

MARGOLIN ERIC M

Form 4

April 06, 2011

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 *
 MARGOLIN ERIC M

2. Issuer Name **and** Ticker or Trading
 Symbol
 CARMAX INC [KMX]

5. Relationship of Reporting Person(s) to
 Issuer

(Check all applicable)

(Last) (First) (Middle)
 12800 TUCKAHOE CREEK PKWY

3. Date of Earliest Transaction
 (Month/Day/Year)
 04/05/2011

____ Director ____ 10% Owner
 ____X____ Officer (give title below) ____ Other (specify below)

SVP, Gen. Counsel & Secretary

(Street)

4. If Amendment, Date Original
 Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
 Applicable Line)
 ____X____ Form filed by One Reporting Person
 ____ Form filed by More than One Reporting
 Person

RICHMOND, VA 23238

(City) (State) (Zip)

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 (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 or Number of Shares	
Restricted Stock Units	\$ 0 ⁽¹⁾	04/05/2011	A		6,482		⁽²⁾	⁽¹⁾⁽²⁾	Common Stock	⁽¹⁾	
Stock Options (Right to Buy)	\$ 32.69	04/05/2011	A		64,894		04/05/2012 ⁽³⁾	04/05/2018	Common Stock	64,8	
SARS	\$ 32.69	04/05/2011	A		64,894		04/05/2012 ⁽⁴⁾	04/05/2018	Common Stock	64,8	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MARGOLIN ERIC M 12800 TUCKAHOE CREEK PKWY RICHMOND, VA 23238			SVP, Gen. Counsel & Secretary	

Signatures

Lisa Ferron Lee 04/06/2011

 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).

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 (MSUs), in accordance with the terms of the Form of Notice of Market Stock Unit Grant filed as

(1) Exhibit 10.2 to the Company's Current Report on Form 8-K filed on October 22, 2010. 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.

(2) The restricted stock units shall vest on April 5, 2014.

(3) The stock options are exercisable with respect to one-fourth of the underlying shares of Common Stock on each of April 5, 2012, April 5, 2013, April 5, 2014 and April 5, 2015.

(4) 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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