

OBRIEN THOMAS C  
Form 4  
August 10, 2010

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**OBRIEN THOMAS C**

2. Issuer Name and Ticker or Trading Symbol  
**KAR Auction Services, Inc. [KAR]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**C/O KAR AUCTION SERVICES, INC., 13085 HAMILTON CROSSING BLVD.**

3. Date of Earliest Transaction (Month/Day/Year)  
**08/06/2010**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**President and CEO of IAAI**

(Street)  
**CARMEL, IN 46032**

4. If Amendment, Date Original Filed(Month/Day/Year)

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

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock					27,930 <sup>(1)</sup>	I	By KAR Holdings II, LLC
Common Stock	08/06/2010		M		264,672	A	\$ 3.515
Common Stock	08/06/2010		S		300	D	\$ 12.19
Common Stock	08/06/2010		S		100	D	\$ 12.16
Common Stock	08/06/2010		S		982	D	\$ 12.15

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Common Stock							
Common Stock	08/06/2010	S	100	D	\$ 12.14	263,190	D
Common Stock	08/06/2010	S	600	D	\$ 12.135	262,590	D
Common Stock	08/06/2010	S	400	D	\$ 12.13	262,190	D
Common Stock	08/06/2010	S	14,916	D	\$ 12.12	247,274	D
Common Stock	08/06/2010	S	91,988	D	\$ 12.11	155,286	D
Common Stock	08/06/2010	S	154,003	D	\$ 12.1	1,283	D
Common Stock	08/06/2010	S	1,283	D	\$ 12.09	0	D

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

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

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. Transaction Code (Instr. 8)	5. Number of Derivative 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 Number Shares
Employee Stock Option (right to buy)	\$ 3.515	08/06/2010		M	264,672	(2)	12/16/2012	Common Stock	264,672
Employee Stock Option (right to buy)	\$ 3.14					(3)	11/14/2013	Common Stock	249,050

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
OBRIEN THOMAS C C/O KAR AUCTION SERVICES, INC. 13085 HAMILTON CROSSING BLVD. CARMEL, IN 46032	X		President and CEO of IAAI	

## Signatures

/s/ 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 (i) 25,920 shares of common stock held of record by KAR Holdings II, LLC (which are attributable to Axle Holdings II, LLC), by virtue of the reporting person's common ownership interest in Axle Holdings II, LLC and (ii) 2,010 shares of common stock held of
- (1) 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.
  - (2) The option became exercisable as to 88,224 shares on December 16, 2003, as to 88,224 shares on December 16, 2004 and as to 88,224 shares on February 25, 2005.
  - (3) The option became exercisable as to 83,018 shares on November 14, 2004 and as to 166,037 shares on May 25, 2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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