

SUN MICROSYSTEMS, INC.
 Form 4
 August 01, 2007

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 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 *
 MCNEALY SCOTT G

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)

3. Date of Earliest Transaction (Month/Day/Year)
 07/30/2007

Director 10% Owner
 Officer (give title below) Other (specify below)

4150 NETWORK CIRCLE

(Street)

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

SANTA CLARA, CA 95054

(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) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| Common Stock | 07/30/2007 | | S ⁽¹⁾ | 2,581 D | \$ 4.95 747,617 ⁽²⁾ | D | |
| Common Stock | 07/30/2007 | | S ⁽¹⁾ | 1,000 D | \$ 4.965 746,617 ⁽²⁾ | D | |
| Common Stock | 07/30/2007 | | S ⁽¹⁾ | 21,419 D | \$ 4.97 725,198 ⁽²⁾ | D | |
| Common Stock | | | | | 293,080 | I | Shares held by trust. |
| Common Stock | | | | | 55,936,480 | I | Shares held by trust. |

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| | | | |
|--------------|---------|---|--------------------------------------|
| Common Stock | 402,800 | I | Shares held by trust. <u>(3)</u> |
| Common Stock | 7,551 | I | See footnotes. <u>(4)</u> <u>(5)</u> |
| Common Stock | 7,551 | I | See footnotes. <u>(4)</u> <u>(5)</u> |
| Common Stock | 7,551 | I | See footnotes. <u>(4)</u> <u>(5)</u> |
| Common Stock | 7,551 | I | See footnotes. <u>(4)</u> <u>(5)</u> |

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 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. Amount or Number of Shares |
|-------------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|-------------------------------|
| Employee Stock Option (Right to Buy) <u>(6)</u> | \$ 5.4532 | | | | | <u>(7)</u> 06/17/2008 | Common Stock | 3,200,000 |
| Employee Stock Option (Right to Buy) <u>(6)</u> | \$ 12.5313 | | | | | <u>(7)</u> 04/20/2009 | Common Stock | 400,000 |
| | \$ 40 | | | | | <u>(7)</u> 04/12/2010 | | 1,000,000 |

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| | | | | | |
|-------------------------------------------------------------|----------|-------------|------------|-----------------|-----------|
| Employee Stock Option (Right to Buy) <u>(6)</u> | | | | Common Stock | |
| Employee Stock Option (Right to Buy) <u>(6)</u> | \$ 18.58 | <u>(7)</u> | 04/18/2011 | Common Stock | 1,500,000 |
| Employee Stock Option (Right to Buy) <u>(6)</u> | \$ 12.59 | <u>(7)</u> | 11/07/2011 | Common Stock | 1,250,000 |
| Employee Stock Option (Right to Buy) <u>(6)</u> | \$ 12.59 | <u>(7)</u> | 11/07/2011 | Common Stock | 1,250,000 |
| Employee Stock Option (Right to Buy) <u>(6)</u> | \$ 9.14 | <u>(7)</u> | 03/19/2012 | Common Stock | 200 |
| Employee Stock Option (Right to Buy) <u>(6)</u> | \$ 6.45 | <u>(7)</u> | 05/02/2012 | Common Stock | 200,000 |
| Employee Stock Option (Right to Buy) <u>(6)</u> | \$ 7.07 | <u>(7)</u> | 05/14/2012 | Common Stock | 800,000 |
| Employee Stock Option (Right to Buy) <u>(6)</u> | \$ 3.7 | <u>(8)</u> | 07/25/2012 | Common Stock | 1,000,000 |
| Employee Stock Option (Right to Buy) <u>(6)</u> | \$ 3.85 | <u>(9)</u> | 07/23/2013 | Common Stock | 1,500,000 |
| | \$ 3.79 | <u>(10)</u> | 07/29/2014 | | 1,250,000 |

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- (9) This option vests and becomes exercisable in five equal annual installments of 300,000 shares beginning on July 23, 2004.
- (10) This option vests and becomes exercisable in five equal annual installments of 250,000 shares beginning on July 29, 2005.
- (11) This option vests and becomes exercisable in five equal annual installments of 180,000 shares beginning on July 28, 2006.
- (12) This option vests and becomes exercisable in five equal annual installments of 420,000 shares beginning on April 27, 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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