

DILLON MICHAEL A
 Form 4
 January 27, 2010

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

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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 *
DILLON MICHAEL A

2. Issuer Name and Ticker or Trading Symbol
**SUN MICROSYSTEMS, INC.
 [JAVA]**

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)
01/26/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP, General Counsel & Sec.

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 Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	01/26/2010		D	33,263 D (1)	73,312 (2)	D	
Common Stock	01/26/2010		D	73,312 (2)	0 (3)	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)

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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)	\$ 15.4	01/26/2010		D	75,000	<u>(4)</u>	07/28/2015	Common Stock	75,000
Employee Stock Option (right to buy)	\$ 16.832	01/26/2010		D	6,500	<u>(6)</u>	11/13/2011	Common Stock	6,500
Employee Stock Option (right to buy)	\$ 15.16	01/26/2010		D	25,000	<u>(6)</u>	07/29/2014	Common Stock	25,000
Employee Stock Option (right to buy)	\$ 15.6	01/26/2010		D	87,500	<u>(6)</u>	04/30/2014	Common Stock	87,500
Employee Stock Option (right to buy)	\$ 17.04	01/26/2010		D	100,000	<u>(7)</u>	07/27/2016	Common Stock	100,000
Employee Stock Option (right to buy)	\$ 16.8	01/26/2010		D	8,250	<u>(6)</u>	05/21/2011	Common Stock	8,250
Employee Stock Option (right to buy)	\$ 14.8	01/26/2010		D	12,500	<u>(6)</u>	07/25/2010	Common Stock	12,500

Employee
Stock
Option
(right to
buy)

\$ 20.4

01/26/2010

D

100,000

(8)

07/31/2017

Common
Stock

100,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DILLON MICHAEL A 4150 NETWORK CIRCLE SANTA CLARA, CA 95054			EVP, General Counsel & Sec.	

Signatures

/s/ Craig D. Norris,
attorney-in-fact

01/26/2010

**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) Pursuant to the Merger Agreement between the Issuer and Oracle Corporation dated April 19, 2009 (the "Merger Agreement"), each share of JAVA common stock will be exchanged for \$9.50 in cash.
 - (2) Shares are represented by restricted stock units.
 - (3) Pursuant to the Merger Agreement, each restricted stock unit will be assumed by Oracle and converted into a restricted stock unit for 0.3849 shares of Oracle common stock.
 - (4) The option vests in five equal annual installments beginning on July 28, 2006.
Pursuant to the Merger Agreement, each option to purchase shares of JAVA common stock will be assumed by Oracle and converted into an option to purchase a number of shares of Oracle common stock equal to the number of shares of JAVA common stock subject to the option multiplied by 0.3849, rounded down to the nearest whole share. The exercise price per share for the assumed option will equal the JAVA per share exercise price divided by 0.3849.
 - (5) The option is fully vested.
 - (6) The option vests in five equal annual installments beginning on July 27, 2007.
 - (7) The option vests in five equal annual installments beginning on July 31, 2008.
 - (8) The option vests in five equal annual installments beginning on July 31, 2008.

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.