

YEN DAVID W  
Form 4  
November 01, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
YEN DAVID W

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)  
10/31/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
EVP, Storage Group

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)	Price		
Common Stock	10/31/2006		F	7,150	\$ 5.43	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)**

Edgar Filing: YEN DAVID W - Form 4

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. Derivative 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>(2)</sup>	\$ 14.6094					<sup>(3)</sup>	06/16/2007	Common Stock	32,000
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 36.7188					<sup>(3)</sup>	12/15/2007	Common Stock	100,000
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 40					<sup>(3)</sup>	04/12/2008	Common Stock	26,000
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 57.6875					<sup>(3)</sup>	08/16/2008	Common Stock	30,000
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 31.75					<sup>(3)</sup>	12/13/2008	Common Stock	250,000
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 16.25					<sup>(3)</sup>	06/13/2009	Common Stock	20,000
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 16.25					<sup>(3)</sup>	06/13/2009	Common Stock	250,000

Edgar Filing: YEN DAVID W - Form 4

Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 7.91	<u>(3)</u>	09/27/2009	Common Stock	20,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 12.59	<u>(3)</u>	11/07/2009	Common Stock	50,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 12.59	<u>(3)</u>	11/07/2009	Common Stock	50,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 9.14	<u>(3)</u>	03/19/2010	Common Stock	200
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 9.14	<u>(3)</u>	03/19/2010	Common Stock	20,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 6.45	<u>(3)</u>	05/02/2012	Common Stock	200,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.7	<u>(4)</u>	07/25/2012	Common Stock	300,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.85	<u>(5)</u>	07/23/2013	Common Stock	500,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.79	<u>(6)</u>	07/29/2012	Common Stock	400,000
	\$ 4.12	<u>(7)</u>	01/27/2013		200,000

Employee Stock Option (Right to Buy) <u>(2)</u>				Common Stock	
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.85	<u>(8)</u>	07/28/2013	Common Stock	300,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 4.26	<u>(9)</u>	07/27/2014	Common Stock	500,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
YEN DAVID W 4150 NETWORK CIRCLE SANTA CLARA, CA 95054			EVP, Storage Group	

## Signatures

/s/ David W.  
Yen

11/01/2006

    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 143,750 shares of unvested restricted stock.
- (2) This option was granted under the Sun Microsystems, Inc. 1990 Long-Term Equity Incentive Plan.
- (3) Immediately.
- (4) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 25, 2003.
- (5) This option vests and becomes exercisable in five equal annual installments of 100,000 shares beginning on July 23, 2004.
- (6) This option vests and becomes exercisable in five equal annual installments of 80,000 shares beginning on July 29, 2005.
- (7) This option vests and becomes exercisable in five equal annual installments of 40,000 shares beginning on January 27, 2006.
- (8) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 28, 2006.
- (9) This option vests and becomes exercisable in five equal annual installments of 100,000 shares beginning on July 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. 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.