

SUN MICROSYSTEMS, INC.
 Form 4
 November 14, 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 *
 MCNEALY SCOTT G

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)

3. Date of Earliest Transaction (Month/Day/Year)
 11/12/2007

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

4150 NETWORK CIRCLE

(Street)

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

SANTA CLARA, CA 95054

(City) (State) (Zip)

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 Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	11/12/2007		S(11)	0.5 D \$ 10.35	43,299 (1)	D	
Common Stock					73,270	I	Shares held by trust. (2)
Common Stock					13,984,120	I	Shares held by trust. (2)
Common Stock					100,700	I	Shares held by trust. (2)

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Common Stock	11/12/2007		<u>S(11)</u>	0.75	D	\$ 15.53	1,887	I	See footnote. (3)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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)	8. P... Der... Sec... (Ins...	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy) ⁽⁴⁾	\$ 21.8128					⁽⁵⁾	06/17/2008	Common Stock	800,000
Employee Stock Option (Right to Buy) ⁽⁴⁾	\$ 50.1252					⁽⁵⁾	04/20/2009	Common Stock	100,000
Employee Stock Option	\$ 160					⁽⁵⁾	04/12/2010	Common Stock	250,000

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(Right to Buy) ⁽⁴⁾					
Employee Stock Option (Right to Buy) ⁽⁴⁾	\$ 74.32	⁽⁵⁾	04/18/2011	Common Stock	375,000
Employee Stock Option (Right to Buy) ⁽⁴⁾	\$ 50.36	⁽⁵⁾	11/07/2011	Common Stock	312,500
Employee Stock Option (Right to Buy) ⁽⁴⁾	\$ 50.36	⁽⁵⁾	11/07/2011	Common Stock	312,500
Employee Stock Option (Right to Buy) ⁽⁴⁾	\$ 36.56	⁽⁵⁾	03/19/2012	Common Stock	50
Employee Stock Option (Right to Buy) ⁽⁴⁾	\$ 25.8	⁽⁵⁾	05/02/2012	Common Stock	50,000
Employee Stock Option (Right to Buy) ⁽⁴⁾	\$ 28.28	⁽⁵⁾	05/14/2012	Common Stock	200,000
Employee Stock Option (Right to Buy) ⁽⁴⁾	\$ 14.8	⁽⁵⁾	07/25/2012	Common Stock	250,000
Employee Stock Option (Right to Buy) ⁽⁴⁾	\$ 15.4	⁽⁶⁾	07/23/2013	Common Stock	375,000
Employee Stock Option (Right to	\$ 15.16	⁽⁷⁾	07/29/2014	Common Stock	312,500

Buy) <u>(4)</u>					
Employee Stock Option	\$ 15.4	<u>(8)</u>	07/28/2015	Common Stock	225,000
(Right to Buy) <u>(4)</u>					
Employee Stock Option	\$ 19.8	<u>(9)</u>	04/27/2016	Common Stock	525,000
(Right to Buy) <u>(4)</u>					
Employee Stock Option	\$ 20.4	<u>(10)</u>	07/31/2017	Common Stock	500,000
(Right to Buy) <u>(4)</u>					

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCNEALY SCOTT G 4150 NETWORK CIRCLE SANTA CLARA, CA 95054	X			

Signatures

/s/ Scott G.
McNealy

11/13/2007

 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 12,500 shares of unvested restricted stock and 25,000 shares of unvested restricted stock units.
- (2) The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of these securities for the purposes of Section 16 or any other purpose.

These shares are held in a California Uniform Transfer to Minors Act account for the benefit of the reporting person's child. The reporting person's spouse is custodian of the account. The reporting person disclaims beneficial ownership of these securities, and the
- (3) filing of this report is not an admission that the reporting person is the beneficial owner of these securities for the purposes of Section 16 or any other purpose.
- (4) This option was granted under the Sun Microsystems, Inc. 1990 Long-Term Equity Incentive Plan.
- (5) Immediately.
- (6) The remainder of this option vests in one annual installment of 75,000 shares on the fifth anniversary of the date of grant.
- (7) The remainder of this option vests in two equal annual installments of 62,500 shares on each of the fourth and fifth anniversaries of the date of grant.

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- (8) The remainder of this option vests in three equal annual installments of 45,000 shares on each of the third, fourth and fifth anniversaries of the date of grant.
- (9) The remainder of this option vests in four equal annual installments of 105,000 shares on each of the second, third, fourth and fifth anniversaries of the date of grant.
- (10) This option vests and becomes exercisable in five equal annual installments of 100,000 shares beginning on July 31, 2008.
This transaction represents the purchase by Sun Microsystems, Inc. of a fractional share of Common Stock resulting from the company's
- (11) one-for-four reverse stock split effective November 12, 2007 at a purchase price of \$20.71 per share, which was the average closing price as reported on NASDAQ for the four trading days preceding the effective date.

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.