

OSHMANN M KENNETH
 Form 4
 October 30, 2007

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 *
 OSHMAN M KENNETH

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)
 10/26/2007

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 10/26/2007 | | M | | 10,000 | A | \$ 3.4 |
| | | | | | 2,333,200 | D | |

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

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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 |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Director Stock Option (Right to Buy) ⁽¹⁾ | \$ 3.4 | 10/26/2007 | | M | 10,000 | ⁽²⁾ 11/07/2007 | Common Stock | 10,000 |
| Director Stock Option (Right to Buy) ⁽¹⁾ | \$ 4.208 | | | | | ⁽³⁾ 11/13/2008 | Common Stock | 10,000 |
| Director Stock Option (Right to Buy) ⁽¹⁾ | \$ 4.6 | | | | | ⁽⁴⁾ 11/10/2009 | Common Stock | 10,000 |
| Director Stock Option (Right to Buy) ⁽¹⁾ | \$ 3.9 | | | | | ⁽⁵⁾ 10/27/2010 | Common Stock | 10,000 |
| Director Stock Option (Right to Buy) ⁽¹⁾ | \$ 5.33 | | | | | ⁽⁶⁾ 11/02/2011 | Common Stock | 10,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| OSHMANN M KENNETH 4150 NETWORK CIRCLE SANTA CLARA, CA 95054 | X | | | |

Signatures

/s/ M. Kenneth
Oshman

10/29/2007

__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) This option was granted under Sun Microsystems, Inc. 1988 Directors' Stock Option Plan.

(2) This option vests in four equal annual installments of 2,500 shares beginning on November 7, 2003 or the date of Sun's 2003 Annual Meeting of Stockholders, whichever is earlier.

(3) This option vests in four equal annual installments of 2,500 shares beginning on November 13, 2004 or the date of Sun's 2004 Annual Meeting of Stockholders, whichever is earlier.

(4) This option vests in four equal annual installments of 2,500 shares beginning on November 10, 2005 or the date of Sun's 2005 Annual Meeting of Stockholders, whichever is earlier.

(5) This option vests in four equal annual installments of 2,500 shares beginning on October 27, 2006 or the date of Sun's 2006 Annual Meeting of Stockholders, whichever is earlier.

(6) This option vests in four equal annual installments of 2,500 shares beginning on November 2, 2007 or the date of Sun's 2007 Annual Meeting of Stockholders, whichever is earlier.

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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