KAR Auction Services, Inc.

Form 4

March 03, 2014

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

Check this box if no longer

subject to Section 16. Form 4 or

Form 5 obligations may continue.

See Instruction

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

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person *

HALLETT JAMES P

(First) (Middle)

C/O: KAR AUCTION SERVICES, INC., 13085 HAMILTON **CROSSING BOULEVARD**

(Street)

CARMEL, IN 46032

1. Title of

Security

(Instr. 3)

2. Issuer Name and Ticker or Trading

Symbol

KAR Auction Services, Inc. [KAR]

3. Date of Earliest Transaction (Month/Day/Year) 02/27/2014

4. If Amendment, Date Original

Filed(Month/Day/Year)

Form filed by More than One Reporting

5. Amount of

Securities

Owned

Beneficially

Following

(Instr. 3 and 4)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

Issuer

below)

_X__ Director

Applicable Line)

X_ Officer (give title

(City) (State) (Zip)

2. Transaction Date 2A. Deemed

(Month/Day/Year) Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8)

(Instr. 3, 4 and 5)

Reported (A) Transaction(s) or

Code V Amount (D) Price

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

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number.

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

1. Title of Derivative

Conversion

3. Transaction Date 3A. Deemed (Month/Day/Year) Execution Date, if

5. Number of TransactionDerivative

6. Date Exercisable and **Expiration Date**

7. Title and Amount of **Underlying Securities**

OMB APPROVAL

3235-0287

January 31,

2005

0.5

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Number:

Expires:

response...

5. Relationship of Reporting Person(s) to

(Check all applicable)

Chief Executive Officer

6. Ownership

Form: Direct

(Instr. 4)

6. Individual or Joint/Group Filing(Check

X Form filed by One Reporting Person

10% Owner

Other (specify

7. Nature of

Ownership

(Instr. 4)

SEC 1474

(9-02)

Indirect

(D) or Indirect Beneficial

Estimated average

burden hours per

1

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Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A Disposed of (Instr. 3, 4, 5)	f (D)	(Month/Day/Year)		(Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee Stock Option (right to buy)	\$ 13.46						(1)(2)(3)	03/01/2020	Common Stock	150,00 (1) (2)
Employee Stock Option (right to buy)	\$ 30.89	02/27/2014		A	194,404		(3)(4)	02/27/2024	Common Stock	194,40 (3) (4)

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
03/03/2014

**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) 37,500 of these service options are currently exercisable.
- 56,250 of these performance options are currently exercisable. 28,125 of these options vest if the closing price of a share of the Company's common stock exceeds \$30.00 for twenty (20) consecutive trading days and 28,125 of these options vest if the closing price of a share 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.
- 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 become 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.

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.

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