SUN MICROSYSTEMS, INC.

Form 3

September 15, 2006

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

OMB APPROVAL

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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

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF

SECURITIES

30(h) of the Investment Company Act of 1940

30(ii) of the investment Company

(Print or Type Responses)

1. Name and Address of Reporting 2. Date of Event Requiring 3. Issuer Name and Ticker or Trading Symbol Person * Statement SUN MICROSYSTEMS, INC. [SUNW] YEN DAVID W (Month/Day/Year) 09/05/2006 (Last) (First) (Middle) 4. Relationship of Reporting 5. If Amendment, Date Original Person(s) to Issuer Filed(Month/Day/Year) 4150 NETWORK CIRCLE (Check all applicable) (Street) 6. Individual or Joint/Group Filing(Check Applicable Line) 10% Owner Director _X_ Form filed by One Reporting _X__ Officer Other Person SANTA CLARA, Â CAÂ 95054 (give title below) (specify below) Form filed by More than One EVP, Storage Group Reporting Person (City) (State) (Zip) Table I - Non-Derivative Securities Beneficially Owned 2. Amount of Securities 4. Nature of Indirect Beneficial 1. Title of Security Beneficially Owned Ownership Ownership (Instr. 4) (Instr. 4) Form: (Instr. 5) Direct (D) or Indirect (I) (Instr. 5) D Â Common Stock 446,360 (1) Reminder: Report on a separate line for each class of securities beneficially SEC 1473 (7-02) owned directly or indirectly.

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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 Amou Securities Underly Derivative Securit	ring Conversion		6. Nature of Indirect Beneficial Ownership
	(Instr. 4)		Price of	Derivative	(Instr. 5)
	Date Exercisable Expiration Date	Title An	Derivative	Security:	
			Security	Direct (D)	
		N	mber of	or Indirect	

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				Shares		(I) (Instr. 5)	
Employee Stock Option (Right to Buy)	06/16/2000(3)	06/16/2007	Common Stock	32,000	\$ 14.6094	D	Â
Employee Stock Option (Right to Buy)	12/15/2000(3)	12/15/2007	Common Stock	100,000	\$ 36.7188	D	Â
Employee Stock Option (Right to Buy)	04/12/2001(3)	04/12/2008	Common Stock	26,000	\$ 40	D	Â
Employee Stock Option (Right to Buy)	08/16/2001(3)	08/16/2008	Common Stock	30,000	\$ 57.6875	D	Â
Employee Stock Option (Right to Buy)	12/13/2001(3)	12/13/2008	Common Stock	250,000	\$ 31.75	D	Â
Employee Stock Option (Right to Buy)	06/13/2002(3)	06/13/2009	Common Stock	20,000	\$ 16.25	D	Â
Employee Stock Option (Right to Buy)	06/13/2002(3)	06/13/2009	Common Stock	250,000	\$ 16.25	D	Â
Employee Stock Option (Right to Buy)	09/27/2002(3)	09/27/2009	Common Stock	20,000	\$ 7.91	D	Â
Employee Stock Option (Right to Buy)	11/07/2002(3)	11/07/2009	Common Stock	50,000	\$ 12.59	D	Â
Employee Stock Option (Right to Buy)	11/07/2002(3)	11/07/2009	Common Stock	50,000	\$ 12.59	D	Â
Employee Stock Option (Right to Buy)	03/19/2003(3)	03/19/2010	Common Stock	200	\$ 9.14	D	Â
Employee Stock Option (Right to Buy)	03/19/2003(3)	03/19/2010	Common Stock	20,000	\$ 9.14	D	Â
Employee Stock Option (Right to Buy)	05/02/2003(3)	05/02/2012	Common Stock	200,000	\$ 6.45	D	Â
Employee Stock Option (Right to Buy)	07/25/2003(4)	07/25/2012	Common Stock	300,000	\$ 3.7	D	Â

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Employee Stock Option (Right to Buy)	07/23/2004(5)	07/23/2013	Common Stock	500,000	\$ 3.85	D	Â
Employee Stock Option (Right to Buy)	07/29/2005(6)	07/29/2012	Common Stock	400,000	\$ 3.79	D	Â
Employee Stock Option (Right to Buy)	01/27/2006(7)	01/27/2013	Common Stock	200,000	\$ 4.12	D	Â
Employee Stock Option (Right to Buy)	07/28/2006(8)	07/28/2013	Common Stock	300,000	\$ 3.85	D	Â
Employee Stock Option (Right to Buy)	07/27/2007(9)	07/27/2014	Common Stock	500,000	\$ 4.26	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships					
Treporting of their reality reality	Director	10% Owner	Officer	Othe		
YEN DAVID W 4150 NETWORK CIRCLE SANTA CLARA, CA 95054	Â	Â	EVP, Storage Group	Â		

Signatures

/s/ David W.
Yen

_**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 163,750 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 60,000 shares beginning on July 25, 2003.
- (5) This option vests and becomes exercisable in five equal annual installments of 100,000 shares beginning on July 23, 2004.
- (6) This option vests and becomes exercisable in five equal annual installments of 80,000 shares beginning on July 29, 2005.
- (7) This option vests and becomes exercisable in five equal annual installments of 40,000 shares beginning on January 27, 2006.
- (8) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 28, 2006.
- (9) This option vests and becomes exercisable in five equal annual installments of 100,000 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.

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