

KAR Auction Services, Inc.
Form 4
February 23, 2016

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 *
HALLETT JAMES P

(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)
02/20/2016

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 Executive 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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/20/2016		M		6,431	A	\$ 0 (1)
Common Stock	02/20/2016		P(2)		2,032	D	\$ 33.9

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)	\$ 13.46					(3)(4)(5)	03/01/2020	Common Stock	150,000 (3) (4)
Employee Stock Option (right to buy)	\$ 30.89					(5)(6)	02/27/2024	Common Stock	194,404 (5) (6)
Restricted Stock Units	(1)	02/20/2016		M	6,431	(7)	(7)	Common Stock	6,431

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

02/23/2016

**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 2/20/16.

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- (2) Shares withheld by the Company to satisfy minimum tax withholding requirements.
- (3) 37,500 of these service options are currently exercisable.
- (4) 112,500 of these performance options are currently exercisable.
- (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.

- These options are service options that vest based upon the passage of time and the reporting person's continued service with the Company. These options will vest as follows: 25% of these options became exercisable on 2/27/2015, 25% of these options become exercisable on 2/27/2016, 25% of these options become exercisable on 2/27/2017, and the remaining 25% of these options become exercisable on 2/27/2018.
- (6)

- 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 vest on 2/20/2016, one-third of these restricted stock units vest on 2/20/2017 and the remaining one-third of these restricted stock units vest on 2/20/2018, 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.