

KAR Auction Services, Inc.
 Form 4
 January 10, 2017

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 *
 Hill Mark E

(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)

01/06/2017

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)

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 Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| Common Stock | | | | (A) or (D) Price | 25,500 | D | |
| Common Stock | | | | (A) or (D) Price | 800 | I | Family Member's Brokerage Account ⁽¹⁾ |

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

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SEC 1474 (9-02)

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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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Phantom Stock | (2) | | | | | (3)(4) (4) | Common Stock | 8,743 |
| Phantom Stock | (2) | 01/06/2017 | | A | 65.6484 | (4) (4) | Common Stock | 65.6484 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |

Hill Mark E
13085 HAMILTON CROSSING BLVD. X
CARMEL, IN 46032

Signatures

Rebecca C. Polak as Attorney
In Fact 01/10/2017
__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) The shares are held in a family member's brokerage account, over which the reporting person holds a power of attorney. The reporting person disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (2) The phantom stock will convert into shares of KAR common stock on a one-for-one basis.
Represents director fees deferred in the reporting person's account in the KAR Auction Services, Inc. Directors Deferred Compensation Plan. Shares of restricted stock were granted on June 8, 2016 at a price of \$41.30 per share and will be settled only for shares of KAR common stock on a one-for-one basis. These shares of restricted stock were granted pursuant to the KAR Auction Services, Inc. 2009 Omnibus Stock and Incentive Plan and one-fourth of the grant vests every three months from the date of the grant and such grant is subject to forfeiture until vested.
- (4) The reporting person will receive shares of KAR common stock, on a one-for-one basis, at a future date(s) specified by him pursuant to the KAR Auction Services, Inc. Directors Deferred Compensation Plan.
Reflects dividend payments in the form of additional shares of phantom stock pursuant to the terms of the KAR Auction Services, Inc.
- (5) Directors Deferred Compensation Plan, of which 442.1195 shares are vested and the remaining shares will vest as follows: 16.1701 shares vest on March 7, 2017 and the remaining 16.1702 shares vest on June 7, 2017.

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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