

ARNOLD THOMAS G
Form 4
September 02, 2005

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
ARNOLD THOMAS G

2. Issuer Name and Ticker or Trading Symbol
STORAGE TECHNOLOGY CORP
[STK]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

ONE STORAGETEK DRIVE

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
08/31/2005

____ Director
 Officer (give title below) _____ 10% Owner
_____ Other (specify below)
VP and Corporate Controller

LOUISVILLE, CO 80028

(City) (State) (Zip)

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

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) Price			
Common Stock	08/31/2005		D	V Amount (D) \$ 37 (1)	0	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) Disposed of pursuant to merger agreement between Storage Technology Corporation and Sun Microsystems in exchange for a cash consideration of \$37.00 per share on the effective date of the merger.

All shares in this award will vest four years from the date of grant, except that the vesting of one-fourth of the shares in the award may be

- (4) accelerated on each of the first, second and third anniversaries of the date of grant if StorageTek meets predetermined performance criteria, set by the Human Resources and Compensation Committee of the Board of Directors.

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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