

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 |
| Common Stock | 10/09/2006 | | M | | 120,000 | A | \$ 26.38 |
| Common Stock | 10/10/2006 | | S | | 600 ⁽¹⁾ | D | \$ 42.65 |
| Common Stock | 10/10/2006 | | S | | 700 ⁽¹⁾ | D | \$ 42.66 |
| Common Stock | 10/10/2006 | | S | | 2,500 ⁽¹⁾ | D | \$ 42.68 |

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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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

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

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.