

Matlin Howard A.
Form 3
March 08, 2013

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 * | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol |
| Â Matlin Howard A. | (Month/Day/Year) | KAR Auction Services, Inc. [KAR] |
| (Last) (First) (Middle) | 03/01/2013 | |
| | | 4. Relationship of Reporting Person(s) to Issuer |
| | | 5. If Amendment, Date Original Filed(Month/Day/Year) |

C/O KELSO &
COMPANY,Â 320 PARK
AVENUE, 24TH FLOOR

(Street)

(Check all applicable)

___ Director ___X_ 10% Owner
___ Officer ___ Other
(give title below) (specify below)

NEW YORK,Â NYÂ 10022

(City) (State) (Zip)

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|
| Common Stock | 38,738,129 <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u> | I | By KAR Holdings II, LLC |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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

| | | | | | |
|---|---|--|---------------------------|----------------------|--|
| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security | 4. Conversion or Exercise | 5. Ownership Form of | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|--|---------------------------|----------------------|--|

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| Date Exercisable | Expiration Date | (Instr. 4) | Amount or Number of Shares | Price of Derivative Security | Derivative Security: Direct (D) or Indirect (I) |
|------------------|-----------------|------------|----------------------------|------------------------------|---|
| | | Title | | | |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Matlin Howard A.
C/O KELSO & COMPANY
320 PARK AVENUE, 24TH FLOOR
NEW YORK, NY 10022

^ ^ X ^ ^

Signatures

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

03/08/2013

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(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) Includes (i) 15,794,975 shares of common stock held of record by KAR Holdings II, LLC (which are attributable to Axle Holdings II, LLC), by virtue of Kelso Investment Associates VII, L.P.'s (KIA VII) ownership interest in Axle Holdings II, LLC, (ii) 3,911,135 shares of common stock held of record by KAR Holdings II, LLC (which are attributable to Axle Holdings II, LLC), by virtue of KEP VI, LLC's (KEP VI) ownership interest in Axle Holdings II, LLC, (iii) 15,254,672 shares of common stock held of record by KAR Holdings II, LLC, by virtue of KIA VII's ownership interest in KAR Holdings II, LLC and (iv) 3,777,347 shares of common stock held of record by KAR Holdings II, LLC, by virtue of KEP VI's ownership interest in KAR Holdings II, LLC.

(2) 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. KIA VII is the majority owner of KAR Holdings II, LLC. Each of GP VII LLC, GP VII LP and KIA VII disclaims beneficial ownership of the securities owned of record by KAR Holdings II, LLC, except to the extent of their respective pecuniary interests therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all the reported securities for purposes of Section 16 or for any other purposes.

(3) Each of GP VII LLC, GP VII LP and KIA VII, due to their common control, could be deemed to beneficially own each other's securities. GP VII LLC disclaims beneficial ownership of all of the securities owned of record, or deemed beneficially owned, by each of GP VII LP and KIA VII, except to the extent of its pecuniary interest therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all the reported securities for purposes of Section 16 or for any other purposes.

(4) GP VII LP disclaims beneficial ownership of all of the securities owned of record, or deemed beneficially owned, by each of GP VII LLC and KIA VII, except, in the case of KIA VII, to the extent of its pecuniary interest therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all the reported securities for purposes of Section 16 or for any other purposes. KIA VII disclaims beneficial ownership of all of the securities owned of record, or deemed beneficially owned, by each of GP VII LLC and GP VII LP, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all the reported securities for purposes of Section 16 or for any other purposes.

(5) KEP VI and GP VII LLC due to their common control could be deemed to beneficially own each other's securities. KEP VI disclaims beneficial ownership of all of the securities owned of record, or deemed beneficially owned, by each of GP VII LLC, GP VII LP and KIA VII, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all the reported securities for purposes of Section 16 or for any other purposes. Each of GP VII LLC, GP VII LP and KIA VII disclaims beneficial ownership of all of the securities owned of record, or deemed beneficially owned, by KEP VI, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of all the reported securities for purposes of Section 16 or for any other purposes.

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- KEP VI disclaims beneficial ownership of the securities owned of record by KAR Holdings II, LLC, except to the extent of its pecuniary
- (6) interest therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of the reported securities for purposes of Section 16 or for any other purposes.

- Mr. Matlin was appointed a managing member of GP VII LLC and KEP VI effective as of March 1, 2013. Mr. Matlin may be deemed to share beneficial ownership of securities owned of record or beneficially owned by GP VII LLC, GP VII LP, KIA VII, KEP VI and KAR
- (7) Holdings II, 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 Mr. Matlin is the beneficial owner of these securities for purposes of Section 16 or for any other purposes.

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.