UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND

Jason Cap, Individually and on Behalf of All Others Similarly Situated v. CarMax, Inc., et al.

Cap v. CarMax · No. 1:25-cv-03602-JKB · Decided January 29, 2026

SUMMARY

The United States District Court for the District of Maryland grants the motion of the Excavators Union Local 231 Pension Fund and City of Birmingham Retirement and Relief System to be appointed lead plaintiff in a putative securities class action against CarMax, Inc. and its officers. The court concludes that the Pension Funds have the largest financial interest, satisfy the requirements of Federal Rule of Civil Procedure 23, and are presumptively the most adequate plaintiff under the Private Securities Litigation Reform Act. The court states that a separate order will address the appointment of lead counsel.

CASE DETAILS

COURT	United States District Court for the District of Maryland
WRITING FOR THE COURT	James K. Bredar
JURISDICTION	United States District Court for the District of Maryland
DECIDED	January 29, 2026
DOCKET	1:25-cv-03602-JKB
DISPOSITION	other
PROCEDURAL POSTURE	In a putative securities-fraud class action, the court considered competing motions for appointment as lead plaintiff and lead counsel under the Private Securities Litigation Reform Act.
STANDARD OF REVIEW	At the lead-plaintiff stage, the movant need make only a prima facie showing of typicality and adequacy under Federal Rule of Civil Procedure 23; the statutory presumption may be rebutted only by proof that the presumptive plaintiff will not fairly and adequately protect the class or is subject to unique defenses.
PRECEDENTIAL VALUE	unpublished district court memorandum

TOPICS

class actions · civil procedure · commercial litigation · securities fraud

PRACTICE AREAS

securities litigation · class actions · civil procedure

QUESTIONS PRESENTED

1. Which movant was the most adequate plaintiff under the Private Securities Litigation Reform Act?
2. Whether the Excavators Union Local 231 Pension Fund and City of Birmingham Retirement and Relief System satisfied the typicality and adequacy requirements of Federal Rule of Civil Procedure 23.
3. Whether any class member rebutted the statutory presumption favoring the Pension Funds as lead plaintiff.

HOLDINGS

1. The Pension Funds were the most adequate plaintiff because they timely moved in response to notice of the action and had the largest financial interest in the relief sought by the putative class.
2. The Pension Funds made a prima facie showing of typicality because their claims arose from the same alleged misconduct as the claims of the putative class and relied on similar legal theories.
3. The Pension Funds made a prima facie showing of adequacy because their interests aligned with those of the putative class, they had no apparent conflicts, and they secured adequate counsel.
4. No class member rebutted the presumption that the Pension Funds were the most adequate plaintiff.

KEY QUOTATIONS

> *"The Pension Funds are the most adequate plaintiff in this action."*

> *"No proof has been proffered to defeat the presumption that the Pension Funds are the most adequate plaintiff in this action."*

FACTUAL BACKGROUND

Plaintiff alleged that CarMax and its chief executive and chief financial officers recklessly overstated the company's growth prospects, artificially inflating the market price of CarMax securities. He alleged that investors suffered losses when the company's true growth prospects were disclosed and the securities' value declined. The competing lead-plaintiff movants reported estimated losses ranging from $31,072 to $908,099, with the Pension Funds reporting the largest loss.

PROCEDURAL HISTORY

Jason Cap filed the action on November 3, 2025, and amended the complaint on November 7, 2025, alleging violations of the Securities Exchange Act of 1934. Four parties moved for appointment as lead plaintiff and counsel. The motions of Steven M. Smith and Jason Cap were withdrawn, the Indiana Public Retirement System filed a notice of non-opposition, and the court granted the motion filed by the Excavators Union Local 231 Pension Fund and City of Birmingham Retirement and Relief System.

DISPOSITION

other

CASES CITED

- In re Royal Ahold N.V. Sec. & ERISA Litig., 219 F.R.D. 343, 350 (D. Md. 2003)
- In re Under Armour Sec. Litig., No. 1:17-cv-00388 (D. Md. Sept. 14, 2020), ECF No. 150 at 3
- In re Am. Realty Cap. Props., Inc. Litig., No. 1:15-mc-00040-AKH (S.D.N.Y. Jan. 21, 2020), ECF No. 1316 at 55
- In re Cendant Corp. Litig., 264 F.3d 201, 273-74 (3d Cir. 2001)
- Xianglin Shi v. Sina Corp., No. 05 CIV. 2154 (NRB) (S.D.N.Y. July 1, 2005)