

MCNEALY SCOTT G
Form 4
May 01, 2006

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 *
MCNEALY SCOTT G

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)
04/27/2006

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

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) Code V Amount (D) Price			
Common Stock					1,377,198 ⁽¹⁾	D	
Common Stock					293,080	I	By trust
Common Stock					55,936,480	I	By trust
Common Stock					402,800	I	By trust ⁽²⁾
Common Stock					5,551	I	see footnote ⁽³⁾ ⁽⁴⁾

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Common Stock	5,551	I	see footnote <u>(3)</u> <u>(4)</u>
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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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee Stock Option (Right to Buy) <u>(5)</u>	\$ 4.2422					<u>(6)</u>	06/11/2007	Common Stock	2,400
Employee Stock Option (Right to Buy) <u>(5)</u>	\$ 5.4532					<u>(6)</u>	06/17/2008	Common Stock	3,200
Employee Stock Option (Right to Buy) <u>(5)</u>	\$ 12.5313					<u>(6)</u>	04/20/2009	Common Stock	400
Employee Stock Option (Right to Buy) <u>(5)</u>	\$ 40					<u>(6)</u>	04/12/2010	Common Stock	1,000

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Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 18.58	<u>(6)</u>	04/18/2011	Common Stock	1,500
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 12.59	<u>(6)</u>	11/07/2011	Common Stock	1,250
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 12.59	<u>(6)</u>	11/07/2011	Common Stock	1,250
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 9.14	<u>(6)</u>	03/19/2012	Common Stock	200
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 6.45	<u>(6)</u>	05/02/2012	Common Stock	200
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 7.07	<u>(6)</u>	05/14/2012	Common Stock	800
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 3.7	<u>(7)</u>	07/25/2012	Common Stock	1,000
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 3.85	<u>(8)</u>	07/23/2013	Common Stock	1,500
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 3.79	<u>(9)</u>	07/29/2014	Common Stock	1,250
	\$ 3.85	<u>(10)</u>	07/28/2015		900

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(10) This option vests and becomes exercisable in five equal annual installments of 180,000 shares beginning on July 28, 2006.

(11) This option vests and becomes exercisable in five equal annual installments of 420,000 shares beginning on April 27, 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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