

Grantham Donald C  
Form 3  
May 01, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â Grantham Donald C		(Month/Day/Year)	SUN MICROSYSTEMS, INC. [SUNW]	
(Last)	(First)	04/27/2006		
4150 NETWORK CIRCLE			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)				
SANTA CLARA,Â CAÂ 95054			(Check all applicable)	
(City)	(State)	(Zip)	<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below)    (specify below) EVP, Global Sales & Services	
			6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	222,254	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable    Expiration Date	Title    Amount or Number of			

## Edgar Filing: Grantham Donald C - Form 3

				Shares		(I) (Instr. 5)	
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(2)</sup>	11/10/2007	Common Stock	28,000	\$ 28.0782	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(2)</sup>	04/12/2008	Common Stock	14,000	\$ 40	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(2)</sup>	10/11/2008	Common Stock	30,000	\$ 50.9375	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(2)</sup>	04/18/2009	Common Stock	20,000	\$ 18.58	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(2)</sup>	06/13/2009	Common Stock	20,000	\$ 16.25	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(2)</sup>	09/27/2009	Common Stock	15,000	\$ 7.91	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(2)</sup>	11/07/2009	Common Stock	20,000	\$ 12.59	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(2)</sup>	11/07/2009	Common Stock	20,000	\$ 12.59	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(2)</sup>	03/19/2010	Common Stock	200	\$ 9.14	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(2)</sup>	03/19/2010	Common Stock	20,000	\$ 9.14	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(2)</sup>	03/19/2010	Common Stock	50,000	\$ 9.14	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(2)</sup>	05/14/2010	Common Stock	50,000	\$ 7.07	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(3)</sup>	07/25/2010	Common Stock	6,000	\$ 3.7	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(4)</sup>	07/25/2010	Common Stock	75,000	\$ 3.7	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(5)</sup>	05/21/2011	Common Stock	20,000	\$ 4.2	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(6)</sup>	05/21/2011	Common Stock	45,000	\$ 4.2	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(7)</sup>	11/13/2011	Common Stock	50,000	\$ 4.208	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(8)</sup>	09/17/2012	Common Stock	60,000	\$ 3.94	D	Â
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(9)</sup>	01/27/2013	Common Stock	150,000	\$ 4.12	D	Â
	Â <sup>(10)</sup>	04/28/2013		250,000	\$ 3.44	D	Â

Employee Stock Option (Right to Buy) <sup>(1)</sup>			Common Stock				
Employee Stock Option (Right to Buy) <sup>(1)</sup>	Â <sup>(11)</sup>	07/28/2013	Common Stock	300,000	\$ 3.85	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Grantham Donald C 4150 NETWORK CIRCLE SANTA CLARA, CA 95054	Â	Â	Â EVP, Global Sales & Services	Â

## Signatures

/s/ Donald C.  
Grantham

05/01/2006

<sup>\*\*</sup>Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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 option was granted under the Sun Microsystems, Inc. 1990 Long-Term Equity Incentive Plan.
- (2) Immediately.
- (3) A total of 3,600 shares are fully vested and exercisable with the remaining 2,400 shares becoming exercisable as follows: (i) 1,200 shares on July 25, 2006 and (ii) 1,200 shares on July 25, 2007.
- (4) A total of 45,000 shares are fully vested and exercisable with the remaining 30,000 shares becoming exercisable as follows: (i) 15,000 shares on July 25, 2006 and (ii) 15,000 shares on July 25, 2007.
- (5) A total of 8,000 shares are fully vested and exercisable with the remaining 12,000 shares becoming exercisable as follows: (i) 4,000 shares on May 21, 2006; (ii) 4,000 shares on May 21, 2007; and (iii) 4,000 shares on May 21, 2008.
- (6) A total of 18,000 shares are fully vested and exercisable with the remaining 27,000 shares becoming exercisable as follows: (i) 9,000 shares on May 21, 2006; (ii) 9,000 shares on May 21, 2007; and (iii) 9,000 shares on May 21, 2008.
- (7) A total of 20,000 shares are fully vested and exercisable with the remaining 30,000 shares becoming exercisable as follows: (i) 10,000 shares on November 13, 2006; (ii) 10,000 shares on November 13, 2007; and (iii) 10,000 shares on November 13, 2008.
- (8) A total of 12,000 shares are fully vested and exercisable with the remaining 48,000 shares becoming exercisable as follows: (i) 12,000 shares on September 17, 2006; (ii) 12,000 shares on September 17, 2007; (iii) 12,000 shares on September 17, 2008; and (iv) 12,000 shares on September 17, 2009.
- (9) A total of 30,000 shares are fully vested and exercisable with the remaining 120,000 shares becoming exercisable as follows: (i) 30,000 shares on January 27, 2007; (ii) 30,000 shares on January 27, 2008; (iii) 30,000 shares on January 27, 2009; and (iv) 30,000 shares on January 27, 2010.
- (10) A total of 50,000 shares are fully vested and exercisable with the remaining 200,000 shares becoming exercisable as follows: (i) 50,000 shares on April 28, 2007; (ii) 50,000 shares on April 28, 2008; (iii) 50,000 shares on April 28, 2009; and (iv) 50,000 shares on April 28, 2010.
- (11) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 28, 2006.

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.