

MCLAY MICHAEL R
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 *
MCLAY MICHAEL R

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) _____ Other (specify below)
VP, Global Accounts

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) Code V Amount (D) Price | | | |
| Common Stock | 08/31/2005 | | D | 32,784 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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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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Options (Right to buy) | \$ 11.75 | 08/31/2005 | | D | 9,000 | (2)(3) 07/13/2010 | Common Stock | 9,000 |
| Stock Options (Right to buy) | \$ 12 | 08/31/2005 | | D | 6,000 | (2)(4) 03/08/2010 | Common Stock | 6,000 |
| Stock Options (Right to buy) | \$ 22.03 | 08/31/2005 | | D | 33,000 | (5)(2) 02/10/2013 | Common Stock | 33,000 |
| Stock Options (Right to buy) | \$ 29 | 08/31/2005 | | D | 51,563 | (5)(2) 02/02/2014 | Common Stock | 51,563 |
| Stock Options (Right to buy) | \$ 30.313 | 08/31/2005 | | D | 3,280 | (2)(6) 02/05/2008 | Common Stock | 3,280 |
| Stock Options (Right to buy) | \$ 31.79 | 08/31/2005 | | D | 25,558 | (2)(7) 02/08/2015 | Common Stock | 25,558 |
| Stock Options (Right to buy) | \$ 34.063 | 08/31/2005 | | D | 2,000 | (2)(6) 11/11/2008 | Common Stock | 2,000 |
| Stock Options (Right to buy) | \$ 37.0625 | 08/31/2005 | | D | 2,295 | (2)(6) 02/05/2009 | Common Stock | 2,295 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MCLAY MICHAEL R ONE STORAGETEK DRIVE LOUISVILLE, CO 80028 | | | VP, Global Accounts | |

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).

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

Notwithstanding the original option vesting schedule cited in other footnotes to this form, all unvested shares were accelerated at the effective time of the merger. This option was assumed by Sun Microsystems in the merger and replaced with an option to purchase a number of Sun shares determined by multiplying 10.1788 (the "Option Ratio") by the number of underlying Storage Technology option shares and rounding down to the nearest whole number. The per share exercise price for the replacement option has been adjusted to a price determined by dividing the per share exercise price of the Storage Technology option by 10.1788, the Option Ratio, and rounding up to the nearest whole cent.

(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.

(4) 4,666 option shares vested on 3/8/2001; 4,667 option shares vested on 3/8/2002; 4,667 option shares vested on 3/8/2003; and 6,000 option shares will vest on 3/8/2006.

(6) All options currently exercisable

(3) 7,000 option shares vested on 7/13/2001; 7,000 option shares vested on 7/13/2002; 7,000 option shares vested on 7/13/2003; and 9,000 option shares will vest on 7/13/2006.

(7) 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 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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