

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Jon Leibowitz, Chairman
J. Thomas Rosch
Edith Ramirez
Julie Brill
Maureen K. Ohlhausen

In the Matter of)	
)	
COSTAR GROUP, INC.)	Docket No. C-4368
a corporation,)	
)	
LONESTAR ACQUISITION SUB, INC.)	
a corporation, and)	
)	
LOOPNET, INC.)	
a corporation.)	
)	
)	

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by the Act, the Federal Trade Commission (“Commission”), having reason to believe that Respondents CoStar Group, Inc. and Lonestar Acquisition Sub, Inc. (collectively “CoStar”), and LoopNet, Inc. (“LoopNet”) have entered into an acquisition agreement that constitutes a violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and which, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18 and Section 5 of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges as follows:

I. RESPONDENTS

1. CoStar Group, Inc. is the largest provider of Commercial Real Estate (“CRE”) information services in the United States. It provides a proactively researched listings database with nationwide coverage. CoStar is a publicly held, for-profit corporation, 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. CoStar maintains an online CRE listings database containing approximately 1.5 million active sale and lease listings. It provides information services covering approximately 4.2 million CRE properties across the

United States. CoStar also maintains CRE listings and information for properties located in the United Kingdom and France. CoStar's historic strength and its current value propositions lie primarily in its uniquely comprehensive information services products. Indeed, many CRE

IV. RELEVANT MARKETS

6.

substantial competition between CoStar and LoopNet and between CoStar and Xceligent; and (b) increasing the likelihood that CoStar will exercise market power unilaterally.

VII. ENTRY CONDITIONS

14. Post-acquisition, entry or expansion into the relevant markets would not be timely, likely, or sufficient in scope to deter or negate the anticompetitive effects of the proposed acquisition.

VIII. VIOLATIONS CHARGED

15. The agreement described in Paragraph 5 constitutes a violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.

16. The acquisition described in Paragraph 5, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this twenty-ninth day of August, 2012 issues its Complaint against Respondents.

By the Commission, Commissioner Ohlhausen not participating.

Richard C. Donohue
Acting Secretary

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