Stanfill John L Form 4 June 21, 2010

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16. Form 4 or

January 31, Expires: 2005

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

Estimated average burden hours per response... 0.5

Form 5 obligations may continue. See Instruction

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

1(b).

(Last)

(Print or Type Responses)

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

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

COSTAR GROUP INC [CSGP]

(Check all applicable)

C/O COSTAR GROUP, INC., 2

(First)

(Middle)

3. Date of Earliest Transaction

(Month/Day/Year) 06/20/2010

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

below) Sr. VP-Sales, Customer Service

BETHESDA METRO CENTER, 10TH FLOOR

> (Street) 4. If Amendment, Date Original

Applicable Line)

(A)

or

Α

\$0

Filed(Month/Day/Year)

Α

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

6. Individual or Joint/Group Filing(Check

BETHESDA, MD 20814-5388

(State)

(Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)

(City)

2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if (Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following Reported

Transaction(s)

(Instr. 3 and 4)

6. Ownership 7. Nature of Form: Direct (D) or Indirect (I) (Instr. 4)

Indirect Beneficial Ownership (Instr. 4)

Common

per share

Stock, par 06/20/2010 value \$0.01

Code V Amount (D)

37 (1)

Price

 $52,173 \stackrel{(2)}{=}$

D

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

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(9-02)

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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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transacti	5. orNumber	6. Date Exerc Expiration D		7. Title Amount		8. Price of Derivative	9. Nu Deriv
Security (Instr. 3)	or Exercise Price of Derivative Security	(any (Month/Day/Year)	Code (Instr. 8)	of	(Month/Day/Year)		Underlying Securities (Instr. 3 and 4)		Security (Instr. 5)	Secur Bene Owne Follo Repo Trans (Instr
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title N	Amount or Number of Shares		

Reporting Owners

Relationships Reporting Owner Name / Address Other Director 10% Owner

Stanfill John L C/O COSTAR GROUP, INC. 2 BETHESDA METRO CENTER, 10TH FLOOR BETHESDA, MD 20814-5388

Sr. VP-Sales, Customer Service

Officer

Signatures

/s/ Jonathan Coleman, 06/21/2010 Attorney-in-Fact

**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).
- Service award granted by the Company for the reporting person's fifteen-year anniversary of employment. On the trading day **(1)** immediately preceding the date of grant, the closing stock price of the Company's common stock was \$41.00.
- Represents all shares of Common Stock owned, consisting of 5,931 shares of Common Stock and 46,242 shares of Common Stock subject to unvested Restricted Stock Grants.

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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