Byrd Warren W Form 4 May 19, 2011

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

if no longer subject to Section 16. Form 4 or

Check this box

January 31, Expires: 2005

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per response... 0.5

5. Relationship of Reporting Person(s) to

Form 5 obligations may continue. See Instruction

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

2. Issuer Name and Ticker or Trading

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

Byrd Warren W			Symbol KAR A	Symbol KAR Auction Services, Inc. [KAR]					Issuer			
						ic. [is	Z XIX j	(Check all applicable)				
(Last) (First) (Middle)				3. Date of Earliest Transaction								
				(Month/Day/Year)					Director 10% Owner Special Officer (give title Other (special officer) of the control of th			
13085 HAMILTON CROSSING		05/18/20	05/18/2011					below) below)				
BLVD.								EVP of C	Corp Dev & Rea	l Estate		
(Street)			4. If Ame	4. If Amendment, Date Original					6. Individual or Joint/Group Filing(Check			
			Filed(Mon	Filed(Month/Day/Year)					Applicable Line)			
								X Form filed by One Reporting Person				
CARMEL, IN 46032									Form filed by More than One Reporting Person			
(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned								ally Owned				
1.Title of	2. Transaction	Date 2A. D	eemed	3.	4. Securi	ities		5. Amount of	6. Ownership	7. Nature of		
Security	(Month/Day/Ye	ear) Execu	tion Date, if	* * *				Securities	Form: Direct	Indirect		
(Instr. 3)		any	1.75 /57	Code	1 '			Beneficially	(D) or	Beneficial		
		(Mont	th/Day/Year)	(Instr. 8)	(Instr. 3, 4 and 5)			Owned Following	Indirect (I) (Instr. 4)	Ownership (Instr. 4)		
							Reported	(111511. 4)	(111501.4)			
						(A)		Transaction(s)				
				Code V	Amount	or (D)	Price	(Instr. 3 and 4)				
~					11110 4111	(2)	11100			By KAR		
Common								5,000 (1)	I	Holdings		
Stock								<u> </u>	-	II, LLC		
G										11, 220		
Common	05/18/2011			M	8,000	A	\$ 10	8,000	D			
Stock					ŕ							
Common	05/18/2011			c	8 000	D	\$ 20	0	D			
Stock	03/18/2011			S	8,000	D	\$ 20	U	D			

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

Edgar Filing: Byrd Warren W - Form 4

displays a currently valid OMB control

Se (In

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. 5. Number Transaction Derivative Code Securities (Instr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exerc Expiration D (Month/Day/	ate	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	05/18/2011		M		8,000	(2)(3)	08/20/2017	Common Stock	8,000 (2) (3)	
Stock Option (right to buy)	\$ 12.1						<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 o5/19/2011

**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.
- (2) 35,970 of these options are service options that vest based upon the passage of time and the reporting person's continued service with the Company. On December 10, 2009, the Company's board of directors adopted resolutions providing that these options became exercisable

Reporting Owners 2

Edgar Filing: Byrd Warren W - Form 4

as of the effective date of the Company's IPO.

- 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 \$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 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 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 8/6/2013, 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.