

CARMAX INC  
Form 4  
December 28, 2005

**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)

ATTN: STOCK OPTIONS, 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)  
12/23/2005

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)

PRESIDENT & CEO

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	(D)	Price

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Stock Options (Right to buy)	\$ 28.26	12/23/2005	A	199,481					12/23/2006 <sup>(1)</sup>	06/23/2014	Common Stock	199,481
SARS	\$ 28.26	12/23/2005	A	199,481					12/23/2006 <sup>(2)</sup>	06/23/2014	Common Stock	199,481

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LIGON WILLIAM A ATTN: STOCK OPTIONS 12800 TUCKAHOE CREEK PARKWAY RICHMOND, VA 23238	X		PRESIDENT & CEO	

## Signatures

Sherry Neuffer                      12/28/2005  
 \*\*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 December 23, 2006, December 23, 2007, December 23, 2008, and December 23, 2009.
- (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 Amended and Restated 2002.

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.