

MICROSTRATEGY INC
Form 8-K
July 27, 2011

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): July 26, 2011

MICROSTRATEGY INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

0-24435
(Commission

File Number)

51-0323571
(I.R.S. Employer

Identification No.)

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1850 Towers Crescent Plaza

Tysons Corner, Virginia
(Address of principal executive offices)

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

22182
(Zip Code)

(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))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On July 26, 2011, MicroStrategy Incorporated ("MicroStrategy" and collectively with its subsidiaries, the "Company") adopted an amended and restated aircraft use policy (the "Policy"). The Policy permits, among other things, certain non-business use of any aircraft in which the Company has leased a fractional interest (the "Fractional Aircraft") and which is managed by NetJets International, Inc. or any of its affiliates (collectively,

NetJets), together with all other aircraft managed or provided by NetJets to the extent that the Company uses such other aircraft in connection with the Company's lease of the Fractional Aircraft (collectively, the "NetJets Aircraft"). In addition, the Policy permits certain non-business use of such other aircraft that the Company may, from time to time, lease, charter, or otherwise procure (other than by purchase of an interest in an aircraft), and that has been designated by MicroStrategy to be "Company Aircraft" for purposes of the Policy (collectively with the NetJets Aircraft, "Company Aircraft").

As revised, the Policy permits non-business use of Company Aircraft by (a) the Chief Executive Officer (the "CEO") of MicroStrategy, (b) non-employee members of MicroStrategy's Board of Directors (the "Board") provided that (i) all non-employee Board members are invited by MicroStrategy to travel on the applicable flight and (ii) such non-business use is in connection with the non-employee Board member's participation in one or more of the following: Board meetings and other related activities; parties, outings, or other similar entertainment events that the Company may hold, host, or otherwise arrange and to which all non-employee Board members have been invited; or conferences, symposia, and other similar events or activities relating to the Company's business, in which the non-employee Board member is participating at the Company's request, and (c) other officers or employees of the Company to the extent approved by the CEO, in each case only when the Company Aircraft in question is not otherwise being used by the Company exclusively for business use.

Non-business use of Company Aircraft is subject to various limitations including those described below. During each calendar year, the total number of Flight Hours (as defined below) used by the Company for non-business use of all Company Aircraft in such calendar year may not exceed fifty percent (50%) of the total number of Flight Hours used by the Company for business use and non-business use of all Company Aircraft in the aggregate during such calendar year.

Flight Hour means a flight hour, or fraction thereof, of Company Aircraft used by the Company as determined, in the case of the NetJets Aircraft, pursuant to the fractional interest program operated by NetJets under which the NetJets Aircraft are managed and may include time for take-off and landing, or, in the case of Company Aircraft other than the NetJets Aircraft, in accordance with such Company Aircraft's flight logs.

The Company is authorized to make "tax gross-up" payments to Board members and executive officers of MicroStrategy who may incur income or payroll taxes in connection with non-business use of Company Aircraft. The Company is further authorized, at the sole discretion of the CEO, to make such tax gross-up payments to other officers and employees of the Company who may incur income or payroll taxes in connection with non-business use of Company Aircraft. The authorized tax gross-up payment to be paid to (or withheld and paid to the appropriate taxing authority on behalf of) an individual in connection with such individual's non-business use of Company Aircraft will be a cash amount approximating the amount of the individual's (a) federal and state income and payroll taxes (the "Income Taxes") on any compensation imputed to such individual in connection with such use plus (b) Income Taxes on the taxes that the individual may incur as a result of the payment of taxes by the Company with respect to the imputed compensation.

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: July 27, 2011

MicroStrategy Incorporated
(Registrant)

By: /s/ Douglas K. Thede
Name: Douglas K. Thede
Title: Executive Vice President, Finance & Chief Financial Officer