

SUN MICROSYSTEMS, INC.
 Form 3
 September 15, 2006

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

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 * M C C A B E E U G E N E G (Last) (First) (Middle) 4150 NETWORK CIRCLE (Street) S A N T A C L A R A , C A 95054 (City) (State) (Zip) | 2. Date of Event Requiring Statement (Month/Day/Year) 09/05/2006 | 3. Issuer Name and Ticker or Trading Symbol SUN MICROSYSTEMS, INC. [SUNW] | 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) EVP, World Wide Operations | 5. If Amendment, Date Original Filed(Month/Day/Year) | 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 | 87,442 ⁽¹⁾ | D | ^ |

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

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.

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: SUN MICROSYSTEMS, INC. - Form 3

| | | | | Shares | | (I) (Instr. 5) | |
|-------------------------------------------------------|---------------------------|------------|-----------------|---------|------------|-------------------|---|
| Employee Stock Option (Right to Buy) <u>(2)</u> | 11/10/2000 ⁽³⁾ | 11/10/2007 | Common Stock | 240,000 | \$ 28.0782 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 04/12/2001 ⁽³⁾ | 04/12/2008 | Common Stock | 26,000 | \$ 40 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 10/11/2001 ⁽³⁾ | 10/11/2008 | Common Stock | 40,000 | \$ 50.9375 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 04/18/2002 ⁽³⁾ | 04/18/2009 | Common Stock | 18,000 | \$ 18.58 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 06/13/2002 ⁽³⁾ | 06/13/2009 | Common Stock | 102,000 | \$ 16.25 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 09/27/2002 ⁽³⁾ | 09/27/2009 | Common Stock | 18,000 | \$ 7.91 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 11/07/2002 ⁽³⁾ | 11/07/2009 | Common Stock | 25,000 | \$ 12.59 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 11/07/2002 ⁽³⁾ | 11/07/2009 | Common Stock | 25,000 | \$ 12.59 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 03/19/2003 ⁽³⁾ | 03/19/2010 | Common Stock | 200 | \$ 9.14 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 03/19/2003 ⁽³⁾ | 03/19/2010 | Common Stock | 18,000 | \$ 9.14 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 05/14/2003 ⁽³⁾ | 05/14/2010 | Common Stock | 20,000 | \$ 7.07 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 07/25/2003 ⁽⁴⁾ | 07/25/2010 | Common Stock | 70,000 | \$ 3.7 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 01/14/2004 ⁽⁵⁾ | 01/14/2013 | Common Stock | 100,000 | \$ 3.9 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 07/23/2004 ⁽⁶⁾ | 07/23/2013 | Common Stock | 360,000 | \$ 3.85 | D | Â |

| | | | | | | | |
|------------------------------------------------|----------------------------|------------|-----------------|---------|---------|---|---|
| Employee Stock Option (Right to Buy) (2) | 07/29/2005 ⁽⁷⁾ | 07/29/2012 | Common Stock | 250,000 | \$ 3.79 | D | Â |
| Employee Stock Option (Right to Buy) (2) | 04/28/2006 ⁽⁸⁾ | 04/28/2013 | Common Stock | 250,000 | \$ 3.44 | D | Â |
| Employee Stock Option (Right to Buy) (2) | 07/28/2006 ⁽⁹⁾ | 07/28/2013 | Common Stock | 300,000 | \$ 3.85 | D | Â |
| Employee Stock Option (Right to Buy) (2) | 07/27/2007 ⁽¹⁰⁾ | 07/27/2014 | Common Stock | 400,000 | \$ 4.26 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|-----------------------------------------------------------------|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MCCABE EUGENE G 4150 NETWORK CIRCLE SANTA CLARA, CA 95054 | Â | Â | Â EVP, World Wide Operations | Â |

Signatures

/s/ Eugene G. McCabe 09/15/2006

**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 includes 82,750 shares of unvested restricted stock.
- (2) This option was granted under the Sun Microsystems, Inc. 1990 Long-Term Equity Incentive Plan.
- (3) Immediately.
- (4) This option vests and becomes exercisable in five equal annual installments of 14,000 shares beginning on July 25, 2003.
- (5) This option vests and becomes exercisable in five equal annual installments of 20,000 shares beginning on January 14, 2004.
- (6) This option vests and becomes exercisable in five equal annual installments of 72,000 shares beginning on July 23, 2004.
- (7) This option vests and becomes exercisable in five equal annual installments of 50,000 shares beginning on July 29, 2005.
- (8) This option vests and becomes exercisable in five equal annual installments of 50,000 shares beginning on April 28, 2006.
- (9) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 28, 2006.
- (10) This option vests and becomes exercisable in five equal annual installments of 80,000 shares beginning on July 27, 2007.

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.