

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

FORM 4

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

OMB APPROVAL

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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

5. Relationship of Reporting Person(s) to Issuer

Sunstone Hotel Investors, Inc. [SHO]

(Check all applicable)

(Last) (First) (Middle)

13155 NOEL ROAD, SUITE 700

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

10/26/2004

___ Director ___X___ 10% Owner
 ___ Officer (give title below) ___ Other (specify below)

(Street)

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

10/26/2004

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___ Form filed by One Reporting Person
 ___X___ Form filed by More than One Reporting Person

DALLAS, TX 75240

(City) (State) (Zip)

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | (D) |

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

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| | Derivative Security | (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount |
|--|---------------------|-----------------------------|------|---|-----|------------|------------------|-----------------|---|--------|
| | | | | | | | | | | |
| Sunstone Hotel Partnership, LLC Units (Right to acquire) | (1) | 10/26/2004 | S | | | 12,247,984 | (1) | (1) | Sunstone Hotel Investors, Inc. Common Stock | 12,2 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Sunstone Hotel Investors, L.L.C. 13155 NOEL ROAD SUITE 700 DALLAS, TX 75240 | | X | | |
| Westbrook Real Estate Fund III, L.P. 13155 NOEL ROAD SUITE 700 DALLAS, TX 75240 | | X | | |
| Westbrook Real Estate Co-Investment Partnership III, L.P. 13155 NOEL ROAD SUITE 700 DALLAS, TX 75240 | | X | | |
| Westbrook SHP L.L.C. 13155 NOEL ROAD SUITE 700 DALLAS, TX 75240 | | X | | |
| Westbrook Sunstone Investors, L.L.C. 13155 NOEL ROAD SUITE 700 DALLAS, TX 75240 | | X | | |
| Westbrook Real Estate Partners Management III, L.L.C. 13155 NOEL ROAD SUITE 700 DALLAS, TX 75240 | | X | | |
| Westbrook Real Estate Fund IV, L.P. 13155 NOEL ROAD SUITE 700 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) The initial public offering price of \$17 less the underwriting discount paid by Sunstone Hotel Investors, Inc.
 - (3) Consists of 3,100,975 Units directly owned by Sunstone Hotel Investors, L.L.C., 615,896 Units directly owned by WB Hotel Investors, LLC, 2,606,302 Units directly owned by Sunstone/WB Hotel Investors IV, LLC and 541,399 Units directly owned by Sunstone/WB Manhattan Beach.
 - (4) Each of the entities set forth in Exhibit 99.1 may be deemed to indirectly beneficially own such securities.

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.

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.