

KAR Auction Services, Inc.
 Form 4
 April 15, 2014

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)
 04/14/2014

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 04/14/2014 | | M | A | \$ 10 15,000 | D | |
| Common Stock | 04/14/2014 | | S | D | \$ 29.6403 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)

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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 |
| Employee Stock Option (right to buy) | \$ 10 | 04/14/2014 | | M | 15,000 | (2)(3) 08/20/2017 | 08/20/2017 | Common Stock | 15,000 (2) (3) |
| Employee Stock Option (right to buy) | \$ 16.677 | | | | | (3)(4)(5) 08/19/2018 | 08/19/2018 | Common Stock | 42,813 (3) (4) (5) |
| Employee Stock Option (right to buy) | \$ 13.46 | | | | | (3)(6)(7) 03/01/2020 | 03/01/2020 | Common Stock | 111,950 (3) (6) (7) |
| Employee Stock Option (right to buy) | \$ 14.44 | | | | | (3)(8) 02/25/2021 | 02/25/2021 | Common Stock | 100,000 (3) (8) |

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

Chief Client Officer

Signatures

Rebecca C. Polak as Attorney
In Fact

04/15/2014

__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).

- The price reported in column 4 is a weighted average price. These shares were purchased in multiple transactions at prices ranging from \$29.485 to \$29.91, inclusive. The reporting person undertakes to provide to KAR Auction Services, Inc., any security holder of KAR Auction Services, Inc., or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares purchased at each separate price within the range set forth in this footnote.
- (1) 65,955 of these performance options are currently exercisable. 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) 6,850 of these options are service options that are currently exercisable.
 - (4) 25,688 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.
 - (5) 11,195 of these options are service options that are currently exercisable.
 - (6) 67,170 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.
 - (7) 75,000 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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