HALLETT JAMES P Form 4

March 03, 2010

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per

OMB APPROVAL

response...

if no longer subject to Section 16. Form 4 or Form 5

Check this box

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue.

30(h) of the Investment Company Act of 1940

1(b).

(Last)

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person * HALLETT JAMES P

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

(Middle)

KAR Auction Services, Inc. [KAR]

(Check all applicable)

C/O KAR AUCTION SERVICES.

(First)

INC., 13085 HAMILTON CROSSING BLVD.

3. Date of Earliest Transaction

(Month/Day/Year) 03/01/2010

Filed(Month/Day/Year)

3.

_X__ Director 10% Owner Other (specify X_ Officer (give title below)

Chief Executive Officer

(Street)

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

CARMEL, IN 46032

(City) (State) (Zip)

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

1. Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3) (Month/Day/Year)

TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

4. Securities

5. Amount of 6. Ownership 7. Nature of Securities Form: Direct Indirect Beneficially (D) or Beneficial Ownership Owned Indirect (I) Following (Instr. 4) (Instr. 4)

Reported

Transaction(s)

or (Instr. 3 and 4) Code V Amount (D) Price

(A)

Common Stock

By KAR $100,300^{(1)}$ Ι **Holdings**

II, LLC

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

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

Edgar Filing: HALLETT JAMES P - Form 4

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. Transactio Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D (Instr. 3, 4, and 5)	Expiration Date Un (Month/Day/Year) (In r)		Underlying S	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)	\$ 13.46	03/01/2010		A	150,000	(2)(3)(4)	03/01/2020	Common Stock	150,00 (2) (3) (4	

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
HALLETT JAMES P C/O KAR AUCTION SERVICES, INC. 13085 HAMILTON CROSSING BLVD. CARMEL, IN 46032	X		Chief Executive Officer			

Signatures

Rebecca C. Polak, as Attorney-in-Fact 03/03/2010

**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 100,300 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.
- 37,500 of these options are service options that vest based upon the passage of time and the reporting person's continued service with the (2) Company. These options will vest as follows: 25% of these options become exercisable on 3/1/2011, 25% of these options become exercisable on 3/1/2012, 25% of these options become exercisable on 3/1/2013, and the remaining 25% become exercisable on 3/1/2014.
 - 112,500 of these options are performance options that 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
- (3) \$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 \$21.25; the next 25% of these options vest if, during any consecutive 90-day period, the average closing price is at least \$30.00 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.
- (4) An additional condition to vesting is that the reporting person must be a director, officer, employee, consultant or agent of the Company or any of its subsidiaries on the date on which the conditions set forth above are satisfied.

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

Reporting Owners 2

Edgar Filing: HALLETT JAMES P - Form 4

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.