

CARMAX INC  
Form 4  
May 03, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
**BROWNING KEITH D**

(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)  
**05/01/2006**

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)  
**CFO & Executive Vice 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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	05/02/2006		M		25,000 A \$ 6.0625	225,000	D
Common Stock	05/02/2006		S		2,600 D \$ 34.22	222,400	D
Common Stock	05/02/2006		S		3,300 D \$ 34.23	219,100	D
Common Stock	05/02/2006		S		9,700 D \$ 34.24	209,400	D
Common Stock	05/02/2006		S		1,800 D \$ 34.25	207,600	D

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Common Stock	05/02/2006	S	500	D	\$ 34.28	207,100	D
Common Stock	05/02/2006	S	300	D	\$ 34.3	206,800	D
Common Stock	05/02/2006	S	400	D	\$ 34.31	206,400	D
Common Stock	05/02/2006	S	100	D	\$ 34.33	206,300	D
Common Stock	05/02/2006	S	200	D	\$ 34.13	206,100	D
Common Stock	05/02/2006	S	300	D	\$ 34.19	205,800	D
Common Stock	05/02/2006	S	2,300	D	\$ 34.2	203,500	D
Common Stock	05/02/2006	S	300	D	\$ 34.21	203,200	D
Common Stock	05/02/2006	S	2,400	D	\$ 34.1	200,800	D
Common Stock	05/02/2006	S	500	D	\$ 34.11	200,300	D
Common Stock	05/02/2006	S	300	D	\$ 34.34	200,000	D

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

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SEC 1474  
(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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of
Stock Options (Right to Buy)	\$ 34.39	05/01/2006		A	65,000	05/01/2007 <sup>(1)</sup>	05/01/2013	Common Stock	6

SARS	\$ 34.39	05/01/2006	A	65,000	05/01/2007 <sup>(2)</sup>	05/01/2013	Common Stock	6
Stock Options (Right to Buy)	\$ 6.0625	05/02/2006	M	25,000	06/15/2000	06/15/2006	Common Stock	2

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BROWNING KEITH D 12800 TUCKAHOE CREEK PARKWAY RICHMOND, VA 23238	X		CFO & Executive Vice President	

## Signatures

Sherry Neuffer                      05/03/2006  
 \*\*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) The stock options are exercisable with respect to one-fourth of the underlying shares of Common Stock on each of May 1, 2007, May 1, 2008, May 1, 2009, and May 1, 2010.
- (2) The stock options and the stock appreciation rights (SARS) were granted in tandem. Accordingly, the exercise of one results in the surrender to the Issuer of the other. The SARS, which will entitle the Reporting Person to receive the cash value of the options in lieu of exercising the options, become exercisable only following a change in control of the Issuer as set forth in the Issuer's 2002 Stock Incentive Plan, as amended and restated.

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.