Byrd Warren W Form 4 August 10, 2010

FORM 4

OMB APPROVAL

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

OMB Number: 3235-0287

Check this box if no longer subject to Section 16.

Expires: January 31, 2005

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Estimated average burden hours per response... 0.5

Form 4 or Form 5 obligations may continue.

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 30(n) of the Investment Company Ac

1(b).

Common

Stock

(Print or Type Responses)

1. Name and A Byrd Warren	ddress of Reporting P	erson * 2. Issuer Symbol	2. Issuer Name and Ticker or Trading Symbol			5. Relationship of Reporting Person(s) to Issuer			
	KAR A	KAR Auction Services, Inc. [KAR]			(Check all applicable)				
(Last)	(First) (M	iddle) 3. Date of	Earliest Tra	ansaction					
		(Month/D	ay/Year)		Director	109			
13085 HAM	NG 08/06/2	08/06/2010			_X_ Officer (give title Other (specify below)				
BLVD.					· · · · · · · · · · · · · · · · · · ·	Corp Dev & Real	Estate		
	4. If Ame	4. If Amendment, Date Original			6. Individual or Joint/Group Filing(Check				
		Filed(Mor	nth/Day/Year))	Applicable Line)				
					X Form filed by	, ,			
CARMEL, I					Form filed by More than One Reporting Person				
(City)	(State) (2	Zip) Tabl	e I - Non-D	erivative Securities Ac	quired, Disposed	of, or Beneficia	lly Owned		
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securities	5. Amount of	6. Ownership	7. Nature of		
Security	(Month/Day/Year)	Execution Date, if	Transactio	onAcquired (A) or	Securities	Form: Direct	Indirect		
(Instr. 3)		any	Code	Disposed of (D)	Beneficially	(D) or	Beneficial		
		(Month/Day/Year)	(Instr. 8)	(Instr. 3, 4 and 5)	Owned	Indirect (I)	Ownership		
					Following	(Instr. 4)	(Instr. 4)		
				(A)	Reported				
				(A)	Transaction(s)				

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

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SEC 1474

(9-02)

(Instr. 3 and 4)

5,000 (1)

Ι

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

Code V Amount (D) Price

By KAR

Holdings

II, LLC

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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. Transactic Code (Instr. 8)	5. Number of orDerivative 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
Stock Option (right to buy)	\$ 10					(2)(3)	08/20/2017	Common Stock	175,880 (2) (3)
Stock Option (right to buy)	\$ 12.1	08/06/2010		A	31,000	<u>(4)</u>	08/06/2020	Common Stock	31,000 (4)

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Byrd Warren W

13085 HAMILTON CROSSING BLVD. EVP of Corp Dev & Real Estate

CARMEL, IN 46032

Signatures

Rebecca C. Polak, as Attorney in Fact 08/10/2010

**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).
- Includes 5,000 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.
- 43,970 of these options are service options that vest based upon the passage of time and the reporting person's continued service with the (2) Company. On December 10, 2009, the Company's board of directors adopted resolutions providing that these options became exercisable as of the effective date of the Company's IPO.
- (3) 131,910 of these options are performance options that, as of the effective date of the Company's IPO, will vest as follows: 25% of these options vest if, during any consecutive 90-day period, the average closing price per share of the Company's common stock (or, the "average closing price") is at least \$20.00 and the closing price per share of the Company's common stock on the last day of such 90-day period (or, the "last day closing price") is at least \$17.00; the next 25% of these options vest if, during any consecutive 90-day period, the average closing price is at least \$25.00 and the last day closing price is at least \$21.25; the next 25% of these options vest if, during any consecutive 90-day period, the average closing price is at least \$30.00 and the last day closing price is at least \$25.50; and the remaining 25% of these options vest if, during any consecutive 90-day period, the average closing price is at least \$35.00 and the last day closing

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price is at least \$29.75.

These options are service options that vest based upon the passage of time and the reporting person's continued service with the (4) Company. These options will vest as follows: 25% of these options become exercisable on 8/6/2011, 25% of these options become exercisable on 8/6/2012, 25% of these options become exercisable on 8/6/2013, and the remaining 25% become exercisable on 8/6/2014.

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.