

Kline Jon D  
 Form 4  
 February 15, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
**Kline Jon D**

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)  
**903 CALLE AMANECER, SUITE 100**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**02/14/2007**

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

**SAN CLEMENTE, CA 92011**

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

(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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	02/14/2007		S	1,700	D \$ 29.31	99,015	D
Common Stock	02/14/2007		S	200	D \$ 29.32	98,815	D
Common Stock	02/14/2007		S	1,910	D \$ 29.33	96,905	D
Common Stock	02/14/2007		S	15,300	D \$ 29.3	81,605	D
Common Stock	02/14/2007		S	1,000	D \$ 29.48	80,605	D

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Common Stock	02/14/2007	S	500	D	\$ 29.46	80,105	D
Common Stock	02/14/2007	S	500	D	\$ 29.45	79,605	D
Common Stock	02/14/2007	S	1,000	D	\$ 29.43	78,605	D
Common Stock	02/15/2007	S	5,945	D	\$ 29.2	72,660	D
Common Stock	02/15/2007	S	1,000	D	\$ 29.22	71,660	D
Common Stock	02/15/2007	S	500	D	\$ 29.24	71,160	D
Common Stock	02/15/2007	S	1,000	D	\$ 29.25	70,160	D
Common Stock	02/15/2007	S	3,000	D	\$ 29.3	67,160	D
Common Stock	02/15/2007	S	500	D	\$ 29.28	66,660	D
Common Stock	02/15/2007	S	1,000	D	\$ 29.31	65,660	D
Common Stock	02/15/2007	S	1,000	D	\$ 29.36	64,660	D
Common Stock	02/15/2007	S	2,000	D	\$ 29.4	62,660	D

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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 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 (Instr. 6)
							Title		

Date	Expiration	Amount
Exercisable	Date	or
		Number
		of
		Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kline Jon D 903 CALLE AMANECER SUITE 100 SAN CLEMENTE, CA 92011			President	

## Signatures

/s/ Jon D. Kline	02/15/2007
**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).

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.