Radecki Brian J Form 4 March 16, 2010

FORM 4

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

Check this box if no longer subject to Section 16.

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

Number: Expires:

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response...

Form 4 or 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

(Print or Type Responses)

1(b).

1. Name and Address of Reporting Person * Radecki Brian J

2. Issuer Name and Ticker or Trading Symbol

COSTAR GROUP INC [CSGP]

5. Relationship of Reporting Person(s) to

Chief Financial Officer

Issuer

(Last)

(First) (Middle) 3. Date of Earliest Transaction

(Check all applicable)

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

(Street)

(State)

(Month/Day/Year)

03/12/2010

Director X_ Officer (give title below)

10% Owner Other (specify

(Zip)

6. Individual or Joint/Group Filing(Check

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

Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

D

BETHESDA, MD 20814-5388

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 2. Transaction Date 2A. Deemed 1. Title of Security (Month/Day/Year) Execution Date, if (Instr. 3) (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

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

(A) or

Transaction(s) (Instr. 3 and 4)

Price Code V Amount (D)

Common

(City)

Stock, par 03/12/2010 value \$0.01

\$0 $32,128 \stackrel{(1)}{=}$ Α 7,600 Α

per share

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

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SEC 1474 (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 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. Transactic Code (Instr. 8)	5. Number of orDerivative 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
Option to Acquire Common Stock	\$ 42.29	03/12/2010		A	16,900	(2)	03/11/2020	Common Stock	16,900

Reporting Owners

Relationships Reporting Owner Name / Address

10% Owner Officer Other Director

Radecki Brian J C/O COSTAR GROUP, INC. 2 BETHESDA METRO CENTER, 10TH FLOOR BETHESDA, MD 20814-5388

Chief Financial Officer

Signatures

/s/ Jonathan Coleman, 03/15/2010 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).
- Represents all shares of Common Stock owned, consisting of 7,724 shares of Common Stock and 24,404 shares of Common Stock
- (1) subject to unvested Restricted Stock Grants. The shares of Common Stock owned and set out in this line item include a total of 847 shares purchased to date by the reporting person pursuant to bi-weekly purchases made under the Company's Employee Stock Purchase Plan.
- (2) The option vests in three equal installments on March 12, 2011, March 12, 2012, and March 12, 2013.

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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