

SUN MICROSYSTEMS, INC.
 Form 4
 January 31, 2007

FORM 4

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

OMB APPROVAL

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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 *
YEN DAVID W

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)
01/29/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP, Storage Group

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)
Common Stock	01/29/2007		F	V 36,127 D	(A) or D \$ 6.33	321,237 ⁽¹⁾	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)

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...	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 14.6094					⁽³⁾ 06/16/2007	Common Stock	32,000	
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 36.7188					⁽³⁾ 12/15/2007	Common Stock	100,000	
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 40					⁽³⁾ 04/12/2008	Common Stock	26,000	
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 57.6875					⁽³⁾ 08/16/2008	Common Stock	30,000	
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 31.75					⁽³⁾ 12/13/2008	Common Stock	250,000	
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 16.25					⁽³⁾ 06/13/2009	Common Stock	20,000	
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 16.25					⁽³⁾ 06/13/2009	Common Stock	250,000	

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Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 7.91	<u>(3)</u>	09/27/2009	Common Stock	20,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 12.59	<u>(3)</u>	11/07/2009	Common Stock	50,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 12.59	<u>(3)</u>	11/07/2009	Common Stock	50,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 9.14	<u>(3)</u>	03/19/2010	Common Stock	200
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 9.14	<u>(3)</u>	03/19/2010	Common Stock	20,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 6.45	<u>(3)</u>	05/02/2012	Common Stock	200,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.7	<u>(4)</u>	07/25/2012	Common Stock	300,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.85	<u>(5)</u>	07/23/2013	Common Stock	500,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.79	<u>(6)</u>	07/29/2012	Common Stock	400,000
	\$ 4.12	<u>(7)</u>	01/27/2013		200,000

Employee Stock Option (Right to Buy) <u>(2)</u>					Common Stock	
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.85	<u>(8)</u>	07/28/2013		Common Stock	300,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 4.26	<u>(9)</u>	07/27/2014		Common Stock	500,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
YEN DAVID W 4150 NETWORK CIRCLE SANTA CLARA, CA 95054			EVP, Storage Group	

Signatures

/s/ Craig D. Norris,
Attorney-In-Fact

01/30/2007

 **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 44,750 shares of unvested restricted stock.
 - (2) This option was granted under the Sun Microsystems, Inc. 1990 Long-Term Equity Incentive Plan.
 - (3) Immediately.
 - (4) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 25, 2003.
 - (5) This option vests and becomes exercisable in five equal annual installments of 100,000 shares beginning on July 23, 2004.
 - (6) This option vests and becomes exercisable in five equal annual installments of 80,000 shares beginning on July 29, 2005.
 - (7) This option vests and becomes exercisable in five equal annual installments of 40,000 shares beginning on January 27, 2006.
 - (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 100,000 shares beginning on July 27, 2007.

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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