

KAR Auction Services, Inc.  
 Form 4  
 February 25, 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)  
 02/24/2014

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
|                                 |                                      |  |                                | Code V  | Amount  |  |                                   |
| Common Stock                    | 02/24/2014                           |  | M                              | 5,000 A   | \$ 13.46  | 5,000  | D                                 |
| Common Stock                    | 02/24/2014                           |  | S                              | 5,000 D   | \$ 29.27  | 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  |                                      |  |                                |   | (1)(2)(3) 08/20/2017                                     | Common Stock  | 105,880 (1) (2) (3) |                            |
| Employee Stock Option (right to buy)       | \$ 16.677  |                                      |  |                                |   | (3)(4)(5) 08/19/2018                                     | Common Stock  | 54,800 (3) (4) (5)  |                            |
| Employee Stock Option (right to buy)       | \$ 13.46   | 02/24/2014                           |  | M                              | 5,000   | (3)(6)(7) 03/01/2020                                     | Common Stock  | 5,000 (3) (6) (7)   |                            |
| Employee Stock Option (right to buy)       | \$ 14.44   |                                      |  |                                |   | (3)(8) 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

02/25/2014

\_\_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).
- (1) 3,970 of these service options are currently exercisable.  
35,955 of these performance options are currently exercisable. 32,977 of these options vest if the closing price of a share of the
- (2) Company's common stock exceeds \$30.00 for twenty (20) consecutive trading days and 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.
- (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.
- (4) 13,700 of these options are service options that are currently exercisable.  
20,550 of these performance options are currently exercisable. 10,275 of these options vest if the closing price of a share of the
- (5) Company's common stock exceeds \$30.00 for twenty (20) consecutive trading days and 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.
- (6) 11,195 of these options are service options that become exercisable on 3/1/2014.  
33,585 of these performance options are currently exercisable. 33,585 of these options vest if the closing price of a share of the
- (7) Company's common stock exceeds \$30.00 for twenty (20) consecutive trading days and 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.
- (8) 50,000 of these service options are currently exercisable. 25,000 of these options become exercisable on 2/25/2014 and 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. 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.