

CARMAX INC
Form 4
October 11, 2006

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
LIGON WILLIAM A

(Last) (First) (Middle)
12800 TUCKAHOE CREEK
PARKWAY
(Street)

RICHMOND, VA 23238

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CARMAX INC [KMX]

3. Date of Earliest Transaction
(Month/Day/Year)
10/09/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
____ Officer (give title below) Other (specify below)
Former CEO/President

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	10/09/2006		M		120,000	A	\$ 29.605	1,375,889	D
Common Stock	10/09/2006		M		120,000	A	\$ 26.38	1,495,889	D
Common Stock	10/10/2006		S		600 ⁽¹⁾	D	\$ 42.65	1,495,289	D
Common Stock	10/10/2006		S		700 ⁽¹⁾	D	\$ 42.66	1,494,589	D
Common Stock	10/10/2006		S		2,500 ⁽¹⁾	D	\$ 42.68	1,492,089	D

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Common Stock	10/10/2006	S	8,600 <u>(1)</u>	D	\$ 42.69	1,483,489	D
Common Stock	10/10/2006	S	3,105 <u>(1)</u>	D	\$ 42.7	1,480,384	D
Common Stock	10/10/2006	S	1,800 <u>(1)</u>	D	\$ 42.71	1,478,584	D
Common Stock	10/10/2006	S	5,195 <u>(1)</u>	D	\$ 42.72	1,473,389	D
Common Stock	10/10/2006	S	10,875 <u>(1)</u>	D	\$ 42.73	1,462,514	D
Common Stock	10/10/2006	S	19,300 <u>(1)</u>	D	\$ 42.74	1,443,214	D
Common Stock	10/10/2006	S	12,100 <u>(1)</u>	D	\$ 42.75	1,431,114	D
Common Stock	10/10/2006	S	5,600 <u>(1)</u>	D	\$ 42.76	1,425,514	D
Common Stock	10/10/2006	S	9,800 <u>(1)</u>	D	\$ 42.77	1,415,714	D
Common Stock	10/10/2006	S	7,200 <u>(1)</u>	D	\$ 42.78	1,408,514	D
Common Stock	10/10/2006	S	3,300 <u>(1)</u>	D	\$ 42.79	1,405,214	D
Common Stock	10/10/2006	S	3,300 <u>(1)</u>	D	\$ 42.7921	1,401,914	D
Common Stock	10/10/2006	S	4,800 <u>(1)</u>	D	\$ 42.7977	1,397,114	D
Common Stock	10/10/2006	S	16,500 <u>(1)</u>	D	\$ 42.8	1,380,614	D
Common Stock	10/10/2006	S	4,800 <u>(1)</u>	D	\$ 42.81	1,375,814	D
Common Stock	10/10/2006	S	1,000 <u>(1)</u>	D	\$ 42.82	1,374,814	D
Common Stock	10/10/2006	S	8,600 <u>(1)</u>	D	\$ 42.83	1,366,214	D
Common Stock	10/10/2006	S	6,900 <u>(1)</u>	D	\$ 42.84	1,359,314	D
Common Stock	10/10/2006	S	1,800 <u>(1)</u>	D	\$ 42.85	1,357,514	D
Common Stock	10/10/2006	S	10,225 <u>(1)</u>	D	\$ 42.8532	1,347,289	D
	10/10/2006	S	4,000 <u>(1)</u>	D		1,343,289	D

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Common Stock					\$				
					42.8545				
Common Stock	10/10/2006		S	12,400 <u>(1)</u>	D	\$	42.8581	1,330,889	D
Common Stock	10/10/2006		S	7,100 <u>(1)</u>	D	\$	42.86	1,323,789	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Stock Options (Right to Buy)	\$ 29.605	10/09/2006		M	120,000 <u>(2)</u>	04/01/2005 04/01/2014	Common Stock	120,000	
Stock Options (Right to Buy)	\$ 26.38	10/09/2006		M	120,000 <u>(2)</u>	06/23/2006 06/23/2015	Common Stock	120,000	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LIGON WILLIAM A 12800 TUCKAHOE CREEK PARKWAY RICHMOND, VA 23238				Former CEO/President

Signatures

Sherry Neuffer 10/11/2006
 **Signature of Date
 Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) These shares were sold for payment of the exercise price and applicable withholding taxes in connection with the exercise of stock options.
- (2) Stock Appreciation Rights (SARS) that were issued in tandem with the stock options disclosed in the table expired when the reporting person exercised such stock options.

Remarks:

Under power of attorney

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