

COSTAR GROUP INC
Form 8-K
March 16, 2005

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 10, 2005

COSTAR GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

0-24531

52-2091509

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

2 Bethesda Metro Center, Bethesda, Maryland

20814

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (301) 215-8300

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Definitive Material Agreement

On March 10, 2005, the Compensation Committee (the Committee) of the Board of Directors of CoStar Group, Inc. (the Company) approved the following actions with respect to the compensation of the Company's current executive officers:

| Name | Title | 2005 Base Salary (1) | 2004 Bonus Amount | Shares of Restricted Stock (2) | Bonus Range (3) | 2005 Bonus Criteria (4) Individual/ Corporate/ Team | |
|------------------------------|---|-------------------------------|-------------------------|--|-----------------------|--|----------------------|
| | | | | | | Financial Performance Goals | Performance Goals |
| Andrew C. Florance | President & Chief Executive Officer | \$ 382,418 | \$ 302,310 | 15,920 | 0-100% | 75% | 25% |
| Frank A. Carchedi | Chief Financial Officer & Treasurer | \$ 213,637 | \$ 142,150 | 4,342 | 50-80% | 60% | 40% |
| Christopher Tully (5) | Sr. Vice President Sales & Customer Service Chief Information Officer | \$ 229,500 | \$ 6,563(6) | 172(6) | 0-35% | 0%(5) | 100% |
| David Schaffel | Vice President | \$ 182,946 | \$ 89,714 | 3,308 | 0-75% | 40% | 60% |
| Craig Farrington | Research | \$ 171,569 | \$ 93,724 | 2,068 | 0-75% | 40% | 60% |

(1) All salary increases will be effective as of April 1, 2005.

The Company intends to provide additional information regarding executive compensation in its proxy statement for the Company's 2005 Annual Meeting of Stockholders.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COSTAR GROUP, INC.

Date: March 16, 2005

By: /s/ Frank A. Carchedi

Name: Frank A. Carchedi
Title: Chief Financial Officer

Exhibit Index

Exhibit 10.1 2005 Summary Sheet regarding Compensation for Executive Officers (filed herewith).

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