ARNOLD THOMAS G

Form 4

September 02, 2005

FO	R	M	4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

Number:

3235-0287

Expires:

January 31, 2005

0.5

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if no longer subject to Section 16. Form 4 or

Check this box

Form 5 obligations may continue.

See Instruction

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

1(b).

Common

Stock

08/31/2005

(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)	3. Date of Earliest Transaction			Director		Owner
ONE STORAGETEK DRIVE			(Month/Day/Year) 08/31/2005			_X_ Officer (give title Other (specify below) VP and Corporate Controller		
	(Street) 4. If Amendment, Date Origina			te Original	6. Individual or Joint/Group Filing(Check			
LOUISVILLE, CO 80028			Filed(Month/Day/Year)			Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		
(City)	(State)	(Zip)	Table	e I - Non-D	erivative Securities Acq	quired, Disposed o	of, or Beneficia	lly Owned
1.Title of Security (Instr. 3)	2. Transaction Day/Yea	r) Execution		Code	4. Securities Acquired on(A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned	6. Ownership Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership

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

D

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Following

Reported

Transaction(s) (Instr. 3 and 4)

(A)

(D)

Price

\$ 37

0

Amount

18,541

(Instr. 4)

D

(Instr. 4)

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. Transactic Code (Instr. 8)			Derivative Expiration Date Securities (Month/Day/Year) Acquired (A) or Disposed of D) Instr. 3, 4,		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)	\$ 22.03	08/31/2005		D		10,893	(2)(3)	02/10/2013	Common Stock	10,893
Stock Options (Right to buy)	\$ 29	08/31/2005		D		17,199	(2)(3)	02/02/2014	Common Stock	17,199
Stock Options (Right to buy)	\$ 31.79	08/31/2005		D		10,724	(3)(4)	02/08/2015	Common Stock	10,724

Reporting Owners

Reporting Owner Name / Address	Keiationsnips				
	Director	10% Owner	Officer	Other	
ARNOLD THOMAS G					

ONE STORAGETEK DRIVE LOUISVILLE, CO 80028

VP and Corporate Controller

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).
- (2) 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.

Reporting Owners 2

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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 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. 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.