

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 \*  
 MCCABE EUGENE 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)  
 01/29/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 EVP, World Wide Operations

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)
				(A) or (D)	Price		
Common Stock	01/29/2007		F	21,520	\$ 6.33	D	
Common Stock	01/30/2007		S	36,480	\$ 6.42	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)

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**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)	8. Fair Value of Derivative Security (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>	\$ 40					<sup>(3)</sup> 04/12/2008	Common Stock	26,000	
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 50.9375					<sup>(3)</sup> 10/11/2008	Common Stock	40,000	
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 18.58					<sup>(3)</sup> 04/18/2009	Common Stock	18,000	
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 16.25					<sup>(3)</sup> 06/13/2009	Common Stock	102,000	
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 7.91					<sup>(3)</sup> 09/27/2009	Common Stock	18,000	
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 12.59					<sup>(3)</sup> 11/07/2009	Common Stock	25,000	
Employee Stock	\$ 12.59					<sup>(3)</sup> 11/07/2009	Common Stock	25,000	

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Option (Right to Buy) <sup>(2)</sup>						
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 9.14	<sup>(3)</sup>	03/19/2010	Common Stock	200	
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 9.14	<sup>(3)</sup>	03/19/2010	Common Stock	18,000	
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 7.07	<sup>(3)</sup>	05/14/2010	Common Stock	20,000	
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 3.7	<sup>(4)</sup>	07/25/2010	Common Stock	70,000	
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 3.9	<sup>(5)</sup>	01/14/2013	Common Stock	100,000	
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 3.85	<sup>(6)</sup>	07/23/2013	Common Stock	360,000	
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 3.79	<sup>(7)</sup>	07/29/2012	Common Stock	250,000	
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 3.44	<sup>(8)</sup>	04/28/2013	Common Stock	250,000	
Employee Stock Option	\$ 3.85	<sup>(9)</sup>	07/28/2013	Common Stock	300,000	

