

Chatterjee Vengalil K
 Form 4
 November 03, 2006

FORM 4

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

OMB APPROVAL

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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 *
 Chatterjee Vengalil K

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)
 11/02/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Chief Accounting Officer

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	11/02/2006		A	22,500	\$ 0.0007	56,879 ⁽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	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 or Number of Shares
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 3.75					⁽³⁾ 05/18/2012		Common Stock	18,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 3.94					⁽⁴⁾ 09/17/2012		Common Stock	18,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 4.12					⁽⁵⁾ 01/27/2013		Common Stock	10,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 5.33	11/02/2006		A	52,500	⁽⁶⁾ 11/02/2016		Common Stock	52,500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Chatterjee Vengalil K 4150 NETWORK CIRCLE SANTA CLARA, CA 95054			Chief Accounting Officer	

Signatures

/s/ Vengalil K.
Chatterjee

11/02/2006

**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 51,250 shares of unvested restricted stock or restricted stock units.
- (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 3,600 shares beginning on May 22, 2005.
- (4) This option vests and becomes exercisable in five equal annual installments of 3,600 shares beginning on September 17, 2005.
- (5) This option vests and becomes exercisable in five equal annual installments of 2,000 shares beginning on January 27, 2006.
- (6) This option vests and becomes exercisable in five equal annual installments of 10,500 shares beginning on November 2, 2007.

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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