

GOLDBERG MICHAEL B  
Form 4  
December 13, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
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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 \*  
**KELSO INVESTMENT ASSOCIATES VII LP**

(Last) (First) (Middle)

C/O: KELSO AND COMPANY, 320 PARK AVENUE, 24TH FLOOR

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
12/11/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

6. Individual or Joint/Group Filing (Check Applicable Line)

\_\_\_ Form filed by One Reporting Person  
\_X\_ 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 or (D) Price			
Common Stock	12/11/2012		S	6,585,111 (1)	\$ 16.7125	I	By KAR Holdings II, LLC
					38,738,129 (2) (3) (4) (5) (6) (7) (8)		

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 (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)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
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Date Exercisable	Expiration Date	Title	Amount or Number of Shares
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Code	V	(A)	(D)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KELSO INVESTMENT ASSOCIATES VII LP C/O: KELSO AND COMPANY 320 PARK AVENUE, 24TH FLOOR NEW YORK, NY 10022		X		
Kelso GP VII, L.P. C/O: KELSO AND COMPANY 320 PARK AVENUE, 24TH FLOOR NEW YORK, NY 10022		X		
Kelso GP VII, LLC C/O: KELSO AND COMPANY 320 PARK AVENUE, 24TH FLOOR NEW YORK, NY 10022		X		
Collins Christopher L C/O: KELSO AND COMPANY 320 PARK AVENUE, 24TH FLOOR NEW YORK, NY 10022		X		
GOLDBERG MICHAEL B C/O: KELSO AND COMPANY 320 PARK AVENUE, 24TH FLOOR NEW YORK, NY 10022	X	X		
Moore Church M C/O: KELSO AND COMPANY 320 PARK AVENUE, 24TH FLOOR NEW YORK, NY 10022	X	X		

## Signatures

*By: /s/ James J. Connors, II, as Attorney-in-Fact	12/13/2012
__Signature of Reporting Person	Date
Kelso GP VII, L.P. By: *	12/13/2012
__Signature of Reporting Person	Date
Kelso GP VII, LLC By: *	12/13/2012
__Signature of Reporting Person	Date
Christopher L. Collins By: *	12/13/2012
__Signature of Reporting Person	Date
Michael B. Goldberg By: *	12/13/2012
__Signature of Reporting Person	Date
Church M. Moore By: *	12/13/2012
__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. in a secondary offering by KAR Holdings II, LLC that closed on December 11, 2012.
- Includes (i) 15,794,975 shares of common stock held of record by KAR Holdings II, LLC (which are attributable to Axle Holdings II, LLC), by virtue of Kelso Investment Associates VII, L.P.'s (KIA VII) ownership interest in Axle Holdings II, LLC, (ii) 3,911,135 shares of common stock held of record by KAR Holdings II, LLC (which are attributable to Axle Holdings II, LLC), by virtue of KEP VI, LLC's (KEP VI) ownership interest in Axle Holdings II, LLC, (iii) 15,254,672 shares of common stock held of record by KAR Holdings II, LLC, by virtue of KIA VII's ownership interest in KAR Holdings II, LLC and (iv) 3,777,347 shares of common stock held of record by KAR Holdings II, LLC, by virtue of KEP VI's ownership interest in KAR Holdings II, LLC.
- (2) Kelso GP VII, LLC (GP VII LLC) is the general partner of Kelso GP VII, L.P. (GP VII LP). GP VII LP is the general partner of KIA VII. KIA VII is the majority owner of KAR Holdings II, LLC. Each of GP VII LLC, GP VII LP and KIA VII disclaims beneficial ownership of the securities owned of record by KAR Holdings II, LLC, except to the extent of their respective pecuniary interests therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all the reported securities for purposes of Section 16 or for any other purposes.
- (3) Each of GP VII LLC, GP VII LP and KIA VII, due to their common control, could be deemed to beneficially own each other's securities. GP VII LLC disclaims beneficial ownership of all of the securities owned of record, or deemed beneficially owned, by each of GP VII LP and KIA VII, except to the extent of its pecuniary interest therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all the reported securities for purposes of Section 16 or for any other purposes.
- (4) GP VII LP disclaims beneficial ownership of all of the securities owned of record, or deemed beneficially owned, by each of GP VII LLC and KIA VII, except, in the case of KIA VII, to the extent of its pecuniary interest therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all the reported securities for purposes of Section 16 or for any other purposes. KIA VII disclaims beneficial ownership of all of the securities owned of record, or deemed beneficially owned, by each of GP VII LLC and GP VII LP, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all the reported securities for purposes of Section 16 or for any other purposes.
- (5) KEP VI and GP VII LLC due to their common control could be deemed to beneficially own each other's securities. KEP VI disclaims beneficial ownership of all of the securities owned of record, or deemed beneficially owned, by each of GP VII LLC, GP VII LP and KIA VII, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all the reported securities for purposes of Section 16 or for any other purposes. Each of GP VII LLC, GP VII LP and KIA VII disclaims beneficial ownership of all of the securities owned of record, or deemed beneficially owned, by KEP VI, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all the reported securities for purposes of Section 16 or for any other purposes.
- (6)

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- (7) KEP VI disclaims beneficial ownership of the securities owned of record by KAR Holdings II, LLC, except to the extent of its pecuniary interest therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of the reported securities for purposes of Section 16 or for any other purposes.

- (8) Messrs. Berney, Bynum, Connors, Goldberg, Loverro, Matelich, Nickell, Wahrhaftig, Wall, Moore, Osborne and Collins may be deemed to share beneficial ownership of securities owned of record or beneficially owned by GP VII LLC, GP VII LP, KIA VII, KEP VI and KAR Holdings II, LLC, by virtue of their status as managing members of GP VII LLC and KEP VI, but disclaim beneficial ownership of such securities, and this report shall not be deemed an admission that any of Messrs. Berney, Bynum, Connors, Goldberg, Loverro, Matelich, Nickell, Wahrhaftig, Wall, Moore, Osborne and Collins is the beneficial owner of these securities for purposes of Section 16 or for any other purposes.

### **Remarks:**

Because an electronically filed joint filing is limited to a maximum of ten reporting persons, this Form 4 is one of two filed to

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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