

MCNEALY SCOTT G
Form 4
July 30, 2009

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 *
MCNEALY SCOTT G

2. Issuer Name and Ticker or Trading Symbol
SUN MICROSYSTEMS, INC.
[JAVA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
07/28/2009

Director 10% Owner
 Officer (give title below) Other (specify below)

4150 NETWORK CIRCLE

(Street)

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

SANTA CLARA, CA 95054

(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 Indirect Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	07/28/2009		G	V 1,350,000 D \$ 0	73,270	I	Shares held by trust. ⁽²⁾
Common Stock	07/28/2009		G	V 1,350,000 A \$ 0	1,350,000	I	Shares held by GRAT. ⁽¹⁾
Common Stock	07/28/2009		S ⁽⁸⁾	6,250 D \$ 9.2292	310,197 ⁽⁹⁾	D	
Common Stock					11,262,816 ⁽⁶⁾	I	Shares held by

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Common Stock					100,700	I	trust. ⁽²⁾ Shares held by trust. ⁽²⁾
Common Stock					1,887	I	See footnote. ⁽³⁾
Common Stock					1,887	I	See footnote. ⁽³⁾
Common Stock					1,887	I	See footnote. ⁽³⁾
Common Stock					1,887	I	See footnote. ⁽³⁾
Common Stock					525	I	See footnote. ⁽⁵⁾
Common Stock					525	I	See footnote. ⁽⁵⁾
Common Stock					525	I	See footnote. ⁽⁵⁾
Common Stock					525	I	See footnote. ⁽⁵⁾
Common Stock					1,350,000	I	Shares held by GRAT. ⁽⁷⁾

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)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative	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)
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Derivative Security		Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
		Code	V (A) (D)				
Employee Stock Option (Right to Buy)	\$ 160			(4)	04/12/2010	Common Stock	250,000
Employee Stock Option (Right to Buy)	\$ 74.32			(4)	04/18/2011	Common Stock	375,000
Employee Stock Option (Right to Buy)	\$ 50.36			(4)	11/07/2011	Common Stock	312,500
Employee Stock Option (Right to Buy)	\$ 50.36			(4)	11/07/2011	Common Stock	312,500
Employee Stock Option (Right to Buy)	\$ 36.56			(4)	03/19/2012	Common Stock	50
Employee Stock Option (Right to Buy)	\$ 25.8			(4)	05/02/2012	Common Stock	50,000
Employee Stock Option (Right to Buy)	\$ 28.28			(4)	05/14/2012	Common Stock	200,000
Employee Stock Option	\$ 14.8			(4)	07/25/2012	Common Stock	250,000

(Right to Buy)					
Employee Stock Option (Right to Buy)	\$ 15.4	(4)	07/23/2013	Common Stock	375,000
Employee Stock Option (Right to Buy)	\$ 15.16	(4)	07/29/2014	Common Stock	312,500
Employee Stock Option (Right to Buy)	\$ 15.4	(4)	07/28/2015	Common Stock	225,000
Employee Stock Option (Right to Buy)	\$ 19.8	(4)	04/27/2016	Common Stock	525,000
Employee Stock Option (Right to Buy)	\$ 20.4	(4)	07/31/2017	Common Stock	500,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCNEALY SCOTT G 4150 NETWORK CIRCLE SANTA CLARA, CA 95054		X		

Signatures

/s/ Scott G.
McNealy

07/28/2009

**Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(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)

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These shares are held in a grantor retained annuity trust. The reporting person's spouse is the trustee of this trust. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of these securities for the purposes of Section 16 or any other purpose.

- (2) The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of these securities for the purposes of Section 16 or any other purpose.

These shares are held in a California Uniform Transfer to Minors Act account for the benefit of the reporting person's child. The reporting person's spouse is custodian of the account. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of these securities for the purposes of Section 16 or any other purpose.

- (3) This option vests and becomes exercisable in five equal annual installments beginning on the first anniversary of the date of grant.

These shares are held in a trust for the benefit of the reporting person's child. The reporting person and the reporting person's spouse are co-trustees of the trust. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of these securities for the purposes of Section 16 or any other purpose.

- (5) Since the reporting person's last report, an aggregate of 2,700,000 shares previously owned indirectly have been contributed to a family trust and a grantor retained annuity trust.

These shares are held in a grantor retained annuity trust. The reporting person is the trustee of this trust. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of these securities for the purposes of Section 16 or any other purpose.

- (6) These sales were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on August 7, 2006. The sales prices for these transactions ranged from \$9.22 to \$9.24. The issuer will provide full information regarding the number of shares sold at each separate price upon request by the Commission staff.

- (7) This includes (i) 277,425 shares of unvested restricted stock units and (ii) 2,777 shares acquired under the issuer's employee stock purchase plan on May 15, 2009.

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.