COSTAR GROUP INC

Form 4

October 29, 2009

FORM 4

if no longer

Section 16.

Form 4 or

obligations

Form 5

subject to

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

Check this box

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

may continue. See Instruction

1(b).

(Last)

(Print or Type Responses)

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

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

(Middle)

COSTAR GROUP INC [CSGP]

(Check all applicable)

OMB APPROVAL

Estimated average

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2005

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Number:

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C/O COSTAR GROUP, INC., 2

(First)

BETHESDA METRO CENTER, 10TH FLOOR

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

10/27/2009

X Director 10% Owner X_ Officer (give title Other (specify below)

President and CEO

(Street)

4. If Amendment, Date Original 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

BETHESDA, MD 20814-5388

(City)	(State)	(Zip) Tab	le I - Non-	Derivative	Secur	ities Acqui	red, Disposed of,	or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	omr Dispos (Instr. 3, 4	ed of		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	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	10/27/2009	S	22,000	D	\$ 40.56 (5)	219,921 (6)	D
Common Stock, par value \$0.01 per share	10/28/2009	S	8,000	D	\$ 39.76 (7)	211,921 (8)	D
Common Stock, par value \$0.01 per share	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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SEC 1474 (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. Transacti Code (Instr. 8)	5. Number of ionDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exer Expiration D (Month/Day/	ate Underlying		Securities
				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	<u>(11)</u>	06/20/2010	Common Stock	12,940
Option to Acquire Common	\$ 18.06	10/27/2009		M		22,000	(12)	04/16/2011	Common Stock	22,000

X

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

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. 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.

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