

Stanfill John L
Form 4
May 04, 2011

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 *
Stanfill John L

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O COSTAR GROUP, INC., 1331 L STREET, NW

3. Date of Earliest Transaction (Month/Day/Year)
05/02/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. VP-Sales, Customer Service

(Street)
WASHINGTON, DC 20005

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

(City) (State) (Zip)

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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock, par value \$0.01 per share	05/02/2011		M	1,000	A \$ 30.06	53,074 ⁽¹⁾	D
Common Stock, par value \$0.01 per share	05/02/2011		M	4,804	A \$ 39.53	57,878 ⁽²⁾	D
Common Stock, par value \$0.01 per share	05/02/2011		M	5,198	A \$ 25	63,076 ⁽³⁾	D

Common Stock, par value \$0.01 per share	05/02/2011	S	5,804	D	\$ 68.3	57,272 ⁽⁴⁾	D
Common Stock, par value \$0.01 per share	05/02/2011	S	5,198	D	\$ 68.17 <u>(5)</u>	52,074 ⁽⁶⁾	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)	8. Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Option to Acquire Common Stock	\$ 30.06	05/02/2011		M	1,000	<u>(7)</u> 09/03/2013	Common Stock	1,000	
Option to Acquire Common Stock	\$ 39.53	05/02/2011		M	4,804	<u>(8)</u> 05/04/2014	Common Stock	4,804	
Option to Acquire Common Stock	\$ 25	05/02/2011		M	5,198	<u>(9)</u> 03/01/2019	Common Stock	5,198	

Reporting Owners

Reporting Owner Name / Address	Relationships
	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

05/03/2011

__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 7,390 shares of Common Stock and 45,684 shares of Common Stock subject to unvested Restricted Stock Grants.
- (2) Represents all shares of Common Stock owned, consisting of 12,194 shares of Common Stock and 45,684 shares of Common Stock subject to unvested Restricted Stock Grants.
- (3) Represents all shares of Common Stock owned, consisting of 17,392 shares of Common Stock and 45,684 shares of Common Stock subject to unvested Restricted Stock Grants.
- (4) Represents all shares of Common Stock owned, consisting of 11,588 shares of Common Stock and 45,684 shares of Common Stock subject to unvested Restricted Stock Grants.
- (5) Average based on sales prices ranging from \$68.10 to \$68.25.
- (6) Represents all shares of Common Stock owned, consisting of 6,390 shares of Common Stock and 45,684 shares of Common Stock subject to unvested Restricted Stock Grants.
- (7) The option vested in four equal installments on September 4, 2004, September 4, 2005, September 4, 2006, and September 4, 2007.
- (8) The option vested in four equal installments on May 5, 2005, May 5, 2006, May 5, 2007 and May 5, 2008.
- (9) The option vests in three equal installments on March 2, 2010, March 2, 2011, and March 2, 2012.

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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