

Locke Arthur S III
Form 4
December 13, 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 *
Locke Arthur S III

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
12/09/2005

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

VP, Finance and CFO

C/O MICROSTRATEGY INCORPORATED, 1861 INTERNATIONAL DRIVE

(Street)

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

MCLEAN, VA 22102

(City) (State) (Zip)

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) | Price | | |
| | | | | Code | V | Amount | |
| Class A Common Stock | 12/09/2005 | | M | A | \$ 24.8 | 1,376 | D |
| Class A Common Stock | 12/09/2005 | | M | A | \$ 23 | 1,422 | D |
| Class A Common Stock | 12/09/2005 | | S | D | \$ 77.6 | 1,222 ⁽¹⁾ | D |
| Class A Common Stock | 12/09/2005 | | S | D | \$ | 100 | D |

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Common Stock 77.606
 Class A Common Stock 12/09/2005 S 100 D \$ 77.61 0 D

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

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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 (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) | \$ 24.8 | 12/09/2005 | | M | 1,376 | ⁽²⁾ 04/18/2011 | Class A Common Stock | 1,376 |
| Employee Stock Option (right to buy) | \$ 23 | 12/09/2005 | | M | 46 | ⁽³⁾ 04/25/2012 | Class A Common Stock | 46 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Locke Arthur S III
 C/O MICROSTRATEGY INCORPORATED
 1861 INTERNATIONAL DRIVE
 MCLEAN, VA 22102

VP, Finance and CFO

Signatures

Arthur S. Locke,
III

12/13/2005

__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).
- (1) 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 1,376 shares exercised on 12/09/2005 pursuant to this stock option vested on 04/18/2005.
Of the 46 shares exercised on 12/09/2005 pursuant to this stock option, 15 shares vested on 03/31/2005, 16 shares vested on 06/30/2005,
(3) and 15 shares vested on 09/30/2005. Of the remaining 78 shares subject to the stock option, 16 shares vest on 12/31/2005, 16 shares vest on 03/31/2006, 15 shares vest on 06/30/2006, 15 shares vest on 09/30/2006, and 16 shares vest on 12/31/2006.
- (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. 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.