Stanfill John L Form 4 March 13, 2013

FORM 4

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

Number:

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Form 5 obligations may continue.

Check this box

if no longer

Section 16.

Form 4 or

subject to

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

See Instruction

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person * Stanfill John L

(First)

C/O COSTAR GROUP, INC., 1331

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

COSTAR GROUP INC [CSGP]

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

03/11/2013

(Check all applicable)

Director 10% Owner _X__ Officer (give title _Other (specify below)

Sr. VP-Sales, Customer Service

L STREET, NW (Street) 4. If Amendment, Date Original

(Middle)

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

WASHINGTON, DC 20005

(City)	(State)	(Zip) Tab	le I - Non-l	Derivative	Secur	ities Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	Code (Instr. 8)	omr Dispos (Instr. 3,	ed of (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)
Common Stock, par value \$0.01 per share	03/11/2013		Code V	Amount 6,000	(D)	Price	50,184 (1)	D	
Common Stock, par value \$0.01 per share	03/12/2013		M	2,300	A	\$ 42.29	52,484 (2)	D	
Common Stock, par	03/12/2013		M	3,900	A	\$ 57.16	56,384 (3)	D	

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value \$0.01 per share							
Common Stock, par value \$0.01 per share	03/12/2013	M	196	A	\$ 39.53	56,580 (4)	D
Common Stock, par value \$0.01 per share	03/12/2013	M	3,866	A	\$ 58.95	60,446 ⁽⁵⁾	D
Common Stock, par value \$0.01 per share	03/12/2013	S	14,599	D	\$ 101.1 (6)	45,847 <u>(7)</u>	D
Common Stock, par value \$0.01 per share	03/12/2013	F	486	D	\$ 101.06	45,361 (8)	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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. Transactio Code (Instr. 8)	5. Number of Derivative Securities Acquired Disposed (Instr. 3, 4	(A) or of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
	·			Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amoun or Numbe of Shar
Option to Acquire Common Stock	\$ 102.16	03/11/2013		A	10,100		<u>(9)</u>	03/10/2023	Common Stock	10,10
	\$ 42.29	03/12/2013		M		2,300	(10)	03/11/2020		2,300

(9-02)

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Option to Acquire Common Stock							Common Stock	
Option to Acquire Common Stock	\$ 57.16	03/12/2013	M	3,900	(11)	03/03/2021	Common Stock	3,900
Option to Acquire Common Stock	\$ 39.53	03/12/2013	M	196	(12)	05/04/2014	Common Stock	196
Option to Acquire Common Stock	\$ 58.95	03/12/2013	M	3,866	(13)	02/20/2022	Common Stock	3,866

Reporting Owners

Reporting Owner Name / Address		Kelationships				
	Director	10% Owner	Officer	Other		

Stanfill John L

C/O COSTAR GROUP, INC. 1331 L STREET, NW WASHINGTON, DC 20005

Sr. VP-Sales, Customer Service

Signatures

/s/ Jonathan Coleman, Attorney-in-Fact 03/13/2013

**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 5,449 shares of Common Stock and 44,735 shares of Common Stock subject to unvested Restricted Stock Grants.
- (2) Represents all shares of Common Stock owned, consisting of 7,749 shares of Common Stock and 44,735 shares of Common Stock subject to unvested Restricted Stock Grants.
- (3) Represents all shares of Common Stock owned, consisting of 11,649 shares of Common Stock and 44,735 shares of Common Stock subject to unvested Restricted Stock Grants.
- (4) Represents all shares of Common Stock owned, consisting of 11,845 shares of Common Stock and 44,735 shares of Common Stock subject to unvested Restricted Stock Grants.
- (5) Represents all shares of Common Stock owned, consisting of 15,711 shares of Common Stock and 44,735 shares of Common Stock subject to unvested Restricted Stock Grants.

(6) Average based on sales prices ranging from \$100.75 to \$102.35.

(7)

Reporting Owners 3

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Represents all shares of Common Stock owned, consisting of 1,112 shares of Common Stock and 44,735 shares of Common Stock subject to unvested Restricted Stock Grants.

- (8) Represents all shares of Common Stock owned, consisting of 1,660 shares of Common Stock and 43,701 shares of Common Stock subject to unvested Restricted Stock Grants.
- (9) The option vests in three equal installments on March 11, 2014, March 11, 2015, and March 11, 2016.
- (10) The option vested in three equal installments on March 12, 2011, March 12, 2012, and March 12, 2013.
- (11) The option vests in three equal installments on March 4, 2012, March 4, 2013, and March 4, 2014.
- (12) The option vested in three equal installments on May 5, 2005, May 5, 2006, May 5, 2007, and May 5, 2008.
- (13) The option vests in three equal installments on February 21, 2013, February 21, 2014, and February 21, 2015.

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.