HALLETT JAMES P Form 4

March 14, 2013

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

Number:

3235-0287

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January 31, 2005

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if no longer

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 See Instruction

1(b).

(Print or Type Responses)

1. Name and A HALLETT	Symbol	2. Issuer Name and Ticker or Trading Symbol KAR Auction Services, Inc. [KAR]				5. Relationship of Reporting Person(s) to Issuer				
(Last) 13085 HAN BLVD.	(First) (N	Middle) 3. Date o	3. Date of Earliest Transaction (Month/Day/Year) 03/12/2013				(Check all applicable) Director 10% OwnerX_ Officer (give title Other (specify below) CEO			
CARMEL,	(Street) IN 46032		4. If Amendment, Date Original Filed(Month/Day/Year)				6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			
(City)	(State)	(Zip) Tab	le I - Non-D	erivative (Securi	ities Acqu	uired, Disposed of	f, or Beneficial	ly Owned	
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8) (A) or Code V Amount (D) Price		of (D)	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 Indirect Beneficial Ownership (Instr. 4)		
Common Stock	03/12/2013		S	14,033 (1)	D	\$ 18.48	71,694 (2)	I	By KAR Holdings	

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)

II, LLC

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8. F Der Sec (Ins

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)	ate, if TransactionNumber Expirate Code of (Month.			ate	7. Title and A Underlying S (Instr. 3 and	Securities
				Code V		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) (5)

Reporting Owners

Director 10% Owner Officer Other

HALLETT JAMES P

13085 HAMILTON CROSSING BLVD. CEO

CARMEL, IN 46032

Signatures

Rebecca C. Polak as Attorney
In Fact
03/14/2013

**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).
- (1) Reflects sales of shares of common stock of KAR Auction Services, Inc. (the "Company") in a secondary offering by KAR Holdings II, LLC that closed on March 12, 2013.
- Includes 71,694 shares of common stock held of record by KAR Holdings II, LLC, by virtue of the reporting person's common ownership interest in KAR Holdings II, LLC. The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.
- 37,500 of these options are service options that vest based upon the passage of time and the reporting person's continued service with the (3) Company. 25% of these options became exercisable on 3/1/2011, 25% of these options became exercisable on 3/1/2013, and the remaining 25% become exercisable on 3/1/2014.
 - 112,500 of these options are performance options that will vest as follows: 25% of these options vested on March 1, 2013; 25% of these options vest if the closing price of a share of the Company's common stock exceeds \$25.00 for twenty (20) consecutive trading days; 25%
- (4) 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 25% 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.

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(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.

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.