

Loughmiller Eric M.
Form 4
February 26, 2018

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 *
Loughmiller Eric M.

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)
C/O: KAR AUCTION SERVICES, INC., 13085 HAMILTON CROSSING BLVD.
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/22/2018

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP & CFO

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount or Price | | |
| Common Stock | 02/22/2018 | | M | | 3,144 A \$ 0 ⁽¹⁾ | D | 151,868.4518 ₍₂₎ |
| Common Stock | 02/22/2018 | | F ⁽³⁾ | | 1,393 D \$ 50.87 | D | 150,475.4518 |
| Common Stock | 02/24/2018 | | M | | 1,600 A \$ 0 ⁽⁴⁾ | D | 152,075.4518 |
| Common Stock | 02/24/2018 | | F ⁽³⁾ | | 709 D \$ 51.42 | D | 151,366.4518 |

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

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(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) | \$ 30.89 | | | | | (5) 02/27/2024 | Common Stock | 97,204 |
| Restricted Stock Units | (6) | 02/22/2018 | | M | 3,144 | (7) (7) | Common Stock | 3,144 |
| Restricted Stock Units | (6) | 02/24/2018 | | M | 1,600 | (8) (8) | Common Stock | 1,600 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Loughmiller Eric M.
C/O: KAR AUCTION SERVICES, INC.
13085 HAMILTON CROSSING BLVD.
CARMEL, IN 46032

EVP & CFO

Signatures

Rebecca C. Polak as Attorney
In Fact

02/26/2018

**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) Each restricted stock unit is convertible into a share of common stock on a 1-for-1 basis. The restricted stock units vested in common stock on February 22, 2018.
 - (2) Includes 639.8688 shares acquired (including 30.7070 shares acquired by dividend reinvestment) pursuant to the Company's Employee Stock Purchase Plan.
 - (3) Shares withheld by the Company to satisfy tax withholding requirements.
 - (4) Each restricted stock unit is convertible into a share of common stock on a 1-for-1 basis. The restricted stock units vested in common stock on February 24, 2018.
 - (5) 72,903 of these options are currently exercisable and the remaining 24,301 options become exercisable on February 27, 2018, assuming continued employment through the applicable vesting date.
 - (6) 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:
 - (7) one-third of these restricted stock units vested on February 23, 2017, one-third of these restricted stock units vested 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.
 - (8) These restricted stock units remain subject to a time-vesting requirement and are scheduled to vest and settle in common stock as follows:
 - (8) one-third of these restricted stock units vested on February 24, 2018, one-third of these restricted stock units vest on February 24, 2019 and the remaining one-third of these restricted stock units vest on February 24, 2020, 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.