

SUN MICROSYSTEMS, INC.  
 Form 4  
 December 07, 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 \*  
 SCHWARTZ JONATHAN I

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)  
 4150 NETWORK CIRCLE  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 11/29/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 President 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V Amount (D) Price  |   |  |                                   |
| Common Stock                    | 11/29/2007                           |  | G <sup>(10)</sup>              | V 51,100 D \$ 0   | 449,038 <sup>(1)</sup>  | 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)

**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         |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title        | Amount or Number of Shares |
| Employee Stock Option <sup>(2)</sup>       | \$ 146.8752  |                                      |  |                                |   | <sup>(3)</sup>   | 12/15/2007  | Common Stock | 30,000                     |
| Employee Stock Option <sup>(2)</sup>       | \$ 160   |                                      |  |                                |   | <sup>(3)</sup>   | 04/12/2010  | Common Stock | 17,500                     |
| Employee Stock Option <sup>(2)</sup>       | \$ 180.1252  |                                      |  |                                |   | <sup>(3)</sup>   | 06/13/2010  | Common Stock | 7,500                      |
| Employee Stock Option <sup>(2)</sup>       | \$ 74.32   |                                      |  |                                |   | <sup>(3)</sup>   | 04/18/2011  | Common Stock | 50,000                     |
| Employee Stock Option <sup>(2)</sup>       | \$ 50.36   |                                      |  |                                |   | <sup>(3)</sup>   | 11/07/2011  | Common Stock | 18,750                     |
| Employee Stock Option <sup>(2)</sup>       | \$ 50.36   |                                      |  |                                |   | <sup>(3)</sup>   | 11/07/2011  | Common Stock | 18,750                     |
| Employee Stock Option <sup>(2)</sup>       | \$ 36.56   |                                      |  |                                |   | <sup>(3)</sup>   | 03/19/2012  | Common Stock | 50                         |
| Employee Stock Option <sup>(2)</sup>       | \$ 25.8  |                                      |  |                                |   | <sup>(3)</sup>   | 05/02/2012  | Common Stock | 50,000                     |
| Employee Stock Option <sup>(2)</sup>       | \$ 14.8  |                                      |  |                                |   | <sup>(3)</sup>   | 07/25/2012  | Common Stock | 75,000                     |
| Employee Stock Option <sup>(2)</sup>       | \$ 15.4  |                                      |  |                                |   | <sup>(4)</sup>   | 07/23/2013  | Common Stock | 125,000                    |
| Employee Stock Option <sup>(2)</sup>       | \$ 15.6  |                                      |  |                                |   | <sup>(5)</sup>   | 04/30/2014  | Common Stock | 250,000                    |

|   |          |            |            |                 |         |
|---|----------|------------|------------|-----------------|---------|
| Employee<br>Stock<br>Option<br>(Right to<br>Buy) <u>(2)</u> | \$ 15.16 | <u>(6)</u> | 07/29/2014 | Common<br>Stock | 200,000 |
| Employee<br>Stock<br>Option<br>(Right to<br>Buy) <u>(2)</u> | \$ 15.4  | <u>(7)</u> | 07/28/2015 | Common<br>Stock | 225,000 |
| Employee<br>Stock<br>Option<br>(Right to<br>Buy) <u>(2)</u> | \$ 19.8  | <u>(8)</u> | 04/27/2016 | Common<br>Stock | 500,000 |
| Employee<br>Stock<br>Option<br>(Right to<br>Buy) <u>(2)</u> | \$ 20.4  | <u>(9)</u> | 07/31/2017 | Common<br>Stock | 500,000 |

## Reporting Owners

| Reporting Owner Name / Address                                      | Relationships |           |                   |       |
|---|---------------|-----------|-------------------|-------|
|   | Director      | 10% Owner | Officer           | Other |
| SCHWARTZ JONATHAN I<br>4150 NETWORK CIRCLE<br>SANTA CLARA, CA 95054 | X             |           | President and CEO |       |

## Signatures

/s/ Jonathan I.  
Schwartz

12/07/2007

  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) Includes 12,500 shares of unvested restricted stock.
- (2) This option was granted under the Sun Microsystems, Inc. 1990 Long-Term Equity Incentive Plan.
- (3) Immediately.
- (4) The remainder of this option vests in one annual installment of 25,000 shares on the fifth anniversary of the date of grant.
- (5) The remainder of this option vests in two equal annual installments of 50,000 shares on each of the fourth and fifth anniversaries of the date of grant.
- (6) The remainder of this option vests in two equal annual installments of 40,000 shares on each of the fourth and fifth anniversaries of the date of grant.

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- (7) 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.
- (8) The remainder of this option vests in four equal annual installments of 100,000 shares on each of the second, third, fourth and fifth anniversaries of the date of grant.
- (9) This option vests and becomes exercisable in five equal annual installments of 100,000 shares beginning on July 31, 2008.
- (10) This transaction represents a bona fide gift.

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