

LEHMAN MICHAEL E
Form 4
November 12, 2004

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 *
LEHMAN MICHAEL E

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)

3. Date of Earliest Transaction
(Month/Day/Year)
11/10/2004

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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common stock					214,484	D	

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

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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. Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Director Stock Option (Right to Buy) ⁽¹⁾	\$ 3.4					<u>(2)</u>	11/07/2007	Common Stock	20,000
Director Stock Option (Right to Buy) ⁽¹⁾	\$ 4.208					<u>(3)</u>	11/13/2008	Common Stock	10,000
Director Stock Option (Right to Buy) ⁽¹⁾	\$ 4.6	11/10/2004		A	10,000	<u>(4)</u>	11/10/2009	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LEHMAN MICHAEL E 4150 NETWORK CIRCLE SANTA CLARA, CA 95054	X			

Signatures

/s/ Michael E.
 Lehman 11/10/2004

**Signature of Date
 Reporting Person

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) Option granted under Sun Microsystems, Inc. 1988 Director's Stock Option Plan.
- (2) A total of 10,000 shares are fully vested and exercisable with the remaining 10,000 shares becoming exercisable in two equal annual installments of 5,000 shares on October 26, 2005 and November 2, 2006.

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- (3) A total of 2,500 shares are fully vested and exercisable with the remaining shares becoming exercisable in three equal annual installments of 2,500 shares on October 26, 2005, November 2, 2006 and the earlier of November 13, 2007 or the date of the 2007 annual shareholders meeting.

- (4) Shares vest and become exercisable in four equal annual installments of 2,500 shares as follows: first anniversary- October 26, 2005; second anniversary- November 2, 2006; third anniversary will be the earlier of November 10, 2007 or the date of the 2007 annual shareholders meeting; and fourth anniversary will be the earlier of November 10, 2008 or the date of the 2008 annual shareholders meeting.

- (5) The price of the derivative security will be determined at a future date.

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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