

SUN MICROSYSTEMS, INC.

Form 4

August 10, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(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) (First) (Middle)

4150 NETWORK CIRCLE

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
08/08/2007

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

Executive Vice President

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)
____X____ 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)
Common Stock	08/08/2007		S	29,396	D	\$ 4.98	87,050 ⁽¹⁾ D

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

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information contained in this form are not
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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)**

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

Employee

Stock

Option \$ 5.1

(Right to

Buy) ⁽²⁾(10)

07/31/2017

Common
Stock

400,000

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

08/08/2007

__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 16,500 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.
 - (10) This option vests and becomes exercisable in five equal annual installments of 80,000 shares beginning on July 31, 2008.

Remarks:

Exhibit List:

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.

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