SUN MICROSYSTEMS, INC.

Form 4

January 31, 2007

# FORM 4

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

OMB Number: 3235-0287

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Expires:

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

January 31, 2005

Form 4 or Form 5 obligations may continue.

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

response... 0.5

**OMB APPROVAL** 

1(b).

(City)

(State)

(Zip)

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person * YEN DAVID W		2. Issuer Name and Ticker or Trading Symbol SUN MICROSYSTEMS, INC. [SUNW]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last) (First) (Middle) 4150 NETWORK CIRCLE		3. Date of Earliest Transaction (Month/Day/Year) 01/29/2007	Director 10% Owner Officer (give title Other (specify below) EVP, Storage Group		
	(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		
SANTA CLA	RA, CA 95054		Form filed by More than One Reporting Person		

(5)	(2)	Table 1 - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned							
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securit	ies Ac	quired	5. Amount of	6. Ownership	7. Nature of
Security	(Month/Day/Year)	Execution Date, if	Transactio	Transaction(A) or Disposed of (D)			Securities	Form: Direct	Indirect
(Instr. 3)		any	Code	(Instr. 3, 4	and 5	j)	Beneficially	(D) or	Beneficial
		(Month/Day/Year)	(Instr. 8)				Owned	Indirect (I)	Ownership
							Following	(Instr. 4)	(Instr. 4)
					(4)		Reported		
					(A)		Transaction(s)		
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
Common Stock	01/29/2007		F	36,127	D	\$ 6.33	321,237 (1)	D	

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

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SEC 1474

(9-02)

Table I. Non Desirative Committee Assumed Disposed of an Deneficially Or

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. Transact Code (Instr. 8)		o S A (A C	Number	Expiration 1 (Month/Day e		7. Title and A Underlying S (Instr. 3 and	Securities
				Code V	V	(,	A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy) (2)	\$ 14.6094							(3)	06/16/2007	Common Stock	32,000
Employee Stock Option (Right to Buy) (2)	\$ 36.7188							(3)	12/15/2007	Common Stock	100,000
Employee Stock Option (Right to Buy) (2)	\$ 40							(3)	04/12/2008	Common Stock	26,000
Employee Stock Option (Right to Buy) (2)	\$ 57.6875							<u>(3)</u>	08/16/2008	Common Stock	30,000
Employee Stock Option (Right to Buy) (2)	\$ 31.75							(3)	12/13/2008	Common Stock	250,000
Employee Stock Option (Right to Buy) (2)	\$ 16.25							<u>(3)</u>	06/13/2009	Common Stock	20,000
Employee Stock Option (Right to Buy) (2)	\$ 16.25							(3)	06/13/2009	Common Stock	250,000

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Employee Stock Option (Right to Buy) (2)	\$ 7.91	(3)	09/27/2009	Common Stock	20,000
Employee Stock Option (Right to Buy) (2)	\$ 12.59	(3)	11/07/2009	Common Stock	50,000
Employee Stock Option (Right to Buy) (2)	\$ 12.59	(3)	11/07/2009	Common Stock	50,000
Employee Stock Option (Right to Buy) (2)	\$ 9.14	(3)	03/19/2010	Common Stock	200
Employee Stock Option (Right to Buy) (2)	\$ 9.14	(3)	03/19/2010	Common Stock	20,000
Employee Stock Option (Right to Buy) (2)	\$ 6.45	(3)	05/02/2012	Common Stock	200,000
Employee Stock Option (Right to Buy) (2)	\$ 3.7	<u>(4)</u>	07/25/2012	Common Stock	300,000
Employee Stock Option (Right to Buy) (2)	\$ 3.85	(5)	07/23/2013	Common Stock	500,000
Employee Stock Option (Right to Buy) (2)	\$ 3.79	<u>(6)</u>	07/29/2012	Common Stock	400,000
	\$ 4.12	<u>(7)</u>	01/27/2013		200,000

Employee Stock Option (Right to Buy) (2)				Common Stock	
Employee Stock Option (Right to Buy) (2)	\$ 3.85	<u>(8)</u>	07/28/2013	Common Stock	300,000
Employee Stock Option (Right to Buy) (2)	\$ 4.26	<u>(9)</u>	07/27/2014	Common Stock	500,000

## **Reporting Owners**

Reporting Owner Name / Address	Relationships					
<b>FS</b>	Director	10% Owner	Officer	Other		
YEN DAVID W						
4150 NETWORK CIRCLE			EVP, Storage Group			
SANTA CLARA, CA 95054						

### **Signatures**

/s/ Craig D. Norris, Attorney-In-Fact 01/30/2007

\*\*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).
- (1) This includes 44,750 shares of unvested restricted stock.
- (2) This option was granted under the Sun Microsystems, Inc. 1990 Long-Term Equity Incentive Plan.
- (3) Immediately.
- (4) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 25, 2003.
- (5) This option vests and becomes exercisable in five equal annual installments of 100,000 shares beginning on July 23, 2004.
- (6) This option vests and becomes exercisable in five equal annual installments of 80,000 shares beginning on July 29, 2005.
- (7) This option vests and becomes exercisable in five equal annual installments of 40,000 shares beginning on January 27, 2006.
- (8) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 28, 2006.
- (9) This option vests and becomes exercisable in five equal annual installments of 100,000 shares beginning on July 27, 2007.

#### Remarks:

**Exhibit List:** 

Reporting Owners 4

#### Exhibit 24 - Power of Attorney

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.