

KLEIN JONATHAN F

Form 4

November 02, 2006

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
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(Print or Type Responses)

1. Name and Address of Reporting Person *
KLEIN JONATHAN F

(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)

10/31/2006

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)

VP, Law and General Counsel

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 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) |
|---------------------------------------|---|---|---|---|--|--|---|
| Class A Common Stock | 10/31/2006 | | M | 2,000 A \$ 4.7 | 2,000 | D | |
| Class A Common Stock | 10/31/2006 | | M | 2,000 A \$ 20.69 | 4,000 | D | |
| Class A Common Stock | 10/31/2006 | | S | 1,367 D \$ 119 | 2,633 ⁽¹⁾ | D | |
| Class A | 10/31/2006 | | S | 1,133 D \$ | 1,500 | D | |

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| | | | | | | | | |
|----------------------|------------|---|-----|---|-----------|--------|---|--|
| Common Stock | | | | | | 119.05 | | |
| Class A Common Stock | 10/31/2006 | S | 100 | D | \$ 119.07 | 1,400 | D | |
| Class A Common Stock | 10/31/2006 | S | 100 | D | \$ 119.08 | 1,300 | D | |
| Class A Common Stock | 10/31/2006 | S | 100 | D | \$ 119.09 | 1,200 | D | |
| Class A Common Stock | 10/31/2006 | S | 100 | D | \$ 119.1 | 1,100 | D | |
| Class A Common Stock | 10/31/2006 | S | 600 | D | \$ 119.11 | 500 | D | |
| Class A Common Stock | 10/31/2006 | S | 500 | D | \$ 119.12 | 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 (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 Options (right to buy) | \$ 4.7 | 10/31/2006 | | M | 2,000 | (2) 07/26/2012 | Class A Common Stock | 2,000 |

| | | | | | | | | |
|---|----------|------------|---|-------|-----|------------|----------------------------|-------|
| Employee Stock Options (right to buy) | \$ 20.69 | 10/31/2006 | M | 2,000 | (3) | 02/08/2013 | Class A Common Stock | 2,000 |
|---|----------|------------|---|-------|-----|------------|----------------------------|-------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| KLEIN JONATHAN F C/O MICROSTRATEGY INCORPORATED 1861 INTERNATIONAL DRIVE MCLEAN, VA 22102 | | | VP, Law and General Counsel | |

Signatures

Jonathan F. Klein 11/02/2006

__Signature of Date
Reporting Person

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 10/31/2006 at the same price have been reported on an aggregate basis on a 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.
- (1) The 2,000 shares exercised on 10/31/2006 pursuant to this stock option vested on 07/26/2004. Of the remaining 47,346 shares subject to the stock option, 12,346 shares vested on 07/26/2004, 17,500 shares vested on 07/26/2005 and 17,500 shares vested on 07/26/2006.
- (2) The 2,000 shares exercised on 10/31/2006 pursuant to this stock option vested on 02/08/2004. Of the remaining 48,000 shares subject to the stock option, 8,000 shares vested on 02/08/2004, 10,000 shares vested on 02/08/2005, 10,000 shares vested on 02/08/2006, 10,000 shares vest on 02/08/2007 and 10,000 shares vest on 02/08/2008.
- (3) 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.