

COSTAR GROUP INC  
Form 4  
March 15, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
KLEIN MICHAEL R

(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)  
03/13/2006

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)

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 (Instr. 4)
				(A) or (D)	Price		
Common Stock, par value \$0.01 per share	03/13/2006		S	30,000	D 51.96	972,557 <sup>(1)</sup>	D
					<u>(4)</u>		
Common Stock, par value \$0.01 per share	03/14/2006		S	13,412	D 51.17	959,145 <sup>(2)</sup>	D
					<u>(5)</u>		
	03/15/2006		S	16,967	D	942,178 <sup>(3)</sup>	D

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Common Stock, par value \$0.01 per share	\$ 51.06 <u>(6)</u>			
Common Stock, par value \$0.01 per share	7,248	I	By Reporting Person as Trustee for Son's Trust	
Common Stock, par value \$0.01 per share	7,248	I	By Minor Son	

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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. 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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6)
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V (A) (D)		

## Reporting Owners

### Relationships

#### Reporting Owner Name / Address

Director	10% Owner	Officer	Other
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KLEIN MICHAEL R  
C/O COSTAR GROUP, INC.  
2 BETHESDA METRO CENTER, 10TH FLOOR

X

BETHESDA, MD 20814-5388

## Signatures

/s/ Jonathan Coleman,  
Attorney-in-Fact

03/15/2006

\_\_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 directly owned, consisting of 971,000 shares of Common Stock and 1,557 shares of Common Stock subject to an unvested Restricted Stock Grant.
- (2) Represents all shares of Common Stock directly owned, consisting of 957,588 shares of Common Stock and 1,557 shares of Common Stock subject to an unvested Restricted Stock Grant.
- (3) Represents all shares of Common Stock directly owned, consisting of 940,621 shares of Common Stock and 1,557 shares of Common Stock subject to an unvested Restricted Stock Grant.
- (4) Average based on sales prices ranging from \$51.00 to \$52.40.
- (5) Average based on sales prices ranging from \$51.00 to \$51.30.
- (6) Average based on sales prices ranging from \$51.00 to \$51.20.

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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