

OTC Pink Basic Disclosure Guidelines

1) Name of the issuer and its predecessors (if any)

Costar Technologies, Inc.

2) Address of the issuer's principal executive offices

Company Headquarters

Address 1: 101 Wrangler Drive

Address 2: Suite 201

Address 3: Coppell, Texas 75019

Phone: 469-635-6800

Website(s): www.costartechnologies.com

3) Security Information

Trading Symbol: CSTI

Exact title and class of securities outstanding: Common Stock

CUSIP: 22161J206

Par or Stated Value: \$0.01

Total shares authorized: 10,000,000 as of: March 31, 2018

Total shares outstanding: 1,559,191 as of: March 31, 2018

Additional class of securities (if necessary):

Trading Symbol: CSTI

Exact title and class of securities outstanding: Preferred Stock

CUSIP: 22161J206

Par or Stated Value: \$0.01

Total shares authorized: 10,000,000 as of: March 31, 2018

Total shares outstanding: 0 as of: March 31, 2018

Transfer Agent

Name: Computershare (Jordan Chisholm)

Address 1: 8742 Lucent Blvd.

Address 2: Suite 225

Address 3: Highlands Ranch, CO 80129

Phone: 303-262-0795

Is the Transfer Agent registered under the Exchange Act?* Yes: ☒ No: ☐

List any restrictions on the transfer of security:

N/A

Describe any trading suspension orders issued by the SEC in the past 12 months.

N/A

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On December 29, 2016 Costar Technologies, Inc. acquired Innotech Security, Inc. in Pompano Beach, FL. See footnote 4 Acquisition in the December 31, 2017 consolidated financial statements for additional information pertaining to the Innotech acquisition.

4) Issuance History

N/A

5) Financial Statements

The financial statements for the quarter ending March 31, 2018 have been posted to otciq.com and are also located on the Costar Technologies, Inc. website at www.costartechnologies.com.

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations;

Costar Technologies, Inc. and its wholly owned subsidiaries develops, designs and distributes a range of security solution products such as surveillance cameras, lenses, digital video recorders and high speed domes as well as industrial vision products to observe repetitive production and assembly lines, thereby increasing efficiency by detecting faults in the production process. CohuHD Costar, LLC (wholly owned subsidiary of Costar Technologies, Inc.) is a leading provider of video cameras and related products, specializing in IP video solutions for traffic monitoring, security, surveillance and military applications; and accessories, such as cables, camera mounts, lenses and data storage devices.

B. Date and State (or Jurisdiction) of Incorporation:

February 20, 1997, Delaware (under the name "Fairmarket, Inc.")

C. the issuer's primary and secondary SIC Codes;

Primary: 5046 Secondary: 334220

D. the issuer's fiscal year end date;

December 31

E. principal products or services, and their markets;

See 6A for Costar Technologies, Inc.'s primary products. Costar Technologies, Inc. typically sells its products to integrators/distributors. CohuHD Costar, LLC's products are typically used in government and transportation related applications. Costar Video Systems, LLC & Innotech Security, Inc.'s products are largely used in retail environments, financial institutions, etc.

7) Describe the Issuer's Facilities

Corporate Headquarters (includes Costar Video Systems, LLC):

101 Wrangler Drive, Suite 201

Coppell, TX 75019

7-year lease expiring in 2018.

CohuHD Costar, LLC

7330 Trade Street

San Diego, CA 92121

78-month lease expiring in 2023.

Innotech Security, Inc.
1500 W Copans Rd, Suite A11
Pompano Beach, FL 33064
3-year lease expiring in 2019

8) Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons.

James Pritchett, Chief Executive Officer
Scott Switzer, Chief Financial Officer
James Mitarotonda, Barington Capital Group, L.P. (15% of common stock outstanding)

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

N/A

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

N/A

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

N/A

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

N/A

C. Beneficial Shareholders.

Barington Capital Group, LP, (15% of common stock outstanding)

9) Third Party Providers

Legal Counsel

Name: Matt Leivo

Firm: DLA Piper LLP

Address 1: 4365 Executive Drive, Suite 1100

Address 2: San Diego, California 92121

Phone: (858) 638-6862

Email: Matt.Leivo@dlapiper.com

Website: www.dlapiper.com

Accountant or Auditor

Name: Brian Matlock

Firm: BKD LLP

Address 1: 14241 Dallas Parkway, Suite 100

Address 2: Dallas, TX 75254

Phone: 972-702-7429

Email: bmatlock@BKD.com

10) Issuer Certification

Certifications by CEO and CFO:

I, James Pritchett certify that:

1. I have reviewed this Quarterly Disclosure Statement of Costar Technologies, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 17, 2018

/s/ James Pritchett
James Pritchett, CEO

I, Scott Switzer certify that:

1. I have reviewed this Quarterly Disclosure Statement of Costar Technologies, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 17, 2018

/s/ Scott Switzer
Scott Switzer, CFO