

Grantham Donald C  
 Form 4  
 March 05, 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 \*  
 Grantham Donald C

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)  
 03/02/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 EVP, Global Sales & Services

SANTA CLARA, CA 95054

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

(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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	03/02/2007		M		60,000 A \$ 3.85	320,137 <sup>(13)</sup>	D
Common Stock	03/02/2007		M		39,000 A \$ 4.2	359,137 <sup>(13)</sup>	D
Common Stock	03/02/2007		M		30,000 A \$ 4.208	389,137 <sup>(13)</sup>	D
Common Stock	03/02/2007		M		64,800 A \$ 3.7	453,937 <sup>(13)</sup>	D
Common Stock	03/02/2007		M		24,000 A \$ 3.94	477,937 <sup>(13)</sup>	D

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Common Stock	03/02/2007	M	60,000	A	\$ 4.12	537,937 <sup>(13)</sup>	D
Common Stock	03/02/2007	M	50,000	A	\$ 3.44	587,937 <sup>(13)</sup>	D
Common Stock	03/02/2007	S	433,187	D	\$ 6.06	154,750 <sup>(13)</sup>	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.**

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy) <sup>(1)</sup>	\$ 28.0782					<sup>(2)</sup>	11/10/2007	Common Stock	28,000
Employee Stock Option (Right to Buy) <sup>(1)</sup>	\$ 40					<sup>(2)</sup>	04/12/2008	Common Stock	14,000
Employee Stock Option (Right to Buy) <sup>(1)</sup>	\$ 50.9375					<sup>(2)</sup>	10/11/2008	Common Stock	30,000
Employee Stock Option (Right to Buy) <sup>(1)</sup>	\$ 18.58					<sup>(2)</sup>	04/18/2009	Common Stock	20,000
	\$ 16.25					<sup>(2)</sup>	06/13/2009		20,000

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Employee Stock Option (Right to Buy) <sup>(1)</sup>								Common Stock	
Employee Stock Option (Right to Buy) <sup>(1)</sup>	\$ 7.91				<sup>(2)</sup>	09/27/2009		Common Stock	15,000
Employee Stock Option (Right to Buy) <sup>(1)</sup>	\$ 12.59				<sup>(2)</sup>	11/07/2009		Common Stock	20,000
Employee Stock Option (Right to Buy) <sup>(1)</sup>	\$ 12.59				<sup>(2)</sup>	11/07/2009		Common Stock	20,000
Employee Stock Option (Right to Buy) <sup>(1)</sup>	\$ 9.14				<sup>(2)</sup>	03/19/2010		Common Stock	200
Employee Stock Option (Right to Buy) <sup>(1)</sup>	\$ 9.14				<sup>(2)</sup>	03/19/2010		Common Stock	20,000
Employee Stock Option (Right to Buy) <sup>(1)</sup>	\$ 9.14				<sup>(2)</sup>	03/19/2010		Common Stock	50,000
Employee Stock Option (Right to Buy) <sup>(1)</sup>	\$ 7.07				<sup>(2)</sup>	05/14/2010		Common Stock	50,000
Employee Stock Option (Right to Buy) <sup>(1)</sup>	\$ 3.7	03/02/2007	M	4,800	<sup>(3)</sup>	07/25/2010		Common Stock	6,000
	\$ 3.7	03/02/2007	M	60,000	<sup>(4)</sup>	07/25/2010			75,000

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Employee Stock Option (Right to Buy) <u>(1)</u>								Common Stock	
Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 4.2	03/02/2007	M	12,000	<u>(5)</u>	05/21/2011	Common Stock	20,000	
Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 4.2	03/02/2007	M	27,000	<u>(6)</u>	05/21/2011	Common Stock	45,000	
Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 4.208	03/02/2007	M	30,000	<u>(7)</u>	11/13/2011	Common Stock	50,000	
Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 3.94	03/02/2007	M	24,000	<u>(8)</u>	09/17/2012	Common Stock	60,000	
Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 4.12	03/02/2007	M	60,000	<u>(9)</u>	01/27/2013	Common Stock	150,000	
Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 3.44	03/02/2007	M	50,000	<u>(10)</u>	04/28/2013	Common Stock	250,000	
Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 3.85	03/02/2007	M	60,000	<u>(11)</u>	07/28/2013	Common Stock	300,000	
Employee Stock Option (Right to Buy) <u>(1)</u>	\$ 4.95				<u>(12)</u>	04/27/2016	Common Stock	500,000	

