

SUN MICROSYSTEMS, INC.

Form 4

January 31, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(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)
01/29/2007

____ Director ____ 10% Owner
____X____ 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)
____X____ 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 Beneficial Ownership (Instr. 4)
Common Stock	01/29/2007		F	20,133	D	\$ 6.33	274,459 ⁽¹⁾ D

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

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information contained in this form are not
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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 Der Sec (Ins	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.7							<u>(3)</u>	07/25/2010	Common Stock	50,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 4.2							<u>(4)</u>	05/21/2011	Common Stock	33,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 4.208							<u>(5)</u>	11/13/2011	Common Stock	26,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.9							<u>(6)</u>	04/30/2014	Common Stock	350,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.79							<u>(7)</u>	07/29/2014	Common Stock	100,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.85							<u>(8)</u>	07/28/2015	Common Stock	300,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 4.26							<u>(9)</u>	07/27/2016	Common Stock	400,000

Signatures

Explanation of Responses:

- 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.