Cruse Kenneth Edward Form 4 February 19, 2013

# FORM 4

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

**OMB** 

Check this box if no longer STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** 

3235-0287 Number: January 31, Expires: 2005

**OMB APPROVAL** 

subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

Estimated average burden hours per response... 0.5

5. Relationship of Reporting Person(s) to

Issuer

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

2. Issuer Name and Ticker or Trading

30(h) of the Investment Company Act of 1940

Symbol

1(b).

(Print or Type Responses)

Cruse Kenneth Edward

1. Name and Address of Reporting Person \*

			Sunstone Hotel Investors, Inc. [SHO]				(Check all applicable)				
			3. Date of Earliest Transaction (Month/Day/Year) 02/15/2013				_X_ Director 10% Owner _X_ Officer (give title Other (specify below) Chief Executive Officer				
Filed(Mo			mendment, Date Original Month/Day/Year)				6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting				
ALISO VIEJO, CA 92656								Person			
(City)	(State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned							ly Owned			
1.Title of Security (Instr. 3)	2. Transaction D (Month/Day/Yea	ar) Execution	med on Date, if Day/Year)	3. Transactic Code (Instr. 8)	4. Securitie on(A) or Disp (Instr. 3, 4	osed o	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)		
Common Stock	02/15/2013			A	171,726	A	<u>(1)</u>	787,678	D		
Common Stock	02/16/2013			F	8,583	D	<u>(2)</u>	779,095	D		
Common Stock	02/17/2013			F	6,917	D	<u>(3)</u>	772,178	D		
Common Stock	02/18/2013			F	5,342	D	<u>(4)</u>	766,836	D		
Common Stock								5,215	I	Family Trust	

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

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9. Nu Deriv Secur Bene Own Follo Repo Trans

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	3A. Deemed	4.	5.	6. Date Exerci	sable and	7. Title	and	8. Price of
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transact	iorNumber	Expiration Da	te	Amoun	nt of	Derivative
Security	or Exercise		any	Code	of	(Month/Day/Y	(ear)	Underl	ying	Security
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securit	ies	(Instr. 5)
	Derivative				Securities			(Instr. 3	3 and 4)	
	Security				Acquired					
					(A) or					
					Disposed					
					of (D)					
					(Instr. 3,					
					4, and 5)					
									Amount	
						Date	Expiration Date		or	
						Exercisable		O	Number	
									of	
				Code V	$^{\prime}$ (A) (D)				Shares	

# **Reporting Owners**

Reporting Owner Name / Address	Relationships
Reput ting Owner Maine / Address	

Director 10% Owner Officer Other

Cruse Kenneth Edward 120 VANTIS

SUITE 350 X Chief Executive Officer

ALISO VIEJO, CA 92656

# **Signatures**

/s/ Kenneth E. 02/19/2013

\*\*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 15, 2013, Sunstone Hotel Investors, Inc. (the "Company") granted 171,726 restricted shares of common stock to the

(1) Reporting Person pursuant to its 2004 Long-Term Incentive Plan. Such shares are subject to the satisfaction of vesting requirements over a three-year period.

On February 16, 2013, 22,582 restricted shares of common stock (awarded to the Reporting Person on February 16, 2012) vested, and (2) 8,583 shares of common stock were withheld to satisfy tax withholding obligations. The closing price on February 15, 2013 (as February 16, 2013 fell on a weekend) of common stock of Sunstone Hotel Investors, Inc. on the New York Stock Exchange was \$11.79 per share.

(3)

Reporting Owners 2

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On February 17, 2013, 18,859 restricted shares of common stock (awarded to the Reporting Person on February 17, 2011) vested, and 6,917 shares of common stock were withheld to satisfy tax withholding obligations. The closing price on February 15, 2013 (as February 17, 2013 fell on a weekend) of common stock of Sunstone Hotel Investors, Inc. on the New York Stock Exchange was \$11.79 per share.

On February 18, 2013, 14,564 restricted shares of common stock (awarded to the Reporting Person on February 18, 2010) vested, and (4) 5,342 shares of common stock were withheld to satisfy tax withholding obligations. The closing price on February 15, 2013 (as February 18, 2013 fell on a holiday) of common stock of Sunstone Hotel Investors, Inc. on the New York Stock Exchange was \$11.79 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.