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

(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] Gadre Anil P (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 & Chief Marketing Officer** 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 277,964 (1) Reminder: Report on a separate line for each class of securities beneficially SEC 1473 (7-02) owned directly or indirectly. Persons who respond to the collection of information contained in this form are not

 $Table\ II\ -\ Derivative\ Securities\ Beneficially\ Owned\ (\textit{e.g.},\ puts,\ calls,\ warrants,\ options,\ convertible\ securities)$

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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		4. Conversion or Exercise	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership	
		(Instr. 4)		Price of	Derivative	(Instr. 5)		
	Date Exercisable Exp	•	Title	Amount or Number of	Derivative Security	Security: Direct (D) or Indirect		

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				Shares		(I) (Instr. 5)	
Employee Stock Option (Right to Buy)	06/19/2000(3)	06/16/2007	Common Stock	80,000	\$ 14.6094	D	Â
Employee Stock Option (Right to Buy)	08/11/2000(3)	08/11/2007	Common Stock	60,000	\$ 17	D	Â
Employee Stock Option (Right to Buy)	11/10/2000(3)	11/10/2007	Common Stock	20,000	\$ 28.0782	D	Â
Employee Stock Option (Right to Buy)	04/12/2001(3)	04/12/2008	Common Stock	40,000	\$ 40	D	Â
Employee Stock Option (Right to Buy)	04/18/2002(3)	04/18/2009	Common Stock	25,000	\$ 18.58	D	Â
Employee Stock Option (Right to Buy)	06/13/2002(3)	06/13/2009	Common Stock	10,000	\$ 16.25	D	Â
Employee Stock Option (Right to Buy)	09/27/2002(3)	09/27/2009	Common Stock	22,500	\$ 7.91	D	Â
Employee Stock Option (Right to Buy)	11/07/2002(3)	11/07/2009	Common Stock	30,000	\$ 12.59	D	Â
Employee Stock Option (Right to Buy)	11/07/2002(3)	11/07/2009	Common Stock	30,000	\$ 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	22,500	\$ 9.14	D	Â
Employee Stock Option (Right to Buy)	05/14/2003(3)	05/14/2010	Common Stock	19,600	\$ 7.07	D	Â
Employee Stock Option (Right to Buy)	07/25/2003(4)	07/25/2010	Common Stock	60,000	\$ 3.7	D	Â
Employee Stock Option (Right to Buy)	05/21/2004(5)	05/21/2011	Common Stock	35,000	\$ 4.2	D	Â

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Employee Stock Option (Right to Buy)	11/13/2004(6)	11/13/2011	Common Stock	100,000	\$ 4.208	D	Â
Employee Stock Option (Right to Buy)	07/29/2005(7)	07/29/2012	Common Stock	300,000	\$ 3.79	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	400,000	\$ 4.26	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
Gadre Anil P 4150 NETWORK CIRCLE SANTA CLARA, CA 95054	Â	Â	EVP & Chief Marketing Officer	Â		

Signatures

/s/ Anil P. Gadre 09/15/2006

**Signature of Pate 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 78,750 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 12,000 shares beginning on July 25, 2003.
- (5) This option vests and becomes exercisable in five equal annual installments of 7,000 shares beginning on May 21, 2004.
- (6) This option vests and becomes exercisable in five equal annual installments of 20,000 shares beginning on November 13, 2004.
- (7) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 29, 2005.
- (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 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.

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