

KAR Auction Services, Inc.
 Form 4
 September 17, 2014

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

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 *
 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)
 09/15/2014

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)
 Chief Client Officer

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 Beneficial Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Stock	09/15/2014		M	5,000	A	\$ 14.44	5,000	D
Common Stock	09/15/2014		S	5,000	D	\$ 30.38	0	D
Common Stock	09/15/2014		M	3,075	A	\$ 16.677	3,075	D
Common Stock	09/15/2014		S	3,075	D	\$ 30.38	0	D

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 (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. Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 10					(1)(2) 08/20/2017	Common Stock	32,978 <u>(1) (2)</u>
Employee Stock Option (right to buy)	\$ 16.677	09/15/2014		A	3,075	(2)(3) 08/19/2018	Common Stock	3,075 <u>(2) (3)</u>
Employee Stock Option (right to buy)	\$ 13.46					(2)(4) 03/01/2020	Common Stock	67,170 <u>(2) (4)</u>
Employee Stock Option (right to buy)	\$ 14.44	09/15/2014		A	5,000	(2)(5) 02/25/2021	Common Stock	5,000 <u>(2) (5)</u>

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

Chief Client Officer

CARMEL, IN 46032

Signatures

Rebecca C. Polak as Attorney

09/17/2014

In Fact

__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) 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.
 - (2) 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.
 - (3) 3,278 of these performance options are currently exercisable. 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.
 - (4) 33,585 of these performance options are currently exercisable. 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.
 - (5) 20,000 of these service options are currently exercisable. 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.

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