

Stanfill John L  
Form 4  
March 13, 2013

**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)  
03/11/2013

\_\_\_\_ 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 Indirect Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|--|
| Common Stock, par value \$0.01 per share | 03/11/2013                           |  | A                              | 6,000   | A \$ 0 50,184 <sup>(1)</sup>  | D  |  |
| Common Stock, par value \$0.01 per share | 03/12/2013                           |  | M                              | 2,300   | A \$ 42.29 52,484 <sup>(2)</sup>  | D  |  |
| Common Stock, par                        | 03/12/2013                           |  | M                              | 3,900   | A \$ 57.16 56,384 <sup>(3)</sup>  | 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 <sup>(4)</sup> D

Common  
Stock, par  
value  
\$0.01 per  
share

03/12/2013 M 3,866 A \$ 58.95 60,446 <sup>(5)</sup> D

Common  
Stock, par  
value  
\$0.01 per  
share

03/12/2013 S 14,599 D \$ 101.1<sup>(6)</sup> 45,847 <sup>(7)</sup> D

Common  
Stock, par  
value  
\$0.01 per  
share

03/12/2013 F 486 D \$ 101.06 45,361 <sup>(8)</sup> 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             | \$ 102.16  | 03/11/2013                           |  | A                              | 10,100  | <sup>(9)</sup>   | 03/10/2023  | Common Stock               | 10,100                     |
|  | \$ 42.29   | 03/12/2013                           |  | M                              | 2,300   | <sup>(10)</sup>  | 03/11/2020  |                            | 2,300                      |

| Option to Acquire Common Stock | Price    | Grant Date | Exercise Price | Shares | Expiration Date | Common Stock | Shares             |
|--------------------------------|----------|------------|----------------|--------|-----------------|--------------|--------------------|
| 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   | Relationships |           |                                |       |
|--|---------------|-----------|--------------------------------|-------|
|  | Director      | 10% Owner | Officer                        | Other |
| Stanfill John L<br>C/O COSTAR GROUP, INC.<br>1331 L STREET, NW<br>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)

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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.

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