

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 *
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)
01/29/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify 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)
 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	20,133	D	
				(A) or (D)	Price		
					\$ 6.33		
					274,459 ⁽¹⁾	D	

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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) ⁽²⁾	\$ 3.7					⁽³⁾ 07/25/2010		Common Stock	50,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 4.2					⁽⁴⁾ 05/21/2011		Common Stock	33,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 4.208					⁽⁵⁾ 11/13/2011		Common Stock	26,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 3.9					⁽⁶⁾ 04/30/2014		Common Stock	350,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 3.79					⁽⁷⁾ 07/29/2014		Common Stock	100,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 3.85					⁽⁸⁾ 07/28/2015		Common Stock	300,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 4.26					⁽⁹⁾ 07/27/2016		Common Stock	400,000

