

KAR Auction Services, Inc.  
Form 4  
August 15, 2013

**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)  
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)  
08/13/2013

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)  
President & CEO of ADESA

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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	08/13/2013		S	811 <sup>(1)</sup> D \$ 24.25	1,967 <sup>(2)</sup>	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)**



## 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 August 13, 2013.
- (2) Includes 1,967 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.
- (3) 43,970 of these options are service options that became exercisable as of the effective date of the Company's initial public offering.
- (4) 131,910 of these options are performance options that will vest as follows: 25% of these options vest if, during any consecutive 90-day period, the average closing price per share of the Company's common stock (or, the "average closing price") is at least \$20.00 and the closing price per share of the Company's common stock on the last day of such 90-day period (or, the "last day closing price") is at least \$17.00; the next 25% of these options vest if, during any consecutive 90-day period, the average closing price is at least \$25.00 and the last day closing price is at least \$21.25; the next 25% of these options vest if, during any consecutive 90-day period, the average closing price is at least \$30.00 and the last day closing price is at least \$25.50; and the remaining 25% of these options vest if during any consecutive 90-day period, the average closing price is at least \$35.00 and the last day closing price is at least \$29.75.
- (5) 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.
- (6) 13,700 of these options are service options that became exercisable as of the effective date of the Company's initial public offering.
- (7) 41,100 of these options are performance options that will vest as follows: 25% of these options vest if, during any consecutive 90-day period, the average closing price is at least \$20.00 and the last day closing price is at least \$17.00; the next 25% of these options vest if, during any consecutive 90-day period, the average closing price is at least \$25.00 and the last day closing price is at least \$21.25; the next 25% of these options vest if, during any consecutive 90-day period, the average closing price is at least \$30.00 and the last day closing price is at least \$25.50; and the remaining 25% of these options vest if during any consecutive 90-day period, the average closing price is at least \$35.00 and the last day closing price is at least \$29.75.
- (8) 44,780 of these options are service options that vest based upon the passage of time and the reporting person's continued service with the Company. 25% of these options became exercisable on 3/1/2011, 25% of these options became exercisable on 3/1/2012, 25% of these options become exercisable on 3/1/2013, and the remaining 25% of these options become exercisable on 3/1/2014.
- (9) 134,340 of these options are performance options that will vest as follows: 25% of these options vest if, during any consecutive 90-day period, the average closing price is at least \$20.00 and the last day closing price is at least \$17.00; the next 25% of these options vest if, during any consecutive 90-day period, the average closing price is at least \$25.00 and the last day closing price is at least \$21.25; the next 25% of these options vest if, during any consecutive 90-day period, the average closing price is at least \$30.00 and the last day closing price is at least \$25.50; and the remaining 25% of these options vest if during any consecutive 90-day period, the average closing price is at least \$35.00 and the last day closing price is at least \$29.75.
- (10) These options are service options that vest based upon the passage of time and the reporting person's continued service with the Company. 25% of these options became exercisable on 2/25/2012, 25% of these options become exercisable on 2/25/2013, 25% of these options become exercisable on 2/25/2014, and the remaining 25% 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.