

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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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 \*  
**HALLETT JAMES P**  
  
(Last) (First) (Middle)  
  
C/O: KAR AUCTION SERVICES,  
INC., 13085 HAMILTON  
CROSSING BOULEVARD

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

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)  
  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**Chief Executive Officer**

(Street)  
  
CARMEL, IN 46032  
  
(City) (State) (Zip)

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

4. If Amendment, Date Original Filed(Month/Day/Year)  
  
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)
Common Stock	09/24/2013		S	12,954 (1) D	\$ 26.625 26,356 (2)	I	By KAR Holdings II, LLC

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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... Der... Sec... (Ins...	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 13.46					(3)(4)(5) 03/01/2020	Common Stock	150,000	(3) (4) (5)

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HALLETT JAMES P C/O: KAR AUCTION SERVICES, INC. 13085 HAMILTON CROSSING BOULEVARD CARMEL, IN 46032	X		Chief Executive Officer	

**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.  
Includes 26,356 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.
- (2) 28,125 of these service options are currently exercisable. 9,375 of these options become exercisable on 3/1/2014.  
56,250 of these performance options are currently exercisable. 28,125 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 28,125 of these options vest if the closing price of a share of the Company's common stock exceeds \$35.00 for twenty (20) consecutive trading days.
- (3) 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.

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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