

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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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 <sup>(1)</sup>	D	\$ 42.65
Common Stock	10/10/2006		S		700 <sup>(1)</sup>	D	\$ 42.66
Common Stock	10/10/2006		S		2,500 <sup>(1)</sup>	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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**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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