

KAR Auction Services, Inc.
 Form 4
 September 26, 2013

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 *
 Caruso Thomas J.

(Last) (First) (Middle)

C/O: KAR AUCTION SERVICES, INC., 13085 HAMILTON CROSSING BOULEVARD

(Street)

CARMEL, IN 46032

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 KAR Auction Services, Inc. [KAR]

3. Date of Earliest Transaction
 (Month/Day/Year)
 09/24/2013

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 of ADESA

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)
			Code	V Amount (D) Price			
Common Stock	09/24/2013		S	648 ⁽¹⁾ D \$ 26.625	1,319 ⁽²⁾	I	By KAR Holdings II, LLC

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)

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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	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 Amount of Underlying Securities (Instr. 3 and 4)	8. F...	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 10					(3)(4)(5) 08/20/2017	Common Stock	175,880	(3) (4) (5)
Employee Stock Option (right to buy)	\$ 16.677					(5)(6)(7) 08/19/2018	Common Stock	54,800	(5) (6) (7)
Employee Stock Option (right to buy)	\$ 13.46					(5)(8)(9) 03/01/2020	Common Stock	179,120	(5) (8) (9)
Employee Stock Option (right to buy)	\$ 14.44					(5)(10) 02/25/2021	Common Stock	100,000	(5) (10)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Caruso Thomas J. C/O: KAR AUCTION SERVICES, INC. 13085 HAMILTON CROSSING BOULEVARD CARMEL, IN 46032			President & CEO of ADESA	

Signatures

Rebecca C. Polak as Attorney
In Fact 09/26/2013

__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).
- (1) Reflects sales of shares of common stock of KAR Auction Services, Inc. (the "Company") in a secondary offering by KAR Holdings II, LLC that closed on September 24, 2013.
- (2) Includes 1,319 shares of common stock held of record by KAR Holdings II, LLC, by virtue of the reporting person's common ownership interest in KAR Holdings II, LLC. The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.
- (3) 43,970 of these service options are currently exercisable.
- (4) 65,955 of these performance options are currently exercisable. 32,977 of these options vest if the closing price of a share of the Company's common stock exceeds \$30.00 for twenty (20) consecutive trading days and 32,978 of these options vest if the closing price of the Company's common stock exceeds \$35.00 for twenty (20) consecutive trading days.
- (5) An additional condition to vesting is that the reporting person must be a director, officer, employee, consultant or agent of the Company or any of its subsidiaries on the date on which the conditions set forth above are satisfied.
- (6) 13,700 of these options are service options that are currently exercisable.
- (7) 20,550 of these performance options are currently exercisable. 10,275 of these options vest if the closing price of a share of the Company's common stock exceeds \$30.00 for twenty (20) consecutive trading days and 10,275 of these options vest if the closing price of the Company's common stock exceeds \$35.00 for twenty (20) consecutive trading days.
- (8) 33,585 of these options are service options that are currently exercisable. 11,195 of these service options become exercisable on 3/1/2014.
- (9) 67,170 of these performance options are currently exercisable. 33,585 of these options vest if the closing price of a share of the Company's common stock exceeds \$30.00 for twenty (20) consecutive trading days and 33,585 of these options vest if the closing price of the Company's common stock exceeds \$35.00 for twenty (20) consecutive trading days.
- (10) 50,000 of these service options are currently exercisable. 25,000 of these options become exercisable on 2/25/2014 and 25,000 of these options become exercisable on 2/25/2015.

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.