

Sunstone Hotel Investors, Inc.
Form SC TO-I/A
July 08, 2008

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

Amendment No. 4

To

SCHEDULE TO

**TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1) OF
THE SECURITIES EXCHANGE ACT OF 1934.**

SUNSTONE HOTEL INVESTORS, INC.

(Name of Subject Company (Issuer) and Filing Person (Issuer))

Common Stock, Par Value \$0.01 Per Share

(Title of Class of Securities)

867892101

(CUSIP Number of Class of Securities)

Robert A. Alter

Executive Chairman and Interim Chief Executive Officer

Sunstone Hotel Investors, Inc.

903 Calle Amanecer, Suite 100

San Clemente, California 92673

(949) 369-4000

(Name, address, and telephone numbers of person authorized to

receive notices and communications on behalf of the persons filing statement)

Copies of all communications, including communications sent to agent for service, should be sent to:

Christopher M. Lal

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Sunstone Hotel Investors, Inc.

Senior Vice President & General Counsel

903 Calle Amanecer, Suite 100

San Clemente, California 92673

Telephone: (949) 369-4000

With copies to:

Alison S. Ressler

Patrick S. Brown

Sullivan & Cromwell LLP

1888 Century Park East

Los Angeles, California 90067-1725

Telephone: (310) 712-6600

CALCULATION OF FILING FEE

Transaction Valuation*
\$131,130,000

Amount of Filing Fee**
\$5,153.41

- * Calculated solely for the purpose of determining the amount of filing fee. This amount assumes the repurchase of 6,200,000 of Common Stock at the initial maximum tender offer price of \$21.15 per share.
- ** The amount of the filing fee, calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended by Fee Rate Advisory No. 6 for Fiscal Year 2008, equals \$39.30 per million dollars of the value of the transaction.
- x Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$5,153.41
Form or Registration No.: Schedule TO

Filing Party: Sunstone Hotel Investors, Inc.
Date Filed: June 2, 2008

.. Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer. Check the appropriate boxes below to designate any transactions to which the statement relates:

.. third-party tender offer subject to Rule 14d-1.

x issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: x

EXPLANATORY NOTE

This Amendment No. 4 (this Amendment) amends and supplements the Tender Offer Statement on Schedule TO originally filed with the Securities and Exchange Commission (the SEC) on June 2, 2008 (the Schedule TO), which, as previously amended and supplemented and as amended and supplemented by this Amendment, relates to the offer by Sunstone Hotel Investors, Inc., a Maryland corporation (Sunstone or the Company), pursuant to Rule 13e-4 under the Securities Exchange Act of 1934, as amended, to purchase for cash up to 6,200,000 shares of its common stock, par value \$0.01 per share (the Common Stock). The Company's offer is being made upon the terms and subject to the conditions set forth in the Offer to Purchase, dated June 2, 2008, as amended and supplemented by the Supplement to Offer to Purchase, dated June 16, 2008 (Offer to Purchase), and in the Amended Letter of Transmittal, which, together with any amendments or supplements to either, collectively constitute the Offer.

The information in the Offer, including all schedules and annexes thereto, previously filed with the Schedule TO is hereby expressly incorporated by reference into this Amendment, except that such information is hereby amended and supplemented to the extent specifically provided herein.

Item 4. Terms of the Transaction.

Item 4 of the Schedule TO is hereby amended and supplemented to add the following paragraph at the end thereof:

The Offer expired at 12:00 midnight, New York City time, on Friday, June 27, 2008. The Company accepted for payment a total of 7,374,179 shares of Common Stock at a purchase price of \$17.50 per share. The total shares accepted for purchase include 6,200,000 shares initially offered to be purchased by the Company and an additional 1,174,179 shares, the maximum increase permitted without extending the Offer.

Item 11. Additional Information.

Item 11 of the Schedule TO is hereby amended and supplemented to add the following paragraph at the end thereof:

On July 8, 2008, the Company issued a press release announcing the final results of the Offer, which expired at 12:00 midnight, New York City time, on Friday, June 27, 2008. A copy of the Press Release is filed as exhibit (a)(5)(F) to this Schedule TO and is incorporated herein by reference.

Item 12. Exhibits.

Item 12 of the Schedule TO is hereby amended and supplemented to add the following exhibit:

Exhibit

| Number | Description |
|---------------|---|
| (a)(5)(F) | Press Release issued by Sunstone Hotel Investors, Inc. on July 8, 2008. |

SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

SUNSTONE HOTEL INVESTORS, INC.

By: /s/ Kenneth E. Cruse
Name: **Kenneth E. Cruse**
Title: **Chief Financial Officer**

Date: July 8, 2008

Exhibit Index

Exhibit

| Number | Description |
|---------------|--|
| (a)(1)(A)* | Offer to Purchase, dated June 2, 2008. |
| (a)(1)(B)* | Letter of Transmittal for Common Stock (including Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number of Substitute Form W-9). |
| (a)(1)(C)* | Notice of Guaranteed Delivery. |
| (a)(1)(D)* | Letter to Banks, Brokers, Dealers, Trust Companies and Other Nominees, dated June 2, 2008. |
| (a)(1)(E)* | Letter to Clients for use by Banks, Brokers, Dealers, Trust Companies and Other Nominees, dated June 2, 2008. |
| (a)(1)(F)** | Supplement to Offer to Purchase, dated June 16, 2008. |
| (a)(1)(G)** | Amended Letter of Transmittal for Common Stock (including Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number of Substitute Form W-9). |
| (a)(1)(H)** | Amended Notice of Guaranteed Delivery. |
| (a)(1)(I)** | Amended Letter to Banks, Brokers, Dealers, Trust Companies and Other Nominees, dated June 16, 2008. |
| (a)(1)(J)** | Amended Letter to Clients for use by Banks, Brokers, Dealers, Trust Companies and Other Nominees, dated June 16, 2008. |
| (a)(5)(A)* | Form of Summary Advertisement. |
| (a)(5)(B)* | Press Release issued by Sunstone Hotel Investors, Inc. on June 2, 2008. |
| (a)(5)(C)** | Press Release issued by Sunstone Hotel Investors, Inc. on June 16, 2008. |
| (a)(5)(D) | Press Release issued by Sunstone Hotel Investors, Inc. on June 19, 2008 (incorporated by reference to Exhibit 99.1 to Form 8-K, filed by the Company on June 20, 2008). |
| (a)(5)(E)**** | Press Release issued by Sunstone Hotel Investors, Inc. on June 30, 2008. |
| (a)(5)(F) | Press Release issued by Sunstone Hotel Investors, Inc. on July 8, 2008. |
| (b)(1) | Revolving Credit Agreement, dated as of July 17, 2006, among Sunstone Hotel Partnership, LLC, Sunstone Hotel Investors, Inc. the Subsidiary Guarantors named therein, the Initial Lenders, the Initial Issuing Bank, the Swing Line Bank, Citicorp North America, Inc., as Administrative Agent, Wachovia Capital Markets, LLC, as syndication agent, Calyon New York Branch as co-syndication agent, Keybank National Association, as documentation agent, and Citigroup Global Markets Inc. and Wachovia Capital Markets LLC, as joint lead managers and joint book running managers (incorporated by reference to Exhibit 99.1 to Form 8-K, filed by the Company on July 18, 2006). |

- (b)(2) First Letter Amendment, dated as of August 14, 2006, to Revolving Credit Agreement dated as of July 17, 2006 among Sunstone Hotel Partnership, LLC, Sunstone Hotel Investors, Inc. the Subsidiary Guarantors named therein, the Initial Lenders, the Initial Issuing Bank, the Swing Line Bank, Citicorp North America, Inc., as Administrative Agent, Wachovia Capital Markets, LLC, as syndication agent, Calyon New York Branch as co-syndication agent, Keybank National Association, as documentation agent, and Citigroup Global Markets Inc. and Wachovia Capital Markets LLC, as joint lead managers and joint book running managers (incorporated by reference to Exhibit 10.3 to Form 10-Q, filed by the Company on November 1, 2006).
- (b)(3) Second Letter Amendment, dated as of May 23, 2007, to Revolving Credit Agreement dated as of July 17, 2006 among Sunstone Hotel Partnership, LLC, Sunstone Hotel Investors, Inc. the Subsidiary Guarantors named therein, the Initial Lenders, the Initial Issuing Bank, the Swing Line Bank, Citicorp North America, Inc., as Administrative Agent, Wachovia Capital Markets, LLC, as syndication agent, Calyon New York Branch as co-syndication agent, Keybank National Association, as documentation agent, and Citigroup Global Markets Inc. and Wachovia Capital Markets LLC, as joint lead managers and joint book running managers (incorporated by reference to Exhibit 10.3 to Form 10-Q, filed by the Company on August 8, 2007).
- (d)(1) Form of 2004 Long-Term Incentive Plan of Sunstone Hotel Investors, Inc. (incorporated by reference to the proxy statement on Schedule 14A, filed by the Company on March 26, 2007).
- (d)(2) Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.1 to Form 8-K, filed by the Company on February 23, 2005).
- (d)(3) Form of Restricted Stock Award Certificate (Directors) (incorporated by reference to Exhibit 10.2 to Form 8-K, filed by the Company on February 23, 2005).
- (d)(4) Form of Senior Management Incentive Plan of Sunstone Hotel Investors, Inc. (incorporated by reference to Exhibit 10.14 to the registration statement on Form S-11, filed by the Company on October 7, 2004).
- (d)(5) Form of Employment Agreement with Robert A. Alter (incorporated by reference to Exhibit 10.15 to the registration statement on Form S-11, filed by the Company on October 7, 2004).
- (d)(6) Amendment to Employment Arrangements, dated as of March 19, 2007, between Sunstone Hotel Investors, Inc. and Robert A. Alter (incorporated by reference to Exhibit 10.2 to Form 10-Q, filed by the Company on May 2, 2007).
- (d)(7) Change in Control Agreement, dated as of February 15, 2007, between Sunstone Hotel Investors, Inc. and Ken Cruse (incorporated by reference to Exhibit 10.1 to Form 10-Q, filed by the Company on August 8, 2007).
- (d)(8) Purchase Agreement among Security Capital Preferred Growth Incorporated, Sunstone Hotel Investors, Inc. and Sunstone Hotel Partnership, LLC, dated April 27, 2005 (incorporated by reference to Exhibit 10.5 to Form 8-K filed by the Company on May 3, 2005).
- (d)(9)* Amendment No. 1 to Series C Cumulative Convertible Redeemable Preferred Stock Purchase Agreement and Common Stock Purchase Agreement among Security Capital Preferred Growth Incorporated, Sunstone Hotel Investors, Inc. and Sunstone Hotel Partnership, LLC, dated as of June 24, 2005.
- (d)(10)*** Employment Agreement with Arthur Buser.

* Previously filed with the Company s Tender Offer Statement on Schedule TO on June 2, 2008.

** Previously filed with the Company s Amendment No. 1 to Tender Offer Statement on Schedule TO on June 16, 2008.

*** Previously filed with the Company s Amendment No. 2 to Tender Offer Statement on Schedule TO on June 23, 2008.

**** Previously filed with the Company s Amendment No. 3 to Tender Offer Statement on Schedule TO on June 30, 2008. Filed herewith.