

MICROSTRATEGY INC  
Form 8-K  
May 12, 2005

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON D.C. 20549**

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported): May 6, 2005**

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**MICROSTRATEGY INCORPORATED**

(Exact Name of Registrant as Specified in Charter)

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**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)

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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 May 6, 2005, the Chief Executive Officer of MicroStrategy Incorporated (the Company) approved a cash bonus plan (the Plan) for 2005 for Eduardo S. Sanchez, the Company's Vice President, Worldwide Sales. Under the Plan, Mr. Sanchez is eligible to receive (i) cash bonus awards that are determined as a percentage of the amount by which the contribution margin of the Company's worldwide product licenses, support and other services revenue exceeds budgeted targets set forth in the Plan (each, a Contribution Bonus), and (ii) an annual cash bonus award that is determined as a percentage of the increase in the value of the Company's maintenance contracts worldwide between the end of 2004 and the end of 2005. Contribution Bonuses, if any, pursuant to the Plan are expected to be approved and paid on a quarterly basis. A copy of the Plan will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2005.

Cash bonus awards for 2005 for Mr. Sanchez may also be determined based on the subjective assessment of the Chief Executive Officer of the extent to which Mr. Sanchez contributed to the overall performance of the Company or the worldwide sales and services departments of the Company during 2005.

The arrangements described above supersede all arrangements previously disclosed by the Company relating to 2005 cash bonus awards for Mr. Sanchez.

Also on May 6, 2005, the Chief Executive Officer approved a Contribution Bonus to Mr. Sanchez for the first quarter of 2005 pursuant to the Plan in the amount of \$53,983.

**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: May 12, 2005

MicroStrategy Incorporated

(Registrant)

By:           /s/ MICHAEL J. SAYLOR          

Name: Michael J. Saylor

Title: Chairman of the Board, President and

Chief Executive Officer