

COSTAR GROUP INC

Form 4

August 23, 2006

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

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(Print or Type Responses)

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

(Last) (First) (Middle)

C/O COSTAR GROUP, INC., 2
BETHESDA METRO CENTER,
10TH FLOOR

(Street)

BETHESDA, MD 20814-5388

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
08/21/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify
below) President and CEO

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

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock, par value \$0.01 per share	08/21/2006		M	12,060	A \$ 24.875	169,797 ⁽¹⁾	D
Common Stock, par value \$0.01 per share	08/21/2006		M	5,537	A \$ 18.06	175,334 ⁽²⁾	D
	08/21/2006		M	4,926	A \$ 20.3	180,260 ⁽³⁾	D

Common
Stock, par
value
\$0.01 per
share

Common
Stock, par
value
\$0.01 per
share

08/21/2006

F

12,530 D

\$ 39.9

167,730 ⁽⁴⁾ 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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Options to acquire Common Stock	\$ 24.875	08/21/2006		M		12,060		<u>(5)</u>	06/20/2010	Common Stock	12,060
Options to acquire Common Stock	\$ 18.06	08/21/2006		M		5,537		<u>(6)</u>	04/16/2011	Common Stock	5,537
Options to acquire Common Stock	\$ 20.3	08/21/2006		M		4,926		<u>(7)</u>	06/03/2012	Common Stock	4,926

Reporting Owners

Reporting Owner Name / Address

Relationships

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Director 10% Owner Officer Other

FLORANCE ANDREW C
C/O COSTAR GROUP, INC.
2 BETHESDA METRO CENTER, 10TH FLOOR
BETHESDA, MD 20814-5388

X

President and CEO

Signatures

/s/ Jonathan Coleman,
Attorney-in-fact

08/23/2006

__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 145,232 shares of Common Stock and 24,565 shares of Common Stock subject to unvested Restricted Stock Grants.
- (2) Represents all shares of Common Stock owned, consisting of 150,769 shares of Common Stock and 24,565 shares of Common Stock subject to unvested Restricted Stock Grants.
- (3) Represents all shares of Common Stock owned, consisting of 155,695 shares of Common Stock and 24,565 shares of Common Stock subject to unvested Restricted Stock Grants.
- (4) Represents all shares of Common Stock owned, consisting of 143,165 shares of Common Stock and 24,565 shares of Common Stock subject to unvested Restricted Stock Grants.
- (5) The option vested in four equal installments on June 21, 2001, June 21, 2002, June 21, 2003 and June 21, 2004.
- (6) The option vested in four equal installments on April 17, 2002, April 17, 2003, April 17, 2004 and April 17, 2005.
- (7) The option vested in four equal installments on June 4, 2003, June 4, 2004, June 4, 2005 and June 4, 2006.

- Past reports filed by the reporting person showed aggregate option holdings in column 9, as opposed to holdings of a single class. As of
- (8) the date hereof, after the reported transactions, the reporting person owns options of various classes with the right to acquire in the aggregate up to 334,144 shares of Common Stock of the Company.

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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