

MICROSTRATEGY INC
Form 8-K
August 18, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): August 12, 2005

MICROSTRATEGY INCORPORATED

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-24435
(Commission File Number)

51-0323571
(I.R.S. Employer
Identification No.)

1861 International Drive
McLean, Virginia
(Address of Principal Executive Offices)

22102
(Zip Code)

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Registrant's telephone number, including area code: (703) 848-8600

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On August 12, 2005, the Compensation Committee of the Board of Directors of MicroStrategy Incorporated (the Company) approved an increase to the annual salary of Michael J. Saylor, Chairman of the Board, President and Chief Executive Officer of the Company, resulting in an annual salary of \$400,000 effective July 1, 2005.

In addition, the Compensation Committee (i) awarded Mr. Saylor a cash bonus of \$800,000 in respect of his performance during the period from January 1, 2005 through June 30, 2005 and (ii) established a formula for determining the bonus amount in respect of Mr. Saylor's performance for the period July 1, 2005 through December 31, 2005 based on a performance goal relating to the Company's diluted earnings per share for the period from July 1, 2005 through December 31, 2005. The Compensation Committee has the right to use discretion to award a cash bonus amount lower than the amount calculated using the bonus formula.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 17, 2005

MicroStrategy Incorporated

(Registrant)

By: /s/ MICHAEL J. SAYLOR

Name: Michael J. Saylor

Title: Chairman of the Board, President and

Chief Executive Officer