inc.

Form 4

August 17, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
ALTER ROBERT A

(Last) (First) (Middle)

**903 CALLE AMANECER, SUITE
100**

(Street)

SAN CLEMENTE, CA 92011

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
Sunstone Hotel Investors, Inc. [SHO]

3. Date of Earliest Transaction
(Month/Day/Year)
08/15/2007

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify
below)

Executive Chairman

6. Individual or Joint/Group Filing(Check
Applicable Line)

☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	08/15/2007		S		100	D	\$ 25.14
Common Stock	08/15/2007		S		500	D	\$ 25.15
Common Stock	08/15/2007		S		600	D	\$ 25.16
Common Stock	08/15/2007		S		200	D	\$ 25.17
Common Stock	08/15/2007		S		5,900	D	\$ 25.18
							275,966
							275,466
							274,866
							274,666
							268,766

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Common Stock	08/15/2007	S	1,400	D	\$ 25.19	267,366	D
Common Stock	08/15/2007	S	1,100	D	\$ 25.2	266,266	D
Common Stock	08/15/2007	S	800	D	\$ 25.21	265,466	D
Common Stock	08/15/2007	S	600	D	\$ 25.22	264,866	D
Common Stock	08/15/2007	S	400	D	\$ 25.23	264,466	D
Common Stock	08/15/2007	S	1,300	D	\$ 25.24	263,166	D
Common Stock	08/15/2007	S	400	D	\$ 25.26	262,766	D
Common Stock	08/15/2007	S	100	D	\$ 25.27	262,666	D
Common Stock	08/15/2007	S	200	D	\$ 25.29	262,466	D
Common Stock	08/15/2007	S	200	D	\$ 25.3	262,266	D
Common Stock	08/15/2007	S	500	D	\$ 25.35	261,766	D
Common Stock	08/15/2007	S	100	D	\$ 25.36	261,666	D
Common Stock	08/15/2007	S	100	D	\$ 25.37	261,566	D
Common Stock	08/15/2007	S	1,100	D	\$ 25.38	260,466	D
Common Stock	08/15/2007	S	400	D	\$ 25.39	260,066	D
Common Stock	08/15/2007	S	300	D	\$ 25.4	259,766	D
Common Stock	08/15/2007	S	400	D	\$ 25.41	259,366	D
Common Stock	08/15/2007	S	900	D	\$ 25.42	258,466	D
Common Stock	08/15/2007	S	600	D	\$ 25.43	257,866	D
Common Stock	08/15/2007	S	1,500	D	\$ 25.44	256,366	D
	08/15/2007	S	1,000	D		255,366	D

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Common Stock					\$ 25.45		
Common Stock	08/15/2007	S	400	D	\$ 25.46	254,966	D
Common Stock	08/15/2007	S	300	D	\$ 25.47	254,666	D
Common Stock	08/15/2007	S	500	D	\$ 25.48	254,166	D
Common Stock	08/15/2007	S	1,000	D	\$ 25.49	253,166	D

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

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(9-02)

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

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. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ALTER ROBERT A 903 CALLE AMANECER SUITE 100 SAN CLEMENTE, CA 92011	X		Executive Chairman	

Signatures

/s/ Robert A.
Alter

08/17/2007

__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).

Remarks:

(1) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on

(2) This Form 4 filing represents 1 of 2 filings.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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