Cruse Kenneth Edward Form 4 December 01, 2008

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

| 1. Name and Address of Reporting Person * Cruse Kenneth Edward | | | 2. Issuer Name and Ticker or Trading Symbol | 5. Relationship of Reporting Person(s) to Issuer | | | |
|--|---------|----------|--|---|--|--|--|
| (Last) | (First) | (Middle) | Sunstone Hotel Investors, Inc. [SHO] 3. Date of Earliest Transaction | (Check all applicable) | | | |
| 903 CALLE AMANECER, SUITE 100 | | , SUITE | (Month/Day/Year) 11/26/2008 | Director 10% Owner _X_ Officer (give title Other (specify below) Chief Financial Officer | | | |
| (Street) | | | 4. If Amendment, Date Original Filed(Month/Day/Year) | 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person | | | |
| SAN CLEMENTE, CA 92673 | | | | Form filed by More than One Reporting Person | | | |

| (City) | (State) | (Zip) Tab | le I - Non-l | Derivative | Secur | ities Acqui | red, Disposed of | or Beneficial | ly Owned |
|--------------------------------------|---|---|--|---|---------|---------------|--|--|---|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transactic Code (Instr. 8) | 4. Securit ord Dispos (Instr. 3, 4) | ed of (| ` ′ | 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) |
| Common Stock | 11/26/2008 | | P | 15,000 | A | \$ 4.6 | 95,427 | D | |
| Common Stock | 11/26/2008 | | P | 5,000 | A | \$ 4.6567 (1) | 100,427 | 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)

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

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | | 4. Transacti | 5. onNumber | 6. Date Exerc Expiration D | | 7. Title Amount | | 8. Price of Derivative | 9. Nu Deriv |
|------------------------|--|--------------------------------------|------------------|--------------------|--|--|--------------------|----------------------|--|------------------------|---|
| Security (Instr. 3) | or Exercise Price of Derivative Security | (Month Day/Tear) | (Month/Day/Year) | Code (Instr. 8) | of Derivative Securities Acquired (A) or | of (Month/Day/Year Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, | | Underly Securitie | Underlying Securities (Instr. 3 and 4) | Security (Instr. 5) | Secur Bene Owne Follo Repo Trans (Instr |
| | | | | Code V | (A) (D) | Date Exercisable | Expiration Date | Title N | Number | | |

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Cruse Kenneth Edward 903 CALLE AMANECER SUITE 100 SAN CLEMENTE, CA 92673

Chief Financial Officer

Signatures

/s/ Kenneth E. Cruse 12/01/2008

**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).

The price in column 4 is a weighted average price. The prices actually paid ranged from \$4.6559 to \$4.67. The reporting person will provide to the issuer, any security holder of the issuer, or the SEC staff, upon request, full information regarding the number of shares purchased at each price within the range for all transactions reported in this Form 4 utilizing an average weighted price.

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.

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