

KAR Auction Services, Inc.  
 Form 3  
 December 10, 2009

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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)

<p>1. Name and Address of Reporting Person *</p> <p>ValueAct Holdings, L.P.</p> <p>(Last) (First) (Middle)</p> <p>435 PACIFIC AVENUE, 4TH FLOOR, SAN FRANCISCO, CA 94133</p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>12/10/2009</p>	<p>3. Issuer Name and Ticker or Trading Symbol</p> <p>KAR Auction Services, Inc. [KAR]</p>	<p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner  <input type="checkbox"/> Officer <input type="checkbox"/> Other                  (give title below) (specify below)</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p>	<p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input type="checkbox"/> Form filed by One Reporting Person  <input checked="" type="checkbox"/> Form filed by More than One Reporting Person</p>
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**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	22,568,190 <sup>(1)</sup>	I	See footnotes <sup>(1)</sup> <sup>(2)</sup>

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

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)  Title	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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Date Exercisable	Expiration Date	Amount or Number of Shares	or Indirect (I) (Instr. 5)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ValueAct Holdings, L.P. 435 PACIFIC AVENUE, 4TH FLOOR SAN FRANCISCO, CA 94133	Â	Â X	Â	Â
ValueAct Capital Master Fund, L.P. 435 PACIFIC AVENUE 4TH FLOOR SAN FRANCISCO, CA 94133	Â	Â X	Â	Â
VA Partners I, LLC 435 PACIFIC AVENUE, 4TH FLOOR SAN FRANCISCO, CA 94133	Â	Â X	Â	Â
ValueAct Capital Management, L.P. 435 PACIFIC AVENUE, 4TH FLOOR SAN FRANCISCO, CA 94133	Â	Â X	Â	Â
ValueAct Capital Management, LLC 435 PACIFIC AVENUE, 4TH FLOOR SAN FRANCISCO, CA 94133	Â	Â X	Â	Â
ValueAct Holdings GP, LLC 435 PACIFIC AVENUE, 4TH FLOOR SAN FRANCISCO, CA 94133	Â	Â X	Â	Â

## Signatures

VALUEACT HOLDINGS, L.P., By: VALUEACT HOLDINGS GP, LLC, its General Partner, By:/s/ George F. Hamel, Jr., Chief Operating Officer	12/10/2009
_____ **Signature of Reporting Person	Date
VALUEACT CAPITAL MASTER FUND, L.P., By: VA PARTNERS I, LLC, its General Partner, By:/s/ George F. Hamel, Jr., Chief Operating Officer	12/10/2009
_____ **Signature of Reporting Person	Date
VA PARTNERS I, LLC, By:/s/ George F. Hamel, Jr., Chief Operating Officer	12/10/2009
_____ **Signature of Reporting Person	Date
VALUEACT CAPITAL MANAGEMENT, L.P., By: VALUEACT CAPITAL MANAGEMENT, LLC, its General Partner, By:/s/ George F. Hamel, Jr., Chief Operating Officer	12/10/2009
_____ **Signature of Reporting Person	Date
VALUEACT CAPITAL MANAGEMENT, LLC, By:/s/ George F. Hamel, Jr., Chief Operating Officer	12/10/2009
_____ **Signature of Reporting Person	Date

VALUEACT HOLDINGS GP, LLC, By: /s/ George F. Hamel, Jr., Chief Operating Officer

12/10/2009

Signature of Reporting Person

Date

**Explanation of Responses:**

\* If the form is filed by more than one reporting person, see Instruction 5(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).

The reported stock is held of record by KAR Holdings II, LLC but is beneficially owned directly by ValueAct Capital Master Fund, L.P. by virtue of ValueAct Capital Master Fund, L.P.'s ownership interest in KAR Holdings II, LLC and may be deemed to be beneficially owned by (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund, L.P., (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC, and as the majority owner of the membership interests of VA Partners I, LLC, and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P.

(1) Each reporting person listed herein disclaims beneficial ownership of the reported securities except to the extent of its pecuniary interest therein, and this report shall not be deemed an admission that such person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

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**Remarks:**

Joint Filer Information:

Name: ValueAct Capital Master Fund, L.P.

Address: 435 Pacific Avenue, 4th Floor, San Francisco, CA 94133

Designated Filer: ValueAct Holdings, L.P.

Issuer & Ticker: KAR Auction Services, Inc. (KAR)

Date of Event Requiring Statement: 12/10/2009

Name: VA Partners I, LLC

Address: 435 Pacific Avenue, 4th Floor, San Francisco, CA 94133

Designated Filer: ValueAct Holdings, L.P.

Issuer & Ticker: KAR Auction Services, Inc. (KAR)

Date of Event Requiring Statement: 12/10/2009

Name: ValueAct Capital Management, L.P.

Address: 435 Pacific Avenue, 4th Floor, San Francisco, CA 94133

Designated Filer: ValueAct Holdings, L.P.

Issuer & Ticker: KAR Auction Services, Inc. (KAR)

Date of Event Requiring Statement: 12/10/2009

Name: ValueAct Capital Management, LLC

Address: 435 Pacific Avenue, 4th Floor, San Francisco, CA 94133

Designated Filer: ValueAct Holdings, L.P.

Issuer & Ticker: KAR Auction Services, Inc. (KAR)

Date of Event Requiring Statement: 12/10/2009

Name: ValueAct Holdings GP, LLC

Address: 435 Pacific Avenue, 4th Floor, San Francisco, CA 94133

Designated Filer: ValueAct Holdings, L.P.

Issuer & Ticker: KAR Auction Services, Inc. (KAR)

Date of Event Requiring Statement: 12/10/2009

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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