

Caruso Thomas J.
Form 5
February 14, 2012

FORM 5

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

Check this box if
no longer subject
to Section 16.
Form 4 or Form
5 obligations
may continue.
See Instruction
1(b).
Form 3 Holdings
Reported
Form 4
Transactions
Reported

**ANNUAL 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

OMB APPROVAL

OMB
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1. Name and Address of Reporting Person *
Caruso Thomas J.

(Last) (First) (Middle)

13085 HAMILTON CROSSING
BLVD.

(Street)

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

3. Statement for Issuer's Fiscal Year Ended
(Month/Day/Year)
12/31/2011

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)
President & CEO of ADESA

6. Individual or Joint/Group Reporting

(check applicable line)

CARMEL, IN 46032

____X____ 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) (A) or Amount (D) Price	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	Â	Â	3	Â Â Â Â	I		By KAR 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.**

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(9-02)

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

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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)
					(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 10	Â	Â	Â	Â Â	Â (3)(4)(9) 08/20/2017	Common Stock 175,880 (3) (4) (9)
Employee Stock Option (right to buy)	\$ 16.677	Â	Â	Â	Â Â	Â (5)(6)(9) 08/19/2018	Common Stock 54,800 (5) (6) (9)
Employee Stock Option (right to buy)	\$ 13.46	Â	Â	Â	Â Â	Â (7)(8)(9) 03/01/2020	Common Stock 179,120 (7) (8) (9)
Employee Stock Option (right to buy)	\$ 14.44	Â	Â	Â	Â Â	Â (10) 02/25/2021	Common Stock 100,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Caruso Thomas J. 13085 HAMILTON CROSSING BLVD. CARMEL,Â INÂ 46032	Â	Â	Â President & CEO of ADESA	Â

Signatures

Rebecca C. Polak as Attorney
In Fact 02/14/2012

__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 reporting person owned 5,020 shares of common stock held of record by KAR Holdings II, LLC on 12/10/09, the date the reporting person became an officer of KAR Auction Services, Inc.
- Includes 5,020 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.
- (3) 43,970 of these options are service options that became exercisable as of the effective date of the Company's IPO.
- 131,910 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 \$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 \$29.75.
- (4) 13,700 of these options are service options that became exercisable as of the effective date of the Company's IPO.
- 41,100 of these options are performance options that will vest as follows: 5% 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 \$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 \$29.75.
- (6) 44,780 of these options are service options that vest based upon the passage of time and the reporting person's continued service with the 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% of these options become exercisable on 3/1/2014.
- 134,340 of these options are performance options that will vest as follows: 5% 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 \$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 \$29.75.
- (8) 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.
- (9) These options are service options that vest based upon the passage of time and the reporting person's continued service with the Company. These options will vest as follows: 25% of these options become exercisable on 2/25/2012, 25% of these options become exercisable on 2/25/2013, 25% of these options become exercisable on 2/25/2014, and the remaining 25% of these options become exercisable on 2/25/2015.
- (10)

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.