

COSTAR GROUP INC
Form 4
October 29, 2009

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
FLORANCE ANDREW C

(Last) (First) (Middle)

C/O COSTAR GROUP, INC., 2
BETHESDA METRO CENTER,
10TH FLOOR

(Street)

BETHESDA, MD 20814-5388

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
COSTAR GROUP INC [CSGP]

3. Date of Earliest Transaction
(Month/Day/Year)
10/27/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
President and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 (A) 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)
			Code	V	Amount	(A) or (D)	Price
Common Stock, par value \$0.01 per share	10/27/2009		M		12,940	A	\$ 24.875
					232,861	(1)	D
Common Stock, par value \$0.01 per share	10/27/2009		S		12,940	D	\$ 41.03 (2)
					219,921	(3)	D
	10/27/2009		M		22,000	A	\$ 18.06
					241,921	(4)	D

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Common
Stock, par
value
\$0.01 per
share

Common
Stock, par
value
\$0.01 per
share

Common
Stock, par
value
\$0.01 per
share

Common
Stock, par
value
\$0.01 per
share

10/27/2009 S 22,000 D \$ 40.56
(5) 219,921 (6) D

10/28/2009 S 8,000 D \$ 39.76
(7) 211,921 (8) D

10/29/2009 S 3,600 D \$ 39.34
(9) 208,321 (10) 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 Acquired (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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option to Acquire Common Stock	\$ 24.875	10/27/2009		M	12,940	(11) 06/20/2010	Common Stock	12,940	
Option to Acquire Common Stock	\$ 18.06	10/27/2009		M	22,000	(12) 04/16/2011	Common Stock	22,000	

Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FLORANCE ANDREW C C/O COSTAR GROUP, INC. 2 BETHESDA METRO CENTER, 10TH FLOOR BETHESDA, MD 20814-5388	X		President and CEO	

Signatures

/s/ Jonathan Coleman,
Attorney-in-Fact

10/29/2009

__Signature of Reporting Person

Date

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).
- (1) Represents all shares of Common Stock owned, consisting of 148,936 shares of Common Stock and 83,925 shares of Common Stock subject to unvested Restricted Stock Grants.
- (2) Average based on sale prices ranging from \$40.90 to \$41.30.
- (3) Represents all shares of Common Stock owned, consisting of 135,996 shares of Common Stock and 83,925 shares of Common Stock subject to unvested Restricted Stock Grants.
- (4) Represents all shares of Common Stock owned, consisting of 157,996 shares of Common Stock and 83,925 shares of Common Stock subject to unvested Restricted Stock Grants.
- (5) Average based on sale prices ranging from \$40.49 to \$40.70.
- (6) Represents all shares of Common Stock owned, consisting of 135,996 shares of Common Stock and 83,925 shares of Common Stock subject to unvested Restricted Stock Grants.
- (7) Average based on sale prices ranging from \$39.53 to \$40.12.
- (8) Represents all shares of Common Stock owned, consisting of 127,996 shares of Common Stock and 83,925 shares of Common Stock subject to unvested Restricted Stock Grants.
- (9) Average based on sale prices ranging from \$39.30 to \$39.38.
- (10) Represents all shares of Common Stock owned, consisting of 124,396 shares of Common Stock and 83,925 shares of Common Stock subject to unvested Restricted Stock Grants.
- (11) The option vested in four equal installments on June 21, 2001, June 21, 2002, June 21, 2003 and June 21, 2004.
- (12) The option vested in four equal installments on April 17, 2002, April 17, 2003, April 17, 2004 and April 17, 2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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