

Stanfill John L  
Form 3  
June 26, 2008

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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<br>*<br>^ Stanfill John L<br>(Last) (First) (Middle) |  | 2. Date of Event Requiring Statement<br>(Month/Day/Year)<br>06/16/2008   | 3. Issuer Name and Ticker or Trading Symbol<br>COSTAR GROUP INC [CSGP] |   |
| C/O COSTAR GROUP, INC., ^ 2<br>BETHESDA METRO CENTER,<br>10TH FLOOR<br>(Street)              |  | (Check all applicable)   |  | 5. If Amendment, Date Original Filed(Month/Day/Year)  |
| BETHESDA, ^ MD ^ 20814-5388<br>(City) (State) (Zip)  |  | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner<br><input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other<br>(give title below) (specify below)<br>Sr. VP-Sales, Customer Service |  | 6. Individual or Joint/Group Filing(Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person |

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security<br>(Instr. 4)       | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|--|--|---|--|
| Common Stock, par value \$0.01 per share | 14,158 <sup>(1)</sup>                                    | D   | ^  |

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

SEC 1473 (7-02)

**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.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security<br>(Instr. 4) | 4. Conversion or Exercise Price of Derivative | 5. Ownership Form of Derivative Security: | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|---|---|--|---|---|--|
|---|---|--|---|---|--|

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|                                | Date Exercisable | Expiration Date | Title                                    | Amount or Number of Shares | Security | Direct (D) or Indirect (I) (Instr. 5) |   |
|--------------------------------|------------------|-----------------|--|----------------------------|----------|---------------------------------------|---|
| Option to Acquire Common Stock | Â (2)            | 08/05/2012      | Common Stock, par value \$0.01 per share | 750                        | \$ 19.71 | D                                     | Â |
| Option to Acquire Common Stock | Â (2)            | 09/03/2013      | Common Stock, par value \$0.01 per share | 1,000                      | \$ 30.06 | D                                     | Â |
| Option to Acquire Common Stock | Â (2)            | 05/04/2014      | Common Stock, par value \$0.01 per share | 5,000                      | \$ 39.53 | D                                     | Â |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                                  |       |
|---|---------------|-----------|----------------------------------|-------|
|   | Director      | 10% Owner | Officer                          | Other |
| Stanfill John L<br>C/O COSTAR GROUP, INC.<br>2 BETHESDA METRO CENTER, 10TH FLOOR<br>BETHESDA, MD 20814-5388 | Â             | Â         | Â Sr. VP-Sales, Customer Service | Â     |

## Signatures

/s/ Jonathan Coleman, 06/26/2008  
Attorney-in-Fact

\_\_Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 5(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 676 shares of Common Stock and 13,482 shares of Common Stock subject to unvested Restricted Stock Grants.
- (2) The option is currently exercisable.

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.