



FOR IMMEDIATE RELEASE
August 15, 2014

CONTACT: Scott Switzer
Chief Financial Officer
Costar Technologies, Inc.
(469) 635-6800

**COSTAR TECHNOLOGIES, INC. APPOINTS MCGLADREY AS ITS
NEW INDEPENDENT PUBLIC ACCOUNTING FIRM**

Costar to Commence Reviews of Interim Periods and Audits of Year End Periods

Coppell, Texas – August 15, 2014 – Costar Technologies, Inc. (OTC Markets Group: CSTI) today announced that it has appointed McGladrey LLP (“McGladrey”) as its new independent registered public accounting firm, effective August 14, 2014. The decision to engage McGladrey was made by the Company’s Audit Committee, acting on behalf of the Company’s Board of Directors.

The Company’s former accounting firm, Rothstein Kass & Company PC (“Rothstein Kass”), has recently been acquired by KPMG LLP (“KPMG”), and the Company’s Audit Committee has determined not to proceed with KPMG as the Company’s independent registered public accounting firm for the 2014 fiscal year due to proposed changes in the type, cost and timing of services. The Company had no unresolved disagreements with Rothstein Kass during the two most recent fiscal years of the Company or through the date of termination, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

During the two most recent fiscal years of the Company and during the subsequent interim period through August 14, 2014, the Company did not consult with McGladrey regarding (i) the application of accounting principles to a specified transaction, either completed or proposed, (ii) the type of audit opinion that might be rendered on the Company’s financial statements, or (iii) any of the matters or events set forth in Item 304(a)(2) of Regulation S-K.

The Company is further announcing that going forward, the Company’s financial statements for quarterly periods will be reviewed and the Company’s financial statements for year-end periods will be audited by McGladrey. Since 2011, the Company has been preparing and releasing quarterly compilations and unaudited year-end financial statements.

As a result of the appointment of McGladrey and the change to reviewed quarterly financial statements, the Company expects a delay in the preparation and release of its second quarter financial statements, which otherwise was expected to be released on or about August 15, 2014. The Company will release the second quarter financial statements as soon as practicable thereafter, taking into account the transition of auditors and increased review, and currently expects to issue the results in the first half of September.

COSTAR TECHNOLOGIES, INC.

About Costar Technologies, Inc.

Costar Technologies, Inc. develops, designs and distributes a range of security solution products including surveillance cameras, lenses, digital video recorders and high-speed domes. Costar also develops, designs and distributes industrial vision products to observe repetitive production and assembly lines, thereby increasing efficiency by detecting faults in the production process. Headquartered in Coppell, Texas, Costar's shares currently trade on the OTC Markets Group under the ticker symbol "CSTI".

Cautionary Statement Regarding Forward Looking Statements

This document contains forward-looking statements that involve risks and uncertainties, as well as assumptions, that if they never materialize or prove incorrect, could cause the results of the Company to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements generally are identified by the words "expects," "anticipates," "believes," "intends," "estimates," "should," "would," "strategy," "plan" and similar expressions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The risks, uncertainties and assumptions include developments in the marketplace for our products, competition, related products and services and general economic conditions, as well as other risks and uncertainties. Accordingly, we cannot give assurance that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of the Company.

###