

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

In the Matter of)
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)
 CoStar Group, Inc.)
 a corporation,) **File No. 111-0172**
)
 Lonestar Acquisition Sub, Inc.)
 a corporation,)
)
 and)
)
 LoopNet, Inc.)
 a corporation.)
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AGREEMENT CONTAINING CONSENT ORDER

The Federal Trade Commission (“Commission”), having initiated an investigation of the proposed acquisition by Respondent CoStar Group, Inc., and Respondent Lonestar Acquisition Sub, Inc., of Respondent LoopNet, Inc., hereinafter referred to as Proposed Respondents, and it now appearing that Proposed Respondents are willing to enter into this Agreement Containing Consent Order (“Consent Agreement”) to cease and desist from certain acts and practices and providing for other relief;

IT IS HEREBY AGREED by and between Proposed Respondents, their duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed Respondent CoStar Group, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the state of Delaware, with its office and principal place of business located at 1331 L Street, NW, Washington, DC 20005.
2. Proposed Respondent Lonestar Acquisition Sub, Inc. is a wholly-owned subsidiary of CoStar Group, Inc., and is a corporation organized, existing and doing business under and by virtue of the laws of the state of Delaware, with its office and principal place of business located at 1331 L Street, NW, Washington, DC 20005.
3. Proposed Respondent LoopNet, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the state of Delaware, with its office and

principal place of business located at 185 Berry Street, Suite 4000, San Francisco, CA 94107.

4. Proposed Respondents admit all the jurisdictional facts set forth in the draft of Complaint here attached.
5. Proposed Respondents waive:
 - a. Any further procedural steps;
 - b. Any requirement that the Commission's Decision and Order, attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;
 - c. All rights to seek judicial review or otherwise to challenge or contest the validity of the Decision and Order entered pursuant to this Consent Agreement; and
 - d. Any claim under the Equal Access to Justice Act.
6. Proposed Respondents shall submit initial reports, pursuant to Commission Rule 2.33, 16 C.F.R. § 2.33, no later than thirty (30) days after they execute this Consent Agreement. Proposed Respondents shall submit subsequent reports every thirty (30) days thereafter until the Order becomes final, at which time the reporting obligations of the Decision and Order (other than the requirement to submit an initial report pursuant to this Consent Agreement) shall control. The reports shall be verified by a notarized signature or sworn statement, or self-verified in the manner set forth in 28 U.S.C. § 746. The reports shall set forth in detail the manner in which the Proposed Respondents have complied or have prepared to comply, are complying, and will comply with the Decision and Order. Such reports shall contain sufficient information to enable the Commission to determine independently whether the Proposed Respondents are in compliance with this Consent Agreement, and the Decision and Order. Such reports will not become part of the public record unless and until the Consent Agreement and Decision and Order are accepted by the Commission for public comment. Proposed Respondents shall file the original report and one copy with the Secretary of the Commission, and shall send at least one copy directly to the Bureau of Competition's Compliance Division.
7. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission, it, together with the draft complaint, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify Proposed Respondents, in which event it will take such action as it may consider appropriate, or issue and serve its Complaint and Decision and Order, in disposition of the proceeding.

8. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondents that the law has been violated as alleged in the draft of Complaint here attached, or that the facts as alleged in the draft Complaint, other than jurisdictional facts, are true.
9. This Consent Agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondents, (1) issue and serve its Complaint corresponding in form and substance with the draft Complaint here attached and the attached Decision and Order containing an order to divest and providing for other relief in disposition of the proceeding and (2) make information public with respect hereto.
10. When final, the Decision and Order shall have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order shall become final upon service. Delivery of the Complaint and the Decision and Order to Proposed Respondents by any means provided in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a) – including, but not limited to, delivery to Proposed Respondents’ Counsel as identified in this Consent Agreement – shall constitute service. Proposed Respondents waive any right they may have to any other manner of service. Proposed Respondents also waive any right they may otherwise have to service of any Appendices incorporated by reference into the Decision and Order that are in the possession of Proposed Respondents, and agree that they are bound to comply with and will comply with the Decision and Order to the same extent as if they had been served with copies of the Appendices.
11. The Complaint may be used in construing the terms of the Decision and Order, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order or the Consent Agreement may be used to vary or contradict the terms of the Decision and Order.
12. Proposed Respondents have read the draft Complaint and the Decision and Order contemplated hereby. By signing this Consent Agreement, Proposed Respondents represent and warrant that:
 - a. None of the Respondents has made material changes in their usual and customary manner of conducting business (including, but not limited to, the length of Customer Contracts (as that term is defined in the proposed Decision and Order) or the adoption of policies or practices resulting in a substantial proportion of Customers Contracts expiring in the same month or quarter of each year in any one or more geographic areas) between April 27, 2011, and the date Respondents sign this Agreement Containing Consent Order;

- b. Respondent LoopNet has not sold, pledged, assigned, or reduced all or any part of its rights in or to the Xceligent Interest (as that term is defined in the proposed Decision and Order) between April 27, 2011, and the date Respondent LoopNet signs this Agreement Containing Consent Order;
 - c. They can accomplish the full relief contemplated by the attached Decision and Order;
 - d. All parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement and the attached Decision and Order are parties to this Consent Agreement and the attached Decision and Order and are bound thereby as if they had signed this Consent Agreement and were made parties to this proceeding and to the Decision and Order; and
 - e. They shall interpret each Divestiture Agreement under the Decision and Order in a manner that is fully consistent with all of the relevant provisions and the remedial purposes of the Decision and Order.
13. Proposed Respondents understand that once the Decision and Order has been issued, they will be required to file one or more compliance reports showing how they have complied and are complying with the Decision and Order.
14. Proposed Respondents agree to comply with the terms of the proposed Decision and Order from the date they sign this Consent Agreement. Proposed Respondents further understand that they may be liable for civil penalties and other relief, as provided by law, for each violation of the Decision and Order after it becomes final.

CoStar Group, Inc.

Federal Trade Commission

Andrew C. Florance
Chief Executive Officer
CoStar Group, Inc.
Dated: _____

Justin Stewart-Teitelbaum, Esq.
Staff Attorney
Bureau of Competition

Approved:

Kevin J. Arquit, Esq.
Simpson Thacher & Bartlett LLP
Counsel for CoStar Group, Inc.
Dated: _____

Phillip L. Broyles, Esq.
Assistant Director
Bureau of Competition

Lonestar Acquisition Sub, Inc.

Andrew C. Florance
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Dated: _____

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Richard A. Feinstein, Esq.
Director
Bureau of Competition
Dated: _____

LoopNet, Inc.

Richard J. Boyle, Jr.
Chief Executive Officer and Chairman
LoopNet, Inc.
Dated: _____

Michael N. Sohn, Esq.
Davis Polk & Wardwell LLP
Counsel for LoopNet, Inc.
Dated: _____