

Sunstone Hotel Investors, Inc.  
 Form 3  
 October 20, 2004

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 * |         | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol                                      |   |
| Sunstone Hotel Investors, L.L.C.          |         | (Month/Day/Year)                     | Sunstone Hotel Investors, Inc. [SHO]   |   |
| (Last)                                    | (First) | (Middle)                             | 4. Relationship of Reporting Person(s) to Issuer                                 |   |
| 13155 NOEL ROAD, SUITE 700                |         |                                      | (Check all applicable)   |   |
| (Street)                                  |         |                                      | <input type="checkbox"/> Director  | <input checked="" type="checkbox"/> 10% Owner |
| DALLAS, TX 75240                          |         |                                      | <input type="checkbox"/> Officer   | <input type="checkbox"/> Other                |
| (City)                                    | (State) | (Zip)                                | (give title below) (specify below)   |   |
|   |         |                                      | 5. If Amendment, Date Original Filed(Month/Day/Year)                             |   |
|   |         |                                      | 6. Individual or Joint/Group Filing(Check Applicable Line)                       |   |
|   |         |                                      | <input type="checkbox"/> Form filed by One Reporting Person                      |   |
|   |         |                                      | <input checked="" type="checkbox"/> Form filed by More than One Reporting Person |   |

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security<br>(Instr. 4) | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|------------------------------------|--|---|--|
| Common Stock <sup>(1)</sup>        | 100  | I   | See footnote <sup>(2)</sup>                              |

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

SEC 1473 (7-02)

**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.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security<br>(Instr. 4) | 4. Conversion or Exercise Price of Derivative | 5. Ownership Form of Derivative Security: | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|---|---|--|---|---|--|
|---|---|--|---|---|--|

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|                     |                    |       |                                  |          |  |
|---------------------|--------------------|-------|----------------------------------|----------|--|
| Date<br>Exercisable | Expiration<br>Date | Title | Amount or<br>Number of<br>Shares | Security | Direct (D)<br>or Indirect<br>(I)<br>(Instr. 5) |
|---------------------|--------------------|-------|----------------------------------|----------|--|

## 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       | ^       | ^     |
| Sunstone/WB Hotel Investors IV, LLC<br>13155 NOEL ROAD<br>SUITE 700<br>DALLAS, TX 75240 | ^             | ^ X       | ^       | ^     |
| WB Hotel Investors, LLC<br>13155 NOEL ROAD<br>SUITE 700<br>DALLAS, TX 75240             | ^             | ^ X       | ^       | ^     |

## Signatures

[See signatures attached as  
Exhibit 99.2] 10/20/2004

\_\_Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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).

This Form 3 is being filed by the entities listed on Exhibit 99.2 to this Form 3 (the "Reporting Persons"). The Reporting Persons may be

- (1) deemed to constitute a "group" for purposes of Section 13(d) of the Exchange Act. Because the SEC's electronic filing system will not allow more than ten joint filers on one Form 3, the holdings of the Reporting Persons are being reported on two identical Form 3s.
- (2) See Exhibit 99.1

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.