KAR Auction Services, Inc.

Form 4

November 15, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

OMB APPROVAL

OMB 3235-0287 Number:

January 31, Expires: 2005

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Estimated average

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Washington, D.C. 20549

Form 5 obligations may continue. See Instruction

Form 4 or

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * **GOLDBERG MICHAEL B**

2. Issuer Name and Ticker or Trading Symbol

KAR Auction Services, Inc. [KAR]

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

below)

(First) (Last)

(Middle)

(Zip)

3. Date of Earliest Transaction

(Month/Day/Year)

X_ Director 10% Owner Other (specify Officer (give title

C/O: KELSO AND COMPANY.. 320 PARK AVENUE.

(State)

24TH FLOOR

(City)

Stock

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

11/13/2013

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

NEW YORK, NY 10022

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1. Title of 2. Transaction Date 2A. Deemed 3. 4. Securities Acquired (A) or 5. Amount of 7. Nature of Security (Month/Day/Year) Execution Date, if TransactiorDisposed of (D) Securities Ownership Indirect (Instr. 3) Code (Instr. 3, 4 and 5) Beneficially Form: Beneficial (Month/Day/Year) (Instr. 8) Owned Direct (D) Ownership or Indirect Following (Instr. 4) Reported (I) (A) Transaction(s) (Instr. 4) or (Instr. 3 and 4) Code V Price Amount (D)

Common S 11/13/2013

\$ 11,378,926 D 27.14 0 (1) (2) (3) (4)

By KAR Ι **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 SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Titl	e and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	TransactionNumber		Expiration D	ate	Amou	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securi	ties	(Instr. 5)	Bene
	Derivative				Securities			(Instr.	3 and 4)		Owne
	Security	Acquired									Follo
	•				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									Amount		
							Expiration Date		or		
								(Number		
				~	<i>(</i> 1) (5)				of		
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

GOLDBERG MICHAEL B

C/O: KELSO AND COMPANY,
320 PARK AVENUE, 24TH FLOOR

NEW YORK, NY 10022

Signatures

/s/ Rosanna T. Leone, as Attorney-in-Fact

11/15/2013

**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).

Reflects sales of shares of common stock of KAR Auction Services, Inc. (the "Company") in a secondary offering by KAR Holdings II, LLC ("KAR LLC") that closed on November 13, 2013. Prior to the secondary offering, KAR LLC effected an in-kind distribution of shares of the Company's common stock to certain members and thereafter subsequent in-kind distributions of the Company's common stock were effected. As a result of such in-kind distributions, the amount of shares of common stock that the reporting person may be

- stock were effected. As a result of such in-kind distributions, the amount of shares of common stock that the reporting person may be deemed to have beneficially owned by virtue of the reporting person's direct or indirect common ownership interest in KAR LLC was reduced.
 - Includes (i) 4,856,106 shares of common stock held of record by KAR LLC (which are attributable to Axle Holdings II, LLC ("Axle LLC")), by virtue of Kelso Investment Associates VII, L.P.'s ("KIA VII") ownership interest in Axle LLC, (ii) 1,006,289 shares of
- (2) common stock held of record by KAR LLC (which are attributable to Axle LLC), by virtue of KEP VI, LLC's ("KEP VI") ownership interest in Axle LLC, (iii) 4,689,993 shares of common stock held of record by KAR LLC, by virtue of KIA VII's ownership interest in KAR LLC and (iv) 826,538 shares of common stock held of record by KAR LLC, by virtue of KEP VI's ownership interest in KAR LLC.
 - Kelso GP VII, LLC ("GP VII LLC") is the general partner of Kelso GP VII, L.P. ("GP VII LP"). GP VII LP is the general partner of KIA VII. The reporting person may be deemed to have shared beneficial ownership of securities owned of record or beneficially owned by GP
- (3) VII LLC, GP VII LP, KIA VII, KEP VI and KAR LLC, by virtue of his status as a managing member of GP VII LLC and KEP VI, but disclaims beneficial ownership of such securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of these securities for purposes of Section 16 or for any other purposes.
- (4) A portion of the proceeds were paid in respect of profit interests pursuant to KAR LLC's Second Amended and Restated Limited Liability Company Agreement, as amended, and Axle Holdings II, LLC's Amended and Restated Limited Liability Company Agreement, as

Reporting Owners 2

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amended.

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.