CARCHEDI FRANCIS
Form 4
May 04, 2006

FORM 4

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

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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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
CARCHEDI FRANCIS

(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)
05/02/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chief Financial Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, par value $0.01 per share	05/02/2006		M		14,463	A	$ 18.06	32,228 (1)	D	
Common Stock, par value $0.001 per share	05/02/2006		S		14,463	D	$ 56.06 (2)	17,765 (3)	D	
Common Stock, par	05/04/2006		M		5,537	A	$ 18.06	23,302 (4)	D	

value $0.01 per share									
Common Stock, par value $0.01 per share	05/04/2006		F	1,708	D	$ 58.54	21,594 (5)	D	

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

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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. 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	$ 18.06	05/02/2006		M			14,463	(6)	04/16/2011	Common Stock	14,463
Options to acquire Common Stock	$ 18.06	05/04/2006		M			5,537	(6)	04/16/2011	Common Stock	5,537

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CARCHEDI FRANCIS C/O COSTAR GROUP, INC. 2 BETHESDA METRO CENTER, 10TH FLOOR BETHESDA, MD 20814-5388			Chief Financial Officer	

Signatures

/s/ Jonathan Coleman, Attorney-in-fact	05/04/2006
**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 25,528 shares of Common Stock and 6,700 shares of Common Stock subject to unvested Restricted Stock Grants.

(2) Average based on sales prices ranging from $55.83 to $57.23.

(3) Represents all shares of Common Stock owned, consisting of 11,065 shares of Common Stock and 6,700 shares of Common Stock subject to unvested Restricted Stock Grants.

(4) Represents all shares of Common Stock owned, consisting of 16,602 shares of Common Stock and 6,700 shares of Common Stock subject to unvested Restricted Stock Grants.

(5) Represents all shares of Common Stock owned, consisting of 14,894 shares of Common Stock and 6,700 shares of Common Stock subject to unvested Restricted Stock Grants.

(6) The option vested in four equal installments on April 17, 2002, April 17, 2003, April 17, 2004 and April 17, 2005.

(7) Past reports filed by the reporting person showed aggregate option holdings in column 9, as opposed to holdings of a single class. As of 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 85,000 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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