MCNEALY SCOTT G
Form 4
January 27, 2010

FORM 4

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

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

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
MCNEALY SCOTT G

(Last) (First) (Middle)

4150 NETWORK CIRCLE

(Street)

SANTA CLARA, CA 95054

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
SUN MICROSYSTEMS, INC. [JAVA]

3. Date of Earliest Transaction (Month/Day/Year)
01/26/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/26/2010		D		1,887	D	(1)	0	I	See footnote (2)
Common Stock	01/26/2010		D		525	D	(1)	0	I	See footnote (3)
Common Stock	01/26/2010		D		525	D	(1)	0	I	See footnote (3)
Common Stock	01/26/2010		D		525	D	(1)	0	I	See footnote

									(3)
Common Stock	01/26/2010		D	525	D	(1)	0	I	See footnote (3)
Common Stock	01/26/2010		D	1,350,000	D	(1)	0	I	See footnote (4)
Common Stock	01/26/2010		D	1,350,000	D	(1)	0	I	See footnote (5)

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)

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 Number Shares
Employee Stock Option (right to buy)	$ 15.16	01/26/2010		D			312,500	(6)	07/29/2014	Common Stock	312,50
Employee Stock Option (right to buy)	$ 36.56	01/26/2010		D			50	(6)	03/19/2012	Common Stock	50
Employee Stock Option (right to buy)	$ 28.28	01/26/2010		D			200,000	(6)	05/14/2012	Common Stock	200,00
Employee Stock Option	$ 50.36	01/26/2010		D			625,000	(6)	11/07/2011	Common Stock	625,00

(right to buy)									
Employee Stock Option (right to buy)	$ 14.8	01/26/2010		D	250,000	(6)	07/25/2012	Common Stock	250,00
Employee Stock Option (right to buy)	$ 20.4	01/26/2010		D	500,000	(8)	07/31/2017	Common Stock	500,00

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCNEALY SCOTT G 4150 NETWORK CIRCLE SANTA CLARA, CA 95054	X			

Signatures

/s/ Craig D. Norris, attorney-in-fact	01/26/2010
**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) Pursuant to the Merger Agreement between the Issuer and Oracle Corporation dated April 19, 2009 (the "Merger Agreement"), each share of JAVA common stock will be exchanged for $9.50 in cash.

(2) Shares are held in a California Uniform Transfer to Minors Act account for the benefit of the reporting person's child and for which the reporting person's spouse serves as custodian. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of these securities for the purposes of Section 16 or any other purpose.

(3) Shares are held directly in a trust for the reporting person's child and for which the reporting person and his spouse serve as trustees. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of these securities for the purposes of Section 16 or any other purpose.

(4) Shares are held directly in a grantor retained annuity trust for which the reporting person serves as trustee. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of these securities for the purposes of Section 16 or any other purpose.

(5) Shares are held directly in a grantor retained annuity trust for which the reporting person's spouse serves as trustee. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of these securities for the purposes of Section 16 or any other purpose.

(6) The option is fully vested.

(7) Pursuant to the Merger Agreement, each option to purchase shares of JAVA common stock will be assumed by Oracle and converted into an option to purchase a number of shares of Oracle common stock equal to the number of shares of JAVA common stock subject to the

option multiplied by 0.3849, rounded down to the nearest whole share. The exercise price per share for the assumed option will equal the JAVA per share exercise price divided by 0.3849.

(8) The option vests in five equal annual installments beginning on July 31, 2008.

Remarks:

This report on Form 4 is one of two reports which relates to the same transaction.

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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