

SUN MICROSYSTEMS, INC.
 Form 4
 February 22, 2007

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 *
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.

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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) ⁽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.

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