

SUN MICROSYSTEMS, INC.
 Form 4
 August 01, 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 *
DILLON MICHAEL A

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)
07/28/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Executive Vice President

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 Indirect Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	07/28/2007		F ⁽¹¹⁾		2,949	D	\$ 4.93
Common Stock	07/31/2007		M ⁽¹²⁾		37,500	A	\$ 5.1
Common Stock	07/31/2007		F ⁽¹³⁾		13,405	D	\$ 5.1

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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number.

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 Number Shares
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 3.7					<u>(3)</u> 07/25/2010	Common Stock 50,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 4.2					<u>(4)</u> 05/21/2011	Common Stock 33,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 4.208					<u>(5)</u> 11/13/2011	Common Stock 26,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 3.9					<u>(6)</u> 04/30/2014	Common Stock 350,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 3.79					<u>(7)</u> 07/29/2014	Common Stock 100,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 3.85					<u>(8)</u> 07/28/2015	Common Stock 300,000
Employee Stock Option (Right to	\$ 4.26					<u>(9)</u> 07/27/2016	Common Stock 400,000

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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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