

**SUPERIOR COURT OF THE DISTRICT OF COLUMBIA**  
**Civil Division**

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DISTRICT OF COLUMBIA *ex rel.*  
TRIBUTUM LLC,

Plaintiff,

v.

MICHAEL J. SAYLOR and  
MICROSTRATEGY, INC.,

Defendants.

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Case No.: 2021 CA 001319 B  
Judge Yvonne M. Williams

**CONSENT ORDER AND JUDGMENT**

Plaintiff the District of Columbia (the “District”), by and through its Office of the Attorney General (“OAG”), filed its First Amended Complaint (“Complaint”) in this matter, under the District of Columbia Tax Code, D.C. Code § 47-101, *et seq.*, and the District’s False Claims Act (“FCA”), D.C. Code § 2–381.01, *et seq.* The District and Defendants Michael J. Saylor and MicroStrategy, Incorporated (“Defendants”) (collectively with the District, the “Parties”) stipulate to the entry of this Consent Order and Judgment (“Consent Order”) to resolve all matters in dispute in this action between them.

**THE PARTIES**

1. Plaintiff the District of Columbia, a municipal corporation empowered to sue and be sued, is the local government for the territory constituting the permanent seat of the government of the United States. The District is represented by and through its chief legal officer, the Attorney General for the District of Columbia. The Attorney General has general charge and conduct of all

legal business of the District and all suits initiated by and against the District and is responsible for upholding the public interest. D.C. Code § 1-301.81(a)(1).

2. Relator Tributum, LLC is a Wyoming limited liability company registered to conduct business in the District of Columbia.

3. Defendant Michael J. Saylor is the founder and former Chief Executive Officer of the publicly traded company MicroStrategy, Incorporated.

4. Defendant MicroStrategy, Incorporated is a Delaware corporation with its principal place of business at 1850 Towers Crescent Plaza, Tysons Corner, VA 22182.

### **COVERED CONDUCT**

5. The District's Complaint alleges that Defendant Michael J. Saylor has violated the District's FCA and tax laws by knowingly avoiding income taxes he owed to the District by fraudulently claiming to be a resident of other, lower-tax jurisdictions while maintaining his domicile and place of abode in the District from 2005 to present. The District further alleges that in connection with this tax avoidance scheme, Defendant Saylor caused MicroStrategy, Incorporated to make and use numerous false records and false statements material to Saylor's obligation to pay income taxes to the District, including false withholding filings and form W-2s. The allegations of the District's Complaint amended those originally made by the District in its complaint-in-intervention, which in turn amended and superseded the allegations in Relator's original complaint. The allegations of the District's Complaint, its original complaint-in-intervention, and Relator's original complaint are hereinafter referred to as the "Covered Conduct."

6. Defendants deny that they have violated the District's tax laws or the FCA. Nothing

contained in this Consent Order is or may be construed to be an admission by Defendants of any of the allegations encompassed by the Covered Conduct, any violation of law or regulation, any other matter of fact or law, or any liability or wrongdoing.

7. The Parties wish to avoid the time, expense, and inconvenience of any further litigation, and to resolve any and all disputes and potential legal claims based on the Covered Conduct.

### **INJUNCTION**

8. Defendant Saylor shall comply with the District's tax laws and, at a minimum, will file an income tax return with and pay income taxes to the District of Columbia in any current or future tax year where Saylor both (a) owns or rents a residence in the District of Columbia and (b) is physically present in the District of Columbia for at least 183 days of that year. *Provided*, in the event that Title 47 of the D.C. Code is amended to substantially alter the definition of "resident" currently codified at D.C. Code § 47-1801.04(42), Saylor will comply with the law's new provisions.

### **MONETARY TERMS**

9. **Settlement Amount.** Defendants shall pay a total of forty million dollars and zero cents (\$40,000,000.00) (the "Settlement Amount") to resolve this litigation. Defendants shall make the payment owed in this Paragraph by electronic funds transfer pursuant to the written instructions provided by the Office of the Attorney General for the District of Columbia, which may include an instruction to transfer a share of the Settlement Amount directly to an escrow account designated by Relator, Tributum, LLC ("Relator").

10. The payment by the District of Columbia to Relator of a share of the Settlement Amount under D.C. Code § 2-381.03(f)(1)(A) shall be the subject of a separate agreement between Relator and the District or a separate order of this Court. This Consent Order is not contingent upon the execution of any agreement between Relator and the District of Columbia regarding Relator's share.

11. The payment by Defendants to Relator of any expenses, fees, and costs under D.C. Code § 2-381.03(f)(1)(C) shall be the subject of either a separate agreement between Relator and Defendants or a separate order of this Court. This Consent Order is not contingent upon the execution of any agreement between Relator and the Defendants regarding payment of expenses, fees, and/or costs.

12. Defendants shall make the payment of the Settlement Amount described in paragraph 9 within fourteen (14) days of the entry of this Consent Order.

**RELEASE**

13. This Consent Order finally disposes of all claims by the District based on the Covered Conduct. Upon the District's receipt of all amounts due under this Consent Order, the District fully and finally releases Defendants from all claims and liabilities that the District asserted, could have asserted, or may assert in the future under the District's False Claims Act, D.C. Code § 2-381.01, *et seq.*, or the District of Columbia Tax Code, D.C. Code § 47-101, *et seq.* (including any claims that the District could have asserted, or could assert, through the Office of the Chief Financial Officer or other District of Columbia agencies) based on the Covered Conduct, as well as any common-law claims (including any claims of common-law fraud or unjust enrichment) that the District could have asserted, or may assert in the future, based on the Covered

Conduct. The Attorney General, as the chief legal officer for the District of Columbia, binds the District and releases these claims on behalf of the District.

### **GENERAL PROVISIONS**

14. This Consent Order represents the full and complete terms of the settlement entered by the Parties. In any action undertaken by the Parties, neither prior versions of this Consent Order nor prior versions of any of its terms that were not entered by the Court in this Consent Order may be introduced for any purpose whatsoever.

15. This Court retains jurisdiction of this Consent Order and the Parties for the purpose of enforcing this Consent Order and for the purpose of addressing the amount of any Relator's share pursuant to D.C. Code § 2-381.03(f)(1)(A) or any award of expenses, fees, and costs, pursuant to D.C. Code § 2-381.03(f)(1)(C). The Parties may agree in writing, through their counsel, to an extension of any time period in this Consent Order without a court order.

16. This Consent Order may be executed in counterparts, and a facsimile or .pdf signature shall be deemed to be, and shall have the same force and effect, as an original signature.

17. All notices and correspondence sent pursuant to this Consent Order shall be provided to the following address via first class and electronic mail, unless a different address is specified in writing by the party changing such address:

For the Plaintiff District of Columbia:

Graham Lake  
Chief, Workers' Rights and Antifraud Section  
Office of the Attorney General  
400 6th Street NW, 10th Floor  
Washington, DC 20001  
Graham.Lake@dc.gov

For Defendants:

Eugene Scalia  
Gibson, Dunn, & Crutcher, LLP  
1050 Connecticut Ave. NW  
Washington, DC 20036  
EScalia@gibsondunn.com

18. Any failure by any party to this Consent Order to insist upon the strict performance by any other party of any of the provisions of this Consent Order shall not be deemed a waiver of any of the provisions of this Consent Order, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Consent Order.

19. If any clause, provision, or section of this Consent Order shall, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Consent Order and this Consent Order shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section, or other provision had not been contained herein.

20. All funds paid to the District pursuant to this Consent Order may be used for any lawful purpose, including, but not limited to: deposit to the District's litigation support fund; defrayal of the costs of the inquiry and litigation leading hereto; defrayal of the costs of administration or distribution; or for other uses permitted by District law, at the sole discretion of the Attorney General for the District of Columbia.

21. Defendant MicroStrategy, Incorporated shall ensure that all current and future personnel having final decision-making authority with respect to the subject matter of this Consent Order are informed of the requirements set forth in this Consent Order.

22. The Parties hereby stipulate to the dismissal, with prejudice, of this Action, such dismissal to be effective upon the entry of this Consent Order by the Court. The Superior Court for the District of Columbia shall retain jurisdiction for the purpose of enforcing this Consent Order.

23. Each Party will continue to abide by the terms of the Protective Order to which the Parties stipulated, and which the Court entered on May 11, 2023.

24. Upon the entry of this Consent Order, any obligation of a Party to preserve documents related to this Action shall cease to the extent the obligation was based on the existence of this Action or of the Civil Investigative Demands that preceded the Action.

25. Each Party and its signatory to this Consent Order represents that it freely and voluntarily enters into this Consent Order without any degree of duress or compulsion.

26. Other than as stated herein, each Party shall bear its own legal and other costs incurred in connection with claims set forth in the District's Complaint, including the preparation and performance of this Consent Order.

27. The undersigned represent and warrant that they are fully authorized to execute this Consent Order on behalf of the persons and entities indicated below.

28. This Consent Order is binding on Defendants' successors, transferees, heirs, and assigns.


**CONSENTED TO FOR PLAINTIFF DISTRICT OF COLUMBIA**

BRIAN L. SCHWALB  
Attorney General for the District of Columbia

JENNIFER C. JONES  
Deputy Attorney General  
Public Advocacy Division

  
\_\_\_\_\_  
JAMES GRAHAM LAKE  
Chief, Workers' Rights and Antifraud Section

Date: 5/31/24

  
\_\_\_\_\_  
LAURA C. BECKERMAN  
Senior Trial Counsel

Date: 5/31/24

CHARLES SINKS  
NORMAN ANDERSON  
JASON JONES  
SARAH M. LEVINE  
JESSICA M. MICCIOLO  
Assistant Attorneys General  
Public Advocacy Division  
Office of the Attorney General  
400 6th Street N.W., 10th Floor  
Washington, D.C. 20001

*Attorneys for the District of Columbia*



**CONSENTED TO FOR DEFENDANTS SAYLOR AND MICROSTRATEGY, INC.**

DEFENDANT MICHAEL J. SAYLOR

DocuSigned by:  
  
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\_\_\_\_\_  
Michael J. Saylor

Date: 31-May-2024 | 12:55 PM PDT  
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Eugene Scalia  
Jonathan M. Phillips  
Counsel for Michael J. Saylor

Date: \_\_\_\_\_

DEFENDANT MICROSTRATEGY, INCORPORATED

By: \_\_\_\_\_  
W. Ming Shao  
Senior Executive Vice President & General Counsel

Date: \_\_\_\_\_

\_\_\_\_\_  
Eugene Scalia  
Jonathan M. Phillips  
Counsel for MicroStrategy

Date: \_\_\_\_\_

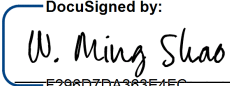
**CONSENTED TO FOR DEFENDANTS SAYLOR AND MICROSTRATEGY, INC.**

DEFENDANT MICHAEL J. SAYLOR

\_\_\_\_\_  
Michael J. Saylor Date: \_\_\_\_\_

\_\_\_\_\_  
Eugene Scalia  
Jonathan M. Phillips  
Counsel for Michael J. Saylor Date: \_\_\_\_\_

DEFENDANT MICROSTRATEGY, INCORPORATED

By:  Date: 31-May-2024 | 2:04 PM PDT  
\_\_\_\_\_  
W. Ming Shao  
Senior Executive Vice President & General Counsel

\_\_\_\_\_  
Eugene Scalia  
Jonathan M. Phillips  
Counsel for MicroStrategy Date: \_\_\_\_\_

**CONSENTED TO FOR DEFENDANTS SAYLOR AND MICROSTRATEGY, INC.**

DEFENDANT MICHAEL J. SAYLOR

\_\_\_\_\_  
Michael J. Saylor

DocuSigned by:

*Eugene Scalia*

\_\_\_\_\_  
Eugene Scalia

Jonathan M. Phillips

Counsel for Michael J. Saylor

Date: \_\_\_\_\_

31-May-2024 | 1:07 PM PDT

Date: \_\_\_\_\_

DEFENDANT MICROSTRATEGY, INCORPORATED

By: \_\_\_\_\_

W. Ming Shao

Senior Executive Vice President & General Counsel

DocuSigned by:

*Eugene Scalia*

\_\_\_\_\_  
Eugene Scalia

Jonathan M. Phillips

Counsel for MicroStrategy

Date: \_\_\_\_\_

31-May-2024 | 1:07 PM PDT

Date: \_\_\_\_\_

**IT IS SO ORDERED, ADJUDGED, AND DECREED.**

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**Date**

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**Judge Yvonne Williams**  
Superior Court of the District of Columbia