

Sunstone Hotel Investors, Inc.  
 Form 4  
 November 22, 2004

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Sunstone Hotel Investors, L.L.C.

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 13155 NOEL ROAD, SUITE 700  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 11/22/2004

\_\_\_\_ Director  10% Owner  
 \_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)

DALLAS, TX 75240  
 (City) (State) (Zip)

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

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) |     |       |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
|                                 |                                      |  |                                | (A) or (D)  | Code  | V  | Amount                            | (D) | Price |

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

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SEC 1474 (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 | 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 | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|------------------------------------|--------------------------------------|--|--------------------------------|--|--|---|
|--|------------------------------------|--------------------------------------|--|--------------------------------|--|--|---|

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|  | Derivative Security |            | Disposed of (D)<br>(Instr. 3, 4, and 5) |           | Date Exercisable | Expiration Date | Title                                       | Amount Number Shares |
|--|---------------------|------------|---|-----------|------------------|-----------------|---|----------------------|
|  |                     |            | Code                                    | V (A) (D) |                  |                 |   |                      |
| Sunstone Hotel Partnership, LLC Units (Right to acquire) | (1)                 | 11/22/2004 | S                                       | 3,165,000 | (1)              | (1)             | Sunstone Hotel Investors, Inc. Common Stock | 3,165                |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| Sunstone Hotel Investors, L.L.C.<br>13155 NOEL ROAD<br>SUITE 700<br>DALLAS, TX 75240                          |               | X         |         |       |
| Westbrook Real Estate Fund III, L.P.<br>13155 NOEL ROAD<br>SUITE 700<br>DALLAS, TX 75240                      |               | X         |         |       |
| Westbrook Real Estate Co-Investment Partnership III, L.P.<br>13155 NOEL ROAD<br>SUITE 700<br>DALLAS, TX 75240 |               | X         |         |       |
| Westbrook SHP L.L.C.<br>13155 NOEL ROAD<br>SUITE 700<br>DALLAS, TX 75240                                      |               | X         |         |       |
| Westbrook Sunstone Investors, L.L.C.<br>13155 NOEL ROAD<br>SUITE 700<br>DALLAS, TX 75240                      |               | X         |         |       |
| Westbrook Real Estate Partners Management III, L.L.C.<br>13155 NOEL ROAD<br>SUITE 700<br>DALLAS, TX 75240     |               | X         |         |       |
| Westbrook Real Estate Fund IV, L.P.<br>13155 NOEL ROAD<br>SUITE 700<br>DALLAS, TX 75240                       |               | X         |         |       |
|   |               | X         |         |       |

Westbrook Real Estate Co-Investment Partnership IV, L.P.  
13155 NOEL ROAD  
SUITE 700  
DALLAS, TX 75240

Westbrook Real Estate Partners Management IV, L.L.C.  
13155 NOEL ROAD  
SUITE 700  
DALLAS, TX 75240

Sunstone/WB Manhattan Beach, LLC  
13155 NOEL ROAD  
SUITE 700  
DALLAS, TX 75240

## Signatures

See signatures attached as  
Exhibit 99.1

11/22/2004

\_\_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) Holders of Units are entitled to present them for redemption for a cash amount equal to the then-fair market value of an equal number of shares of Sunstone Hotel Investors, Inc. or, in Sunstone Hotel Investors, Inc.'s sole discretion, an equal number of shares of Common Stock. Units are immediately eligible to be presented for redemption or become eligible at various times through October 22, 2005.
  - (2) Each of the entities set forth in Exhibit 99.1 may be deemed to indirectly beneficially own such securities.
  - (3) Consists of 1,430,390 Units directly owned by Sunstone Hotel Investors, L.L.C., 282,666 Units directly owned by WB Hotel Investors, LLC, 1,350,284 Units directly owned by Sunstone/WB Hotel Investors IV, LLC and 101,660 Units directly owned by Sunstone/WB Manhattan Beach.

### Remarks:

This Form 4 is being filed by the entities listed on Exhibit 99.1 to this Form 4 (the "Reporting Persons"). The Reporting Person

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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