

KAR Auction Services, Inc.
 Form 4
 February 22, 2017

FORM 4

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

OMB APPROVAL

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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 *
Money James E. II

(Last) (First) (Middle)
 13085 HAMILTON CROSSING
 BLVD.
 (Street)

CARMEL, IN 46032

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
02/20/2017

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
AFC President

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 | | | | | 6,289 | D | |
| Common Stock | 02/20/2017 | | M | | 474 | A | \$ 0 ⁽¹⁾ |
| Common Stock | 02/20/2017 | | F ⁽²⁾ | | 176 | D | \$ 46.48 |

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

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SEC 1474 (9-02)

number.

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 or Number of Shares |
| Employee Stock Option (right to buy) | \$ 16.07 | | | | | <u>(3)</u> | 02/28/2022 | Common Stock | 32,000 |
| Employee Stock Option (right to buy) | \$ 16.264 | | | | | <u>(3)</u> | 02/07/2018 | Common Stock | 26,600 |
| Restricted Stock Units | <u>(4)</u> | | | | | <u>(5)</u> | <u>(5)</u> | Common Stock | 574 |
| Restricted Stock Units | <u>(4)</u> | | | | | <u>(6)</u> | <u>(6)</u> | Common Stock | 1,497.8083 |
| Restricted Stock Units | <u>(4)</u> | 02/20/2017 | | M | 474 | <u>(7)</u> | <u>(7)</u> | Common Stock | 474 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------|-------|
| | Director | 10% Owner | Officer | Other |
| Money James E. II 13085 HAMILTON CROSSING BLVD. CARMEL, IN 46032 | | | AFC President | |

Signatures

Rebecca C. Polak, Attorney
In Fact

02/22/2017

__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) Each restricted stock unit and dividend equivalent is convertible into a share of common stock on a 1-for-1 basis. The restricted stock units and dividend equivalents vested in common stock on February 20, 2017.
- (2) Shares withheld by the Company to satisfy tax withholding requirements.
- (3) All shares are currently exercisable.
- (4) Each restricted stock unit is convertible into a share of common stock on a 1-for-1 basis.

These restricted stock units remain subject to a time-vesting requirement and are scheduled to vest and settle in common stock as follows:

- (5) one-third of these restricted stock units vest on August 4, 2017, one-third of these restricted stock units vest on August 4, 2018 and the remaining one-third of these restricted stock units vest on August 4, 2019, assuming continued employment through the applicable vesting date and assuming the performance related conditions set forth in the reporting person's award agreement are met.

These restricted stock units and dividend equivalents remain subject to a time-vesting requirement and are scheduled to vest and settle into common stock as follows:

- (6) one-third of these restricted stock units and dividend equivalents will vest on February 22, 2017, one-third of these restricted stock units and dividend equivalents will vest on February 22, 2018 and the remaining one-third of these restricted stock units and dividend equivalents will vest on February 22, 2019, assuming continued employment through the applicable vesting date.

These restricted stock units and dividend equivalents remain subject to a time-vesting requirement and are scheduled to vest and settle into common stock as follows:

- (7) half of these restricted stock units and dividend equivalents vested on February 20, 2017 and the remaining half of these restricted stock units and dividend equivalents will vest on February 20, 2018, assuming continued employment through the applicable vesting date.

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.