

MARTIN PATRICK J
Form 4
September 02, 2005

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
MARTIN PATRICK J

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 10% Owner
 Officer (give title below) Other (specify below)
Chairman, President and CEO

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)
Common Stock	08/31/2005		D	V	434,526.1 \$ 37 (1) 0	D	

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

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SEC 1474
(9-02)

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options (Right to buy)	\$ 12.063	08/31/2005		D		(2)(3)	07/11/2010	Common Stock	78,541
Stock Options (Right to buy)	\$ 12.19	08/31/2005		D		(2)(3)	04/30/2011	Common Stock	160,000
Stock Options (Right to buy)	\$ 20.24	08/31/2005		D		(4)(2)	03/06/2012	Common Stock	90,000
Stock Options (Right to buy)	\$ 22.03	08/31/2005		D		(4)(2)	02/10/2013	Common Stock	192,000
Stock Options (Right to buy)	\$ 22.99	08/31/2005		D		(4)(2)	03/05/2013	Common Stock	50,000
Stock Options (Right to buy)	\$ 29	08/31/2005		D		(4)(2)	02/02/2014	Common Stock	250,000
Stock Options (Right to buy)	\$ 31.79	08/31/2005		D		(2)(5)	02/08/2015	Common Stock	205,539
Stock Options (Right to buy)	\$ 12.063	08/31/2005		D		(2)(3)	07/11/2010	Common Stock	120,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

MARTIN PATRICK J
ONE STORAGETEK DRIVE
LOUISVILLE, CO 80028

X

Chairman, President and CEO

Signatures

Donald H. Kronenberg,
Attorney-in-Fact

09/02/2005

 **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).

(4) One-fourth of the option shares vest on each of the first four anniversaries of the date of grant.

Notwithstanding the original vesting schedule cited in other footnotes to this form, all unvested shares were accelerated at the effective time of the merger. This option was canceled in the merger in exchange for a cash payment representing the difference between the exercise price of the option and the merger consideration of \$37.00 per share on the effective date of the merger.

(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.

(3) All options currently exercisable

(6) These options were previously reported as directly beneficially owned but were contributed to a grantor retained annuity trust on 5/11/05.

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

(5) 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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