

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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INITIAL STATEMENT OF 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 * M C C A B E E U G E N E G (Last) (First) (Middle) 4150 NETWORK CIRCLE (Street) S A N T A C L A R A , C A 95054 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 09/05/2006	3. Issuer Name and Ticker or Trading Symbol SUN MICROSYSTEMS, INC. [SUNW]	4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) EVP, World Wide Operations	5. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
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Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	87,442 ⁽¹⁾	D	^

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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

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				Shares		(I) (Instr. 5)	
Employee Stock Option (Right to Buy) <u>(2)</u>	11/10/2000 ⁽³⁾	11/10/2007	Common Stock	240,000	\$ 28.0782	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	04/12/2001 ⁽³⁾	04/12/2008	Common Stock	26,000	\$ 40	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	10/11/2001 ⁽³⁾	10/11/2008	Common Stock	40,000	\$ 50.9375	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	04/18/2002 ⁽³⁾	04/18/2009	Common Stock	18,000	\$ 18.58	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	06/13/2002 ⁽³⁾	06/13/2009	Common Stock	102,000	\$ 16.25	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	09/27/2002 ⁽³⁾	09/27/2009	Common Stock	18,000	\$ 7.91	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	11/07/2002 ⁽³⁾	11/07/2009	Common Stock	25,000	\$ 12.59	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	11/07/2002 ⁽³⁾	11/07/2009	Common Stock	25,000	\$ 12.59	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	03/19/2003 ⁽³⁾	03/19/2010	Common Stock	200	\$ 9.14	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	03/19/2003 ⁽³⁾	03/19/2010	Common Stock	18,000	\$ 9.14	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	05/14/2003 ⁽³⁾	05/14/2010	Common Stock	20,000	\$ 7.07	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	07/25/2003 ⁽⁴⁾	07/25/2010	Common Stock	70,000	\$ 3.7	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	01/14/2004 ⁽⁵⁾	01/14/2013	Common Stock	100,000	\$ 3.9	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	07/23/2004 ⁽⁶⁾	07/23/2013	Common Stock	360,000	\$ 3.85	D	Â

Employee Stock Option (Right to Buy) <u>(2)</u>	07/29/2005 ⁽⁷⁾	07/29/2012	Common Stock	250,000	\$ 3.79	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	04/28/2006 ⁽⁸⁾	04/28/2013	Common Stock	250,000	\$ 3.44	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	07/28/2006 ⁽⁹⁾	07/28/2013	Common Stock	300,000	\$ 3.85	D	Â
Employee Stock Option (Right to Buy) <u>(2)</u>	07/27/2007 ⁽¹⁰⁾	07/27/2014	Common Stock	400,000	\$ 4.26	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCCABE EUGENE G 4150 NETWORK CIRCLE SANTA CLARA, CA 95054	Â	Â	Â EVP, World Wide Operations	Â

Signatures

/s/ Eugene G. McCabe 09/15/2006

**Signature of Date
Reporting Person

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 82,750 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 14,000 shares beginning on July 25, 2003.
- (5) This option vests and becomes exercisable in five equal annual installments of 20,000 shares beginning on January 14, 2004.
- (6) This option vests and becomes exercisable in five equal annual installments of 72,000 shares beginning on July 23, 2004.
- (7) This option vests and becomes exercisable in five equal annual installments of 50,000 shares beginning on July 29, 2005.
- (8) This option vests and becomes exercisable in five equal annual installments of 50,000 shares beginning on April 28, 2006.
- (9) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 28, 2006.
- (10) 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.