

KAR Auction Services, Inc.
 Form 4
 February 27, 2017

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 Estimated average burden hours per response... 0.5

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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 *
Kett John W

(Last) (First) (Middle)

**13085 HAMILTON CROSSING
 BLVD.**

(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)

02/23/2017

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)

IAA CEO & President

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 Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock					18,130	D	
Common Stock	02/23/2017		M	1,166 A \$ 0 (1)	1,166	D	
Common Stock	02/23/2017		F(2)	380 D \$ 44.8	786	D	

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

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number.

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 Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Stock	\$ 10					(3)	08/20/2017	Common Stock	85,240
Restricted Stock Units	(4)					(5)	(5)	Common Stock	1,072
Restricted Stock Units	(4)	02/23/2017		A	3,498	(6)	(6)	Common Stock	3,498
Restricted Stock Units	(1)	02/23/2017		M	1,166	(7)	(7)	Common Stock	1,166

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Kett John W
13085 HAMILTON CROSSING BLVD.
CARMEL, IN 46032

IAA CEO & President

Signatures

Rebecca C. Polak, Attorney
In Fact

02/27/2017

**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) Each restricted stock unit is convertible into a share of common stock on a 1-for-1 basis. The restricted stock units vested in common stock on February 23, 2017.

(2) Shares withheld by the Company to satisfy tax withholding requirements.

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- (3) All of these options are currently exercisable.
- (4) Converts into common stock on a 1-for-1 basis.

These restricted stock units remain subject to a time-vesting requirement and are scheduled to vest and settle in common stock as follows:

- (5) one-third of these restricted stock units vested on February 20, 2016, one-third of these restricted stock units vested on February 20, 2017 and the remaining one-third of these restricted stock units vest on February 20, 2018, assuming continued employment through the applicable vesting date.

The compensation committee certified on February 23, 2017 that the Company achieved the 2016 net income performance goal for the restricted stock unit awards granted in 2016 under the KAR Auction Services, Inc. 2009 Omnibus Stock and Incentive Plan. These

- (6) restricted stock units remain subject to a time-vesting requirement and are scheduled to vest and settle in common stock as follows: one-third of these restricted stock units vested on February 23, 2017, one-third of these restricted stock units vest on February 22, 2018 and the remaining one-third of these restricted stock units vest on February 22, 2019, assuming continued employment through the applicable vesting date.

These restricted stock units remain subject to a time-vesting requirement and are scheduled to vest and settle in common stock as follows:

- (7) one-third of these restricted stock units vested on February 23, 2017, one-third of these restricted stock units vest on February 22, 2018 and the remaining one-third of these restricted stock units vest on February 22, 2019, assuming continued employment through the applicable vesting date.

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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