

Smith Richard Murray
 Form 4
 April 08, 2010

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 *
 Smith Richard Murray

(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)
 04/06/2010

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)
 Senior Vice President & CIO

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) | Price | | |
| Common Stock | 04/06/2010 | | M | 16,000 | A \$ 14.8 | 153,804 | D |
| Common Stock | 04/06/2010 | | S | 33,000 | D \$ 25.26 | 120,804 | 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)

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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 Underlying Security (Instr. 3 and 4) |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title |
| Stock Options (Right to Buy) ⁽²⁾ | \$ 14.8 | 04/06/2010 | | M | 16,000 | 04/01/2005 04/01/2014 | Common Stock |
| Restricted Stock Units | \$ 0 ⁽³⁾ | 04/06/2010 | | A | 6,482 | ⁽⁴⁾ ⁽³⁾⁽⁴⁾ | Common Stock |
| Stock Options (Right to Buy) | \$ 25.39 | 04/06/2010 | | A | 64,894 | 04/06/2011 ⁽⁵⁾ 04/06/2017 | Common Stock |
| SARS | \$ 25.39 | 04/06/2010 | | A | 64,894 | 04/06/2011 ⁽⁶⁾ 04/06/2017 | Common Stock |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Smith Richard Murray
12800 TUCKAHOE CREEK PARKWAY
RICHMOND, VA 23238

Senior Vice
President &
CIO

Signatures

Lisa Ferron-Lee 04/08/2010

 Signature of
Reporting Person

Date

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).

The shares with respect to this transaction were sold at prices ranging from \$25.25 to \$25.30. Upon request, the Reporting Person will

(1) provide the Securities and Exchange Commission staff, the Issuer, or any security holder of the Issuer, full information regarding the number of shares sold at each separate price.

(2)

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This option was previously reported as covering 8,000 shares at an exercise price of \$29.605 per share, but was adjusted to reflect the Issuer's 2-for-1 stock split in the form of a share dividend, which occurred on March 26, 2007.

(3) Shares of Company common stock will be issued to the Reporting Person upon vesting of the restricted stock units, which are referred to by the Company as market stock units (the "MSUs"), in accordance with the terms of the Form of Notice of Market Stock Unit Grant filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 2, 2009. The minimum number of shares of Company common stock that will be issued to the Reporting Person at vesting is zero, and the maximum number of shares of Company common stock that will be issued at vesting is two times the number of MSUs.

(4) The restricted stock units shall vest on April 6, 2013.

(5) The stock options are exercisable with respect to one-fourth of the underlying shares of Common Stock on each of April 6, 2011, April 6, 2012, April 6, 2013 and April 6, 2014.

(6) 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.

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