

Locke Arthur S III
Form 4
February 25, 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

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Locke Arthur S III

(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)

02/23/2005

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 ____ Other (specify
below) below)

VP, Finance and CFO

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	02/23/2005		M	16	A \$ 23	16	D
Class A Common Stock	02/23/2005		M	1,524	A \$ 20.69	1,540	D
Class A Common Stock	02/23/2005		S	700	D \$ 70.49	840 ⁽¹⁾	D
Class A	02/23/2005		S	300	D \$ 70.5	540	D

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Common
Stock

Class A

Common Stock	02/23/2005	S	540	D	\$ 70.52	0	D
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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)

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. D S (I	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 23	02/23/2005		M		16		<u>(2)</u>	04/25/2012	Class A Common Stock	16
Employee Stock Option (right to buy)	\$ 20.69	02/23/2005		M		1,524		<u>(3)</u>	02/08/2013	Class A Common Stock	1,524

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

02/25/2005

__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 16 shares exercised on 02/23/2005 pursuant to this stock option vested on 12/31/2004. The remaining 124 shares subject to the stock option vest as follows: 15 shares on 03/31/2005, 16 shares on 06/30/2005, 15 shares on 09/30/2005, 16 shares on 12/31/2005, 16 shares on 03/31/2006, 15 shares on 06/30/2006, 15 shares on 09/30/2006, and 16 shares on 12/31/2006.

- (3) The 1,524 shares exercised on 02/23/2005 pursuant to this stock option vested on 02/08/2005. The remaining 5,100 shares subject to the stock option vest in three equal annual installments beginning on 02/08/2006.

- (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.

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