

MICROSTRATEGY INC

Form 4

August 26, 2005

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
McDonald Adam M

(Last) (First) (Middle)

C/O MICROSTRATEGY
INCORPORATED, 1861
INTERNATIONAL DRIVE

(Street)

MCLEAN, VA 22102

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

MICROSTRATEGY INC [MSTR]

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

08/24/2005

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
X Officer (give title below) ____ Other (specify
below) below)

VP, Worldwide Services

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)
				(A) or (D)			
Class A Common Stock	08/24/2005		M	240	A \$ 60	240	D
Class A Common Stock	08/24/2005		M	1,251	A \$ 24.8	1,491	D
Class A Common Stock	08/24/2005		S	91	D \$ 76.59	1,400 ⁽¹⁾	D
Class A	08/24/2005		S	200	D \$	1,200	D

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Common Stock						76.61		
Class A Common Stock	08/24/2005	S	500	D	\$ 76.62	700	D	
Class A Common Stock	08/24/2005	S	200	D	\$ 76.64	500	D	
Class A Common Stock	08/24/2005	S	200	D	\$ 76.66	300	D	
Class A Common Stock	08/24/2005	S	200	D	\$ 76.71	100	D	
Class A Common Stock	08/24/2005	S	100	D	\$ 76.74	0	D	

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

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(9-02)

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)	8. Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 60	08/24/2005		M	240	<u>(2)</u> 06/10/2008	Class A Common Stock	240
Employee Stock Option	\$ 24.8	08/24/2005		M	1,251	<u>(3)</u> 04/18/2011	Class A Common Stock	1,251

(right to
buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
McDonald Adam M C/O MICROSTRATEGY INCORPORATED 1861 INTERNATIONAL DRIVE MCLEAN, VA 22102			VP, Worldwide Services	

Signatures

Adam M.
McDonald

08/26/2005

__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).
- Separate open market sale transactions that were executed on 08/24/2005 at the same price have been reported on an aggregate basis on a
- (1) single line in Table I. The order in which sale transactions are set forth in Table I is not necessarily reflective of the sequence in which the sale transactions occurred in fact.
 - (2) The 240 shares subject to this stock option vested in four equal annual installments beginning on 06/10/2000.
 - (3) The 1,251 shares subject to this stock option vested on 04/18/2005.
 - (4) See Exhibit A.

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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