

MICROSTRATEGY INC
Form 3
August 10, 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 *

Â Zolfaghari Paul N
(Last) (First) (Middle)

2. Date of Event Requiring Statement

(Month/Day/Year)
08/03/2006

3. Issuer Name and Ticker or Trading Symbol
MICROSTRATEGY INC [MSTR]

4. Relationship of Reporting Person(s) to Issuer

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

(Check all applicable)

Director 10% Owner
 Officer Other
(give title below) (specify below)
VP, Worldwide Sales&Operations

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

C/O MICROSTRATEGY INCORPORATED,Â 1861 INTERNATIONAL DRIVE

(Street)

MCLEAN,Â VAÂ 22102

(City) (State) (Zip)

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)

Class A Common Stock

2. Amount of Securities Beneficially Owned (Instr. 4)

166

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

D Â

4. Nature of Indirect Beneficial Ownership (Instr. 5)

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

5. Ownership Form of Derivative Security:

6. Nature of Indirect Beneficial Ownership (Instr. 5)

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| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Security | Direct (D) or Indirect (I) (Instr. 5) | |
|--------------------------------------|------------------|-----------------|----------------------|----------------------------|-----------|---------------------------------------|---|
| Employee Stock Option (right to buy) | Â (1) | 07/28/2009 | Class A Common Stock | 600 | \$ 187.19 | D | Â |
| Employee Stock Option (right to buy) | Â (2) | 06/09/2010 | Class A Common Stock | 5,000 | \$ 441.25 | D | Â |
| Employee Stock Option (right to buy) | Â (3) | 10/17/2010 | Class A Common Stock | 400 | \$ 215 | D | Â |
| Employee Stock Option (right to buy) | Â (4) | 07/26/2012 | Class A Common Stock | 4,250 | \$ 4.7 | D | Â |
| Employee Stock Option (right to buy) | Â (5) | 02/08/2013 | Class A Common Stock | 6,000 | \$ 20.69 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Zolfaghari Paul N C/O MICROSTRATEGY INCORPORATED 1861 INTERNATIONAL DRIVE MCLEAN, VA 22102 | Â | Â | Â VP, Worldwide Sales&Operations | Â |

Signatures

Paul N.
Zolfaghari

08/04/2006

**Signature of
Reporting Person

Date

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) The 600 shares subject to this stock option vested in five equal annual installments beginning on 09/30/2000.
- (2) The 5,000 shares subject to this stock option vested in five equal annual installments beginning on 06/30/2001.
- (3) The 400 shares subject to this stock option vested as follows: (i) 80 shares vested on 04/01/2001; (ii) 80 shares vested on 10/01/2001; (iii) 80 shares vested on 10/01/2002; (iv) 80 shares vested on 10/01/2003; and (v) 80 shares vested on 10/01/2004.
- (4) The 4,250 shares subject to this stock option vested as follows: (i) 125 shares vested on 07/26/2005; and (ii) 4,125 shares vested on 07/26/2006.
- (5) Of the 6,000 shares subject to this stock option, 2,000 shares vested on 02/08/2006, 2,000 shares vest on 02/08/2007 and 2,000 shares vest on 02/08/2008.

Â

Remarks:

ExhibitÂ List:

ExhibitÂ 24Â -Â PowerÂ ofÂ Attorney

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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