

St. Hilaire Stephane
 Form 4
 August 22, 2017

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 *
 St. Hilaire Stephane

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 13085 HAMILTON CROSSING
 BLVD.

3. Date of Earliest Transaction (Month/Day/Year)
 08/18/2017

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 President and CEO of ADESA

(Street)
 CARMEL, IN 46032

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

(City) (State) (Zip)

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) | Price | | |
| Common Stock | 08/18/2017 | | M | 20 | A \$ 10 | (1) | D |
| Common Stock | 08/18/2017 | | S | 20 | D \$ 44.36 | | 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) | 8. Price or Value 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 | 08/18/2017 | | M | 20 (2) | (3) 08/20/2017 | Common Stock | 20 | \$ |
| Employee Stock Option (right to buy) | \$ 30.89 | | | | | (4) | 02/27/2024 | Common Stock | 38,884 (4) |
| Employee Stock Option (right to buy) | \$ 13.46 | | | | | (3) | 03/01/2020 | Common Stock | 72,768 |
| Restricted Stock Units | (5) | | | | | (6) | (6) | Common Stock | 1,072 |
| Restricted Stock Units | (5) | | | | | (7) | (7) | Common Stock | 2,309 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| St. Hilaire Stephane 13085 HAMILTON CROSSING BLVD. CARMEL, IN 46032 | | | President and CEO of ADESA | |

Signatures

Rebecca C. Polak, as Attorney
In Fact

08/22/2017

__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) Includes 1,183.3136 shares acquired (including 17.8591 shares acquired by dividend reinvestment) pursuant to the Company's Employee Stock Purchase Plan.
Due to a clerical error, all options were previously erroneously reported as having been exercised on the Form 4 filed on May 11, 2016,
(2) when in fact the option remained unexercised solely with respect to 20 shares. The option was exercised with respect to those remaining 20 shares on August 18, 2017 prior to the option's expiration on August 20, 2017.
- (3) All of these options are currently exercisable.
- (4) 29,163 of these options are currently exercisable and the remaining 9,721 options become exercisable on February 27, 2018, assuming continued employment through the applicable vesting date.
- (5) Each restricted stock unit is convertible into a share of common stock on a 1-for-1 basis.
These restricted stock units remain subject to a time-vesting requirement and are scheduled to vest and settle in common stock as follows:
(6) one-third of these restricted stock units vested on February 20, 2016, one-third of these restricted stock units vested on February 20, 2017 and the remaining one-third of these restricted stock units vest on February 20, 2018, assuming continued employment through the applicable vesting date.
These restricted stock units remain subject to a time-vesting requirement and are scheduled to vest and settle in common stock as follows:
(7) one-third of these restricted stock units vested on February 23, 2017, one-third of these restricted stock units vest on February 22, 2018 and the remaining one-third of these restricted stock units vest on February 22, 2019, assuming continued employment through the applicable vesting date.

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.