

Smith Richard Murray
 Form 3
 December 08, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â Smith Richard Murray | | (Month/Day/Year) | CARMAX INC [KMX] | |
| (Last) | (First) | (Middle) | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| | | 11/30/2006 | | |
| 12800 TUCKAHOE CREEK PARKWAY | | | (Check all applicable) | |
| (Street) | | | <input type="checkbox"/> Director | <input type="checkbox"/> 10% Owner |
| | | | <input checked="" type="checkbox"/> Officer | <input type="checkbox"/> Other |
| RICHMOND, VA | | | (give title below) | (specify below) |
| (City) | (State) | (Zip) | SENIOR VICE PRESIDENT & CIO | |
| | | 23238 | 6. Individual or Joint/Group Filing(Check Applicable Line) | |
| | | | <input checked="" type="checkbox"/> Form filed by One Reporting Person | |
| | | | <input type="checkbox"/> Form filed by More than One Reporting Person | |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
| Common Stock | 93,902 | D | Â |

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

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|--|--|---|
| | Date Exercisable | Title | | | |

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| | Expiration Date | Amount or Number of Shares | or Indirect (I) (Instr. 5) |
|------------------------------|--------------------------------------|-------------------------------|----------------------------|
| Stock Options (Right to Buy) | 03/01/2002 ⁽¹⁾ 03/01/2008 | Common Stock 9,000 \$ 4.885 | D Â |
| Stock Options (Right to Buy) | 03/01/2003 ⁽²⁾ 03/01/2009 | Common Stock 7,000 \$ 26.83 | D Â |
| Stock Options (Right to Buy) | 04/02/2004 ⁽³⁾ 04/02/2013 | Common Stock 10,000 \$ 14.285 | D Â |
| Stock Options (Right to Buy) | 04/01/2005 ⁽⁴⁾ 04/01/2014 | Common Stock 8,000 \$ 29.605 | D Â |
| Stock Options (Right to Buy) | 06/24/2006 ⁽⁵⁾ 06/24/2015 | Common Stock 20,000 \$ 26.38 | D Â |
| SARS | 06/24/2006 ⁽⁶⁾ 06/24/2015 | Common Stock 20,000 \$ 26.38 | D Â |
| Stock Options (Right to Buy) | 05/01/2007 ⁽⁷⁾ 05/01/2013 | Common Stock 20,000 \$ 34.39 | D Â |
| SARS | 05/01/2007 ⁽⁸⁾ 05/01/2013 | Common Stock 20,000 \$ 34.39 | D Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Smith Richard Murray 12800 TUCKAHOE CREEK PARKWAY RICHMOND, VA 23238 | Â | Â | Â SENIOR VICE PRESIDENT & CIO | Â |

Signatures

Lisa Ferron 12/08/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(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) This stock option vested in four equal annual installments on each of March 1, 2002, March 1, 2003, March 1, 2004 and March 1, 2005 and is now fully exercisable.
- (2) This stock option vested in four equal annual installments on each of March 1, 2003, March 1, 2004, March 1, 2005 and March 1, 2006 and is now fully exercisable.
- (3) This stock option is exercisable in four equal annual installments beginning on April 2, 2004.
- (4) This stock option is exercisable in four equal annual installments beginning on April 1, 2005.
- (5) This stock option is exercisable in four equal annual installments beginning on June 24, 2006.
- (6)

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The stock options described on line 5 of Table II and these 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 Stock Incentive Plan.

- (7) This stock option is exercisable in four equal annual installments beginning on May 1, 2007.

- (8) The stock options described on line 7 of Table II and these 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 Stock Incentive Plan.

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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