

Gottwald Donald S.
 Form 4
 September 14, 2018

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 *
 Gottwald Donald S.

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.
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/12/2018

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 COO & Chief Strategy Officer

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

(City) (State) (Zip)

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	09/12/2018		M	V Amount (A) or (D) Price \$ 10	32,978.0001 (1)	D	
Common Stock	09/12/2018		S(2)	V Amount (A) or (D) Price \$ 62.9809 (3)	22,978.0001	D	

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 10	09/12/2018		M	10,000	(4) 05/06/2019	Common Stock 10,000
Restricted Stock Units	(5)					(6) (6)	Common Stock 1,781
Restricted Stock Units	(5)					(7) (7)	Common Stock 3,730
Restricted Stock Units	(5)					(8) (8)	Common Stock 4,718

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Gottwald Donald S.
C/O: KAR AUCTION SERVICES, INC.
13085 HAMILTON CROSSING BLVD.
CARMEL, IN 46032

COO & Chief Strategy Officer

Signatures

Rebecca C. Polak as Attorney
In Fact

09/14/2018

__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)

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Includes 1,692,1072 shares acquired (including 63,9040 shares acquired by dividend reinvestment) pursuant to the Company's Employee Stock Purchase Plan.

- (2) This transaction was effected pursuant to a Rule 10b5-1 Plan adopted by the reporting person on March 12, 2018.

The price reported in column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$62.66 to \$63.60 per share, inclusive. The reporting person undertakes to provide to the issuer, any security holder of the issuer, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote.

- (4) All of these options are currently exercisable.

- (5) 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:

- (6) one-third of these restricted stock units vested on February 23, 2017, one-third of these restricted stock units vested on February 22, 2018 and the remaining one-third of these restricted stock units vest on February 22, 2019, assuming continued employment through the applicable vesting date.

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

- (7) one-third of these restricted stock units vested on February 24, 2018, one-third of these restricted stock units vest on February 24, 2019 and the remaining one-third of these restricted stock units vest on February 24, 2020, assuming continued employment through the applicable vesting date.

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

- (8) one-third of these restricted stock units vest on March 2, 2019, one-third of these restricted stock units vest on March 2, 2020 and the remaining one-third of these restricted stock units vest on March 2, 2021, 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.

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