SUN MICROSYSTEMS, INC.

Form 4

August 01, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

OMB 3235-0287 Number:

OMB APPROVAL

Washington, D.C. 20549

January 31, Expires: 2005

if no longer subject to Section 16. Form 4 or Form 5

Check this box

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per response... 0.5

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 * DILLON MICHAEL A			2. Issuer Name and Ticker or Trading Symbol SUN MICROSYSTEMS, INC. [SUNW]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)			
(Last) 4150 NETWO	st) (First) (Middle) IETWORK CIRCLE		3. Date of Earliest Transaction (Month/Day/Year) 07/28/2007	Director 10% Owner Officer (give title Other (specify below) Executive Vice President			
(Street) SANTA CLARA, CA 95054			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 _ Form filed by More than One Reporting Person			
			Thed (Months Buy, Tear)				

			i Cison
(City)	(State)	(Zip)	Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

		1401	ics ricqu	required, Disposed of, of Deficientially Owned						
1.Title of Security	2. Transaction Date (Month/Day/Year)	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if				quired l of (D)	5. Amount of Securities	6. Ownership	7. Nature of Indirect	
(Instr. 3)		any (Month/Day/Year)	Code (Instr. 8)	(Instr. 3,	4 and 5	5)	Beneficially Owned	Form: Direct (D) or	Beneficial Ownership	
					(4)		Following Reported	Indirect (I) (Instr. 4)	(Instr. 4)	
					(A) or	ъ.	Transaction(s) (Instr. 3 and 4)			
Common	07/29/2007		Code V	Amount	(D)	Price \$	242 251 (1)	D		
Stock	07/28/2007		F(11)	2,949	D	4.93	242,351 <u>(1)</u>	D		
Common Stock	07/31/2007		M(12)	37,500	A	\$ 5.1	279,851 <u>(1)</u>	D		
Common Stock	07/31/2007		F(13)	13,405	D	\$ 5.1	266,446 (1)	D		

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

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number.

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. Transacti Code (Instr. 8)	iod 9 1 1	Der Sec Acq Disj	Number ivative urities quired (posed out. 3, 4	(A) or of (D))		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	7		(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee Stock Option (Right to Buy) (2)	\$ 3.7								(3)	07/25/2010	Common Stock	50,000
Employee Stock Option (Right to Buy) (2)	\$ 4.2								<u>(4)</u>	05/21/2011	Common Stock	33,000
Employee Stock Option (Right to Buy) (2)	\$ 4.208								<u>(5)</u>	11/13/2011	Common Stock	26,000
Employee Stock Option (Right to Buy) (2)	\$ 3.9								<u>(6)</u>	04/30/2014	Common Stock	350,00
Employee Stock Option (Right to Buy) (2)	\$ 3.79								<u>(7)</u>	07/29/2014	Common Stock	100,00
Employee Stock Option (Right to Buy) (2)	\$ 3.85								(8)	07/28/2015	Common Stock	300,00
Employee Stock Option (Right to	\$ 4.26								<u>(9)</u>	07/27/2016	Common Stock	400,00

Buy) (2)

Employee

Stock

Option \$ 5.1 07/31/2007 A 400,000 (10) 07/31/2017 Common Stock 400,000

Buy) $\frac{(2)}{(2)}$

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

DILLON MICHAEL A 4150 NETWORK CIRCLE SANTA CLARA, CA 95054

Executive Vice President

Signatures

/s/ Craig D. Norris,
Attorney-In-Fact
08/01/2007

**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 129,000 shares of unvested restricted stock.
- (2) This option was granted under the Sun Microsystems, Inc. 1990 Long-Term Equity Incentive Plan.
- (3) This option vests and becomes exercisable in five equal annual installments of 10,000 shares beginning on July 25, 2003.
- (4) This option vests and becomes exercisable in five equal annual installments of 6,600 shares beginning on May 21, 2004.
- (5) This option vests and becomes exercisable in five equal annual installments of 5,200 shares beginning on November 13, 2004.
- (6) This option vests and becomes exercisable in five equal annual installments of 70,000 shares beginning on April 30, 2005.
- (7) This option vests and becomes exercisable in five equal annual installments of 20,000 shares beginning on July 29, 2005.
- (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 80,000 shares beginning on July 27, 2007.
- $\textbf{(10)} \quad \text{This option vests and becomes exercisable in five equal annual installments of } 80,000 \text{ shares beginning on July } 31,2008.$
- (11) Represents the surrender of shares to the issuer upon vesting of time-based restricted stock to satisfy tax withholding obligations.
- (12) Represents performance-based restricted stock units that have vested and are paid out in shares of common stock.
- (13) Represents the surrender of shares to the issuer upon vesting of performance-based restricted stock units to satisfy tax withholding obligations.

Remarks:

Exhibit List:

Exhibit 24 - Power of Attorney

Reporting Owners 3

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