

SUN MICROSYSTEMS, INC.  
 Form 4  
 November 27, 2006

**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)  
 11/24/2006

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

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	11/24/2006		S	V	4,692	D	\$ 5.55	82,750 <sup>(1)</sup>	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)**

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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. 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>	\$ 28.0782					<sup>(3)</sup>	11/10/2007	Common Stock	240,000
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>	\$ 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

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Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 12.59	<u>(3)</u>	11/07/2009	Common Stock	25,000
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	18,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 7.07	<u>(3)</u>	05/14/2010	Common Stock	20,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.7	<u>(4)</u>	07/25/2010	Common Stock	70,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.9	<u>(5)</u>	01/14/2013	Common Stock	100,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.85	<u>(6)</u>	07/23/2013	Common Stock	360,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.79	<u>(7)</u>	07/29/2012	Common Stock	250,000
Employee Stock Option (Right to Buy) <u>(2)</u>	\$ 3.44	<u>(8)</u>	04/28/2013	Common Stock	250,000
	\$ 3.85	<u>(9)</u>	07/28/2013		300,000

