

SUN MICROSYSTEMS, INC.
 Form 4
 February 22, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
PAPADOPOULOS GREGORY M

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
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/21/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Executive Vice President & CTO

SANTA CLARA, CA 95054
 (City) (State) (Zip)

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

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/21/2007		M		158,171	A	\$ 3.7
					598,318		(15) D
Common Stock	02/21/2007		S		158,171	D	\$ 6.29
					440,147		(15) D

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

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.

SEC 1474 (9-02)

Edgar Filing: SUN MICROSYSTEMS, INC. - Form 4

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee Stock Option (Right to Buy) ⁽¹⁾	\$ 5.0235					⁽²⁾	04/15/2008	Common Stock	106,000
Employee Stock Option (Right to Buy) ⁽¹⁾	\$ 12.5313					⁽³⁾	04/20/2009	Common Stock	100,000
Employee Stock Option (Right to Buy) ⁽¹⁾	\$ 40					⁽⁴⁾	04/12/2010	Common Stock	51,670
Employee Stock Option (Right to Buy) ⁽¹⁾	\$ 18.58					⁽⁵⁾	04/18/2011	Common Stock	111,680
Employee Stock Option (Right to Buy) ⁽¹⁾	\$ 12.59					⁽⁶⁾	11/07/2011	Common Stock	39,211
Employee Stock Option (Right to Buy) ⁽¹⁾	\$ 12.59					⁽⁷⁾	11/07/2011	Common Stock	44,785
Employee Stock Option (Right to Buy) ⁽¹⁾	\$ 9.14					⁽⁸⁾	03/19/2010	Common Stock	125

Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 6.45					<u>(9)</u>	05/02/2012	Common Stock	126,97
Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 3.7	02/21/2007	M	158,171		<u>(10)</u>	07/25/2012	Common Stock	197,71
Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 3.85					<u>(11)</u>	07/23/2013	Common Stock	399,15
Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 3.79					<u>(12)</u>	07/29/2014	Common Stock	400,00
Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 3.85					<u>(13)</u>	07/28/2015	Common Stock	300,00
Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 4.26					<u>(14)</u>	07/27/2016	Common Stock	500,00

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PAPADOPOULOS GREGORY M 4150 NETWORK CIRCLE SANTA CLARA, CA 95054			Executive Vice President & CTO	

Signatures

/s/ Gregory M.
Papadopoulos

02/21/2007

 **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 option was granted under the Sun Microsystems, Inc. 1990 Long-Term Equity Incentive Plan.
- (2) This option vests and becomes exercisable in five equal annual installments of 58,800 shares beginning on April 15, 1999.
- (3) This option vests and becomes exercisable in five equal annual installments of 20,000 shares beginning on April 20, 2000.
- (4) This option vests and becomes exercisable in five equal annual installments of approximately 10,335 shares beginning on April 12, 2001.
- (5) This option vests and becomes exercisable in five equal annual installments of approximately 22,337 shares beginning on April 18, 2002.
- (6) This option vests and becomes exercisable in five equal annual installments of approximately 7,842 shares beginning on November 7, 2002.
- (7) This option vests and becomes exercisable in five equal annual installments of 8,957 shares beginning on November 7, 2002.
- (8) This option vests and becomes exercisable in five equal annual installments of 25 shares beginning on March 19, 2003.
- (9) This option vests and becomes exercisable in five equal annual installments of approximately 25,394 shares beginning on May 2, 2003.
- (10) This option vests and becomes exercisable in five equal annual installments of approximately 39,542 shares beginning on July 25, 2003.
- (11) This option vests and becomes exercisable in five equal annual installments of approximately 79,830 shares beginning on July 23, 2004.
- (12) This option vests and becomes exercisable in five equal annual installments of 80,000 shares beginning on July 29, 2005.
- (13) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 28, 2006.
- (14) This option vests and becomes exercisable in five equal annual installments of 100,000 shares beginning on July 27, 2007.
- (15) Includes 274,750 shares of unvested restricted stock.

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.