KAR Auction Services, Inc. Form SC 13G/A February 10, 2014

CUSIP No. 48238T109

13G/A

Page 1 of 34 Pages

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

SCHEDULE 13G

(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULES 13d-1(b), (c), AND (d) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(b)

(Amendment No. 3)1

KAR AUCTION SERVICES, INC.

(Name of Issuer)

Common Stock, par value \$0.01 per share (Title of Class of Securities)

48238T109 (CUSIP Number)

December 31, 2013 (Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- o Rule 13d-1(b)
- o Rule 13d-1(c)
- x Rule 13d-1(d)

1 The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of

Edgar Filing: KAR Auction Services, Inc Form SC 13G/A								
the Act (however, see the Notes).								

CUSIP	No. 48238T109	13	G/A	Page 2 of 34 Pages		
1. 2.	NAMES OF REPORTING KAR HOLDINGS II, LLC CHECK THE APPROPRIA Instructions)			GROUP: (See	(a) (b)	o x
3.	SEC USE ONLY:					
4.	CITIZENSHIP OR PLACE	OF ORGA	ANIZATION:		Dela	ware
		5.	SOLE VOTING PO	OWER:	0	
	ER OF SHARES	6.	SHARED VOTING	G POWER:	0	
BENEFICIALLY OWNED BY EACH REPORTING		7.	SOLE DISPOSITI	VE POWER:	0	
PERSO	N WITH	8.	SHARED DISPOS	SITIVE POWER:	0	
9.	AGGREGATE AMOUNT DERSON:	BENEFICI	ALLY OWNED BY	EACH REPORTING	0	
10.	CHECK IF THE AGGREG SHARES: (See Instructions		OUNT IN ROW (9) E.	XCLUDES CERTAIN		o
11.	PERCENT OF CLASS REP	PRESENTE	ED BY AMOUNT IN	ROW (9):	0%	
12.	TYPE OF REPORTING PE	ERSON (Se	e Instructions):		00	

CUSIP	No. 48238T109		13G/A	Page 3 of 34 Pages			
 1. 2. 3. 	NAMES OF REPORTING PERSONS: KELSO GP VII, LLC CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (See Instructions) SEC USE ONLY:					(a) (b)	o X
4.	CITIZENSHIP OR PLACE		Delawa	ıre			
		5.	SOLE VOTING F	POWER:	0		
NUMBER OF SHARES 6			SHARED VOTIN	G POWER:	0		
BYE	BENEFICIALLY OWNED BY EACH REPORTING		SOLE DISPOSIT	IVE POWER:	0		
F	PERSON WITH	8.	SHARED DISPO	SITIVE POWER:	0		
9.	AGGREGATE AMOUNT PERSON:	BENEFI	CIALLY OWNED BY	EACH REPORTING	0		
10.	CHECK IF THE AGGREG SHARES: (See Instructions		MOUNT IN ROW (9) E	EXCLUDES CERTAIN	o	,	
11.	PERCENT OF CLASS RE	PRESEN	TED BY AMOUNT IN	N ROW (9):	0%		
12.	TYPE OF REPORTING PR	ERSON ((See Instructions):		00		

CUSIP	No. 48238T109		13G/A	Page 4 of 34 Pages			
1. 2. 3.	KELSO GP VII, LP CHECK THE APPROPRIA Instructions)	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (See					o x
			G		. .		
4.	CITIZENSHIP OR PLACE OF ORGANIZATION:				Delawa	are	
		5.	SOLE VOTING F	POWER:	0		
NUMBER OF SHARES 6.			SHARED VOTIN	IG POWER:	0		
BY E	BENEFICIALLY OWNED BY EACH REPORTING 7.		SOLE DISPOSIT	IVE POWER:	0		
F	PERSON WITH	8.	SHARED DISPO	SITIVE POWER:	0		
9.	AGGREGATE AMOUNT PERSON:	BENEF	ICIALLY OWNED BY	EACH REPORTING	0		
10.	CHECK IF THE AGGREC SHARES: (See Instruction		MOUNT IN ROW (9) F	EXCLUDES CERTAIN	C)	
11.	PERCENT OF CLASS RE	PRESEN	NTED BY AMOUNT IN	N ROW (9):	0%		
12.	TYPE OF REPORTING P.	ERSON	(See Instructions):		PN		

CUSIP	No. 48238T109		13G/A	Page 5 of 34 Pages			
1. 2. 3.	NAMES OF REPORTING PERSONS: KELSO INVESTMENT ASSOCIATES VII, LP CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (See Instructions) SEC USE ONLY:					(a) (b)	o x
4.	CITIZENSHIP OR PLACE		Delawa	are			
		5.	SOLE VOTING P	OWER:	0		
NUMBER OF SHARES 6.			SHARED VOTIN	G POWER:	0		
BYE	BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		SOLE DISPOSITI	IVE POWER:	0		
17	ERSON WITH	8.	SHARED DISPOS	SITIVE POWER:	0		
9.	AGGREGATE AMOUNT PERSON:	BENEFI	CIALLY OWNED BY	EACH REPORTING	0		
10.	CHECK IF THE AGGREG SHARES: (See Instructions		IOUNT IN ROW (9) E	XCLUDES CERTAIN	c)	
11.	PERCENT OF CLASS REF	PRESEN	TED BY AMOUNT IN	N ROW (9):	0%		
12.	TYPE OF REPORTING PE	RSON (See Instructions):		PN		

CUSIP	No. 48238T109		13G/A	Page 6 of 34 Pages			
1. 2.	NAMES OF REPORTING KEP VI, LLC CHECK THE APPROPRIA Instructions)			A GROUP: (See		(a) (b)	o x
3.	SEC USE ONLY:						
4.	CITIZENSHIP OR PLACE OF ORGANIZATION:					are	
		5.	SOLE VOTING I	POWER:	0		
NUMBER OF SHARES BENEFICIALLY OWNED			SHARED VOTIN	IG POWER:	0		
BYE	EACH REPORTING PERSON WITH	7.	SOLE DISPOSIT	IVE POWER:	0		
F	ERSON WITH	8.	SHARED DISPO	SITIVE POWER:	0		
9.	AGGREGATE AMOUNT PERSON:	BENEF	ICIALLY OWNED BY	EACH REPORTING	0		
10.	CHECK IF THE AGGREC SHARES: (See Instruction		MOUNT IN ROW (9) I	EXCLUDES CERTAIN	C)	
11.	PERCENT OF CLASS RE	PRESEN	NTED BY AMOUNT II	N ROW (9):	0%		
12.	TYPE OF REPORTING P	ERSON ((See Instructions):		00		

CUSIP	No. 48238T109	1	13G/A	Page 7 of 34 Pages			
1. 2.	NAMES OF REPORTING PHILIP E. BERNEY CHECK THE APPROPRIA Instructions)			A GROUP: (See		(a) (b)	o x
3.	SEC USE ONLY:						
4.	CITIZENSHIP OR PLACE	OF ORC	GANIZATION:		United	l States	S
		5.	SOLE VOTING F	POWER:	0		
NUMBER OF SHARES 6. BENEFICIALLY OWNED			SHARED VOTIN	IG POWER:	0		
BY E	ACH REPORTING PERSON WITH	7.	SOLE DISPOSIT	IVE POWER:	0		
Г	ERSON WITH	8.	SHARED DISPO	SITIVE POWER:	0		
9.	AGGREGATE AMOUNT PERSON:	BENEFIC	CIALLY OWNED BY	EACH REPORTING	0		
10.	CHECK IF THE AGGREC SHARES: (See Instructions		10UNT IN ROW (9) E	EXCLUDES CERTAIN	ı	o	
11.	PERCENT OF CLASS RE	PRESEN	TED BY AMOUNT IN	N ROW (9):	0%		
12.	TYPE OF REPORTING PI	ERSON (S	See Instructions):		IN		

CUSIP	No. 48238T109	130	G/A	Page 8 of 34 Pages			
1. 2.	NAMES OF REPORTING FRANK K. BYNUM, JR. CHECK THE APPROPRIA Instructions)	GROUP: (See		(a) (b)	o x		
3.	SEC USE ONLY:						
4.	CITIZENSHIP OR PLACE OF ORGANIZATION:						S
		5.	SOLE VOTING P	OWER:	25,000)	
NUMBER OF SHARES 6.			SHARED VOTIN	G POWER:	0		
BY E	BENEFICIALLY OWNED BY EACH REPORTING		SOLE DISPOSITI	VE POWER:	25,000)	
F	PERSON WITH	8.	SHARED DISPOS	SITIVE POWER:	0		
9.	AGGREGATE AMOUNT I PERSON:	BENEFICIA	ALLY OWNED BY	EACH REPORTING	25,000	ı	
10.	CHECK IF THE AGGREG SHARES: (See Instructions)		UNT IN ROW (9) E	XCLUDES CERTAIN	()	
11.	PERCENT OF CLASS REF	PRESENTE	ED BY AMOUNT IN	I ROW (9):	Less th	nan 0.1	1%
12.	TYPE OF REPORTING PE	ERSON (See	e Instructions):		IN		

CUSIP	No. 48238T109	130	G/A	Page 9 of 34 Pages			
1. 2.	NAMES OF REPORTING I MICHAEL B. GOLDBERG CHECK THE APPROPRIA Instructions)	r		GROUP: (See		(a) (b)	o x
3.	SEC USE ONLY:						
4.	CITIZENSHIP OR PLACE	OF ORGA	NIZATION:		United	States	S
		5.	SOLE VOTING P	OWER:	0		
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING		SHARED VOTING	G POWER:	0		
BY E			SOLE DISPOSITI	VE POWER:	0		
P	PERSON WITH	8.	SHARED DISPOS	SITIVE POWER:	0		
9.	AGGREGATE AMOUNT E PERSON:	BENEFICIA	ALLY OWNED BY	EACH REPORTING	0		
10.	CHECK IF THE AGGREGA SHARES: (See Instructions)		UNT IN ROW (9) E	XCLUDES CERTAIN	0)	
11.	PERCENT OF CLASS REP	PRESENTE	D BY AMOUNT IN	ROW (9):	0%		
12.	TYPE OF REPORTING PE	RSON (See	e Instructions):		IN		

CUSIP	No. 48238T109		13G/A	Page 10 of 34 Pages			
1. 2.	FRANK J. LOVERRO CHECK THE APPROPRI Instructions)	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (See					
3.	SEC USE ONLY:						
4.	CITIZENSHIP OR PLACE	E OF OR	GANIZATION:		United	l States	S
		5.	SOLE VOTING	POWER:	0		
NUMBER OF SHARES 6. BENEFICIALLY OWNED			SHARED VOTIN	NG POWER:	0		
BYE	EACH REPORTING PERSON WITH	7.	SOLE DISPOSIT	TIVE POWER:	0		
1	ERSON WIIII	8.	SHARED DISPO	OSITIVE POWER:	0		
9.	AGGREGATE AMOUNT PERSON:	BENEFI	CIALLY OWNED BY	EACH REPORTING	0		
10.	CHECK IF THE AGGREG SHARES: (See Instruction		MOUNT IN ROW (9) I	EXCLUDES CERTAIN		o	
11.	PERCENT OF CLASS RE	EPRESEN	TED BY AMOUNT I	N ROW (9):	0%		
12.	TYPE OF REPORTING P	ERSON (See Instructions):		IN		

CUSIP	No. 48238T109	13	G/A	Page 11 of 34 Pages			
 1. 2. 3. 	NAMES OF REPORTING GEORGE E. MATELICH CHECK THE APPROPRIA Instructions)	A GROUP: (See		(a) (b)	o x		
4.	4. CITIZENSHIP OR PLACE OF ORGANIZATION:						3
		5.	SOLE VOTING	POWER:	68,971		
	IBER OF SHARES	6.	SHARED VOTIN	NG POWER:	0		
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7.	SOLE DISPOSIT	TIVE POWER:	68,971		
r	ERSON WITH	8.	SHARED DISPC	SITIVE POWER:	0		
9.	AGGREGATE AMOUNT PERSON:	BENEFICI	ALLY OWNED BY	EACH REPORTING	68,971		
10.	CHECK IF THE AGGREG SHARES: (See Instructions		OUNT IN ROW (9) I	EXCLUDES CERTAIN	o		
11.	PERCENT OF CLASS RE	PRESENTE	ED BY AMOUNT I	N ROW (9):	Less tha	n 0.1	%
12.	TYPE OF REPORTING PE	ERSON (Se	e Instructions):		IN		

CUSIP	No. 48238T109		13G/A	Page 12 of 34 Pages			
1. 2.	FRANK T. NICKELL CHECK THE APPROPRI Instructions)	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (See					
3.							
4.	CITIZENSHIP OR PLAC		United	d States	S		
		5.	SOLE VOTING	POWER:	0		
NUMBER OF SHARES 6. BENEFICIALLY OWNED			SHARED VOTIN	NG POWER:	0		
BYE	EACH REPORTING PERSON WITH	7.	SOLE DISPOSIT	TIVE POWER:	0		
-	ERSON WITH	8.	SHARED DISPO	SITIVE POWER:	0		
9.	AGGREGATE AMOUNT PERSON:	BENEFI	CIALLY OWNED BY	EACH REPORTING	0		
10.	CHECK IF THE AGGREG SHARES: (See Instruction		MOUNT IN ROW (9) I	EXCLUDES CERTAIN		o	
11.	PERCENT OF CLASS RE	EPRESEN	TED BY AMOUNT I	N ROW (9):	0%		
12.	TYPE OF REPORTING P	ERSON (See Instructions):		IN		

CUSIP	No. 48238T109		13G/A	Page 13 of 34 Pages					
1. 2.	NAMES OF REPORTING DAVID I. WAHRHAFTIC CHECK THE APPROPRI Instructions)	3		A GROUP: (See		(a) (b)	o X		
3.	SEC USE ONLY:								
4.	CITIZENSHIP OR PLACE	E OF OR	GANIZATION:		United States				
		5.	SOLE VOTING	POWER:	0				
NUMBER OF SHARES 6. S BENEFICIALLY OWNED			SHARED VOTIN	NG POWER:	0				
BYE	BY EACH REPORTING 7.		SOLE DISPOSIT	TIVE POWER:	0				
Г	PERSON WITH	8.	SHARED DISPO	SITIVE POWER:	0				
9.	AGGREGATE AMOUNT PERSON:	BENEFI	CIALLY OWNED BY	ZEACH REPORTING	0				
10.	CHECK IF THE AGGREG SHARES: (See Instruction		MOUNT IN ROW (9) I	EXCLUDES CERTAIN		o			
11.	PERCENT OF CLASS RE	EPRESEN	TED BY AMOUNT I	N ROW (9):	0%				
12.	TYPE OF REPORTING P	PE OF REPORTING PERSON (See Instructions):							

CUSIP	No. 48238T109	130	G/A	Page 14 of 34 Pages			
1. 2.	NAMES OF REPORTING THOMAS R. WALL, IV CHECK THE APPROPRIA Instructions)			A GROUP: (See	(a) (b)	o x	
3.	SEC USE ONLY:						
4.	CITIZENSHIP OR PLACE	OF ORGA	NIZATION:		United States		
		5.	SOLE VOTING F	POWER:	26,696		
	IBER OF SHARES	6.	SHARED VOTIN	IG POWER:	0		
BENEFICIALLY OWNED BY EACH REPORTING 7.		7.	SOLE DISPOSIT	OSITIVE POWER: 26			
Ρ	PERSON WITH	8.	SHARED DISPO	SITIVE POWER:	0		
9.	AGGREGATE AMOUNT I PERSON:	BENEFICIA	ALLY OWNED BY	EACH REPORTING	26,696		
10.	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES: (See Instructions)						
11.	PERCENT OF CLASS REF	PRESENTE	D BY AMOUNT IN	N ROW (9):	Less than 0.1%		
12.	TYPE OF REPORTING PE	RSON (See	e Instructions):		IN		

CUSIP	No. 48238T109		13G/A	Page 15 of 34 Pages					
1. 2.	NAMES OF REPORTING JAMES J. CONNORS, II CHECK THE APPROPRI Instructions)			A GROUP: (See		(a) (b)	o x		
3.	SEC USE ONLY:								
4.	CITIZENSHIP OR PLACE	E OF OR	GANIZATION:		United States				
		5.	SOLE VOTING	POWER:	0				
NUMBER OF SHARES 6. BENEFICIALLY OWNED			SHARED VOTIN	NG POWER:	0				
BYE	EACH REPORTING PERSON WITH	7.	SOLE DISPOSIT	TIVE POWER:	0				
Γ	ERSON WIIII	8.	SHARED DISPO	SITIVE POWER:	0				
9.	AGGREGATE AMOUNT PERSON:	BENEF	ICIALLY OWNED BY	ZEACH REPORTING	0				
10.	CHECK IF THE AGGREG SHARES: (See Instruction		MOUNT IN ROW (9) I	EXCLUDES CERTAIN		o			
11.	PERCENT OF CLASS RE	EPRESEN	TED BY AMOUNT I	N ROW (9):	0%				
12.	TYPE OF REPORTING P	PE OF REPORTING PERSON (See Instructions):							

CUSIP	No. 48238T109		13G/A	Page 16 of 34 Pages				
1. 2.	NAMES OF REPORTING STANLEY DE J. OSBOR CHECK THE APPROPRI Instructions)	NE		A GROUP: (See		(a) (b)	o x	
3.	SEC USE ONLY:							
4.	CITIZENSHIP OR PLACE	E OF OR	GANIZATION:		United States			
		5.	SOLE VOTING	POWER:	0			
NUMBER OF SHARES 6. SHARED VOTING POWER: BENEFICIALLY OWNED			NG POWER:	0				
BYE	EACH REPORTING	7.	SOLE DISPOSIT	TIVE POWER:	0			
ŀ	PERSON WITH	8.	SHARED DISPO	OSITIVE POWER:	0			
9.	AGGREGATE AMOUNT PERSON:	BENEFI	CIALLY OWNED BY	Y EACH REPORTING	0			
10.	CHECK IF THE AGGREG SHARES: (See Instruction		MOUNT IN ROW (9) I	EXCLUDES CERTAIN		o		
11.	PERCENT OF CLASS RE	EPRESEN	TED BY AMOUNT I	N ROW (9):	0%			
12.	TYPE OF REPORTING P	PE OF REPORTING PERSON (See Instructions):						

CUSIP	No. 48238T109	13	G/A	Page 17 of 34 Pages			
1. 2.	NAMES OF REPORTING CHURCH M. MOORE CHECK THE APPROPRIA Instructions)			A GROUP: (See		(a) (b)	o x
3.	SEC USE ONLY:						
4.	CITIZENSHIP OR PLACE	OF ORGA	NIZATION:		United	States	8
		5.	SOLE VOTING I	POWER:	5,320		
	IBER OF SHARES	6.	SHARED VOTIN	NG POWER:	0		
BYE	BENEFICIALLY OWNED BY EACH REPORTING 7.		SOLE DISPOSIT	TVE POWER:	5,320		
P	PERSON WITH	8.	SHARED DISPO	SITIVE POWER:	0		
9.	AGGREGATE AMOUNT I PERSON:	BENEFICL	ALLY OWNED BY	EACH REPORTING	5,320		
10.	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES: (See Instructions))	
11.	PERCENT OF CLASS REF	PRESENTE	ED BY AMOUNT II	N ROW (9):	Less th	an 0.1	.%
12.	TYPE OF REPORTING PE	RSON (Se	e Instructions):		IN		

CUSIP	No. 48238T109		13G/A	Page 18 of 34 Pages			
1. 2.	NAMES OF REPORTING CHRISTOPHER L. COLLI CHECK THE APPROPRIA Instructions)	NS		A GROUP: (See		(a) (b)	o x
3.	SEC USE ONLY:						
4.	CITIZENSHIP OR PLACE	OF OR	GANIZATION:		United States		
		5.	SOLE VOTING	POWER:	0		
	NUMBER OF SHARES 6. SHARED VOTING POWER: BENEFICIALLY OWNED						
		7.	SOLE DISPOSIT	ΓIVE POWER:	0		
1	ERSON WITH	8.	SHARED DISPO	OSITIVE POWER:	0		
9.	AGGREGATE AMOUNT PERSON:	BENEF	ICIALLY OWNED BY	Y EACH REPORTING	0		
10.	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES: (See Instructions)					o	
11.	PERCENT OF CLASS REI	PRESEN	NTED BY AMOUNT I	N ROW (9):	0%		
12.	TYPE OF REPORTING PE	ERSON	(See Instructions):		IN		

CUSIP	No. 48238T109	130	G/A	Page 19 of 34 Pages			
1. 2.	NAMES OF REPORTING I HOWARD A. MATLIN CHECK THE APPROPRIA Instructions)			A GROUP: (See		(a) (b)	o x
3.	SEC USE ONLY:						
4.	CITIZENSHIP OR PLACE	OF ORGA	NIZATION:		United	States	S
		5.	SOLE VOTING P	POWER:	0		
	MBER OF SHARES	6.	SHARED VOTIN	IG POWER:	0		
BY E	BENEFICIALLY OWNED BY EACH REPORTING		SOLE DISPOSIT	IVE POWER:	0		
P	PERSON WITH	8.	SHARED DISPO	SITIVE POWER:	0		
9.	AGGREGATE AMOUNT E PERSON:	BENEFICIA	ALLY OWNED BY	EACH REPORTING	0		
10.	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES: (See Instructions)				O)	
11.	PERCENT OF CLASS REP	PRESENTE	D BY AMOUNT IN	N ROW (9):	0%		
12.	TYPE OF REPORTING PE	RSON (See	e Instructions):		IN		

CUSIP	No. 48238T109	130	G/A	Page 20 of 34 Pages			
1. 2.	NAMES OF REPORTING I VALUEACT CAPITAL MA CHECK THE APPROPRIA Instructions)	ASTER FU	ND, L.P.	A GROUP: (See	(a) (b)	o x	
3.	SEC USE ONLY:						
4.	CITIZENSHIP OR PLACE	OF ORGA	NIZATION:		British Virgin Islands		
		5.	SOLE VOTING F	OWER:	0		
	IBER OF SHARES	6.	SHARED VOTIN	G POWER:	803,628		
BYE	BENEFICIALLY OWNED BY EACH REPORTING		SOLE DISPOSIT	IVE POWER:	0		
Р	ERSON WITH	8.	SHARED DISPO	SITIVE POWER:	803,628		
9.	AGGREGATE AMOUNT E PERSON:	BENEFICIA	ALLY OWNED BY	EACH REPORTING	803,628		
10.	CHECK IF THE AGGREGA SHARES: (See Instructions)	XCLUDES CERTAIN	o				
11.	PERCENT OF CLASS REP	RESENTE	D BY AMOUNT IN	N ROW (9):	0.6%		
12.	TYPE OF REPORTING PE	RSON (See	e Instructions):		PN		

CUSIP	No. 48238T109		13G/A	Page 21 of 34 Pages		
1. 2.	NAMES OF REPORTING VA PARTNERS I, LLC CHECK THE APPROPRI Instructions)			A GROUP: (See	(a) (b)	
3.	SEC USE ONLY:					
4.	CITIZENSHIP OR PLACI	E OF OR	GANIZATION:		Delaware	
		5.	SOLE VOTING	POWER:	0	
NUMBER OF SHARES 6. SHARED VOTING POWER: BENEFICIALLY OWNED				NG POWER:	803,628	
BYE	EACH REPORTING PERSON WITH	7.	SOLE DISPOSIT	TIVE POWER:	0	
1	EROOT WITH	8.	SHARED DISPO	SITIVE POWER:	803,628	
9.	AGGREGATE AMOUNT PERSON:	BENEF	ICIALLY OWNED BY	EACH REPORTING	803,628	
10.	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES: (See Instructions)					
11.	PERCENT OF CLASS RE	EPRESEN	NTED BY AMOUNT I	N ROW (9):	0.6%	
12.	TYPE OF REPORTING P	ERSON	(See Instructions):		00	

CUSIP	No. 48238T109		13G/A	Page 22 of 34 Pages		
1. 2.	NAMES OF REPORTING VALUEACT CAPITAL M CHECK THE APPROPRIA Instructions)	ANAGE	MENT, L.P.	A GROUP: (See	(a)	•
3.	SEC USE ONLY:					
4.	CITIZENSHIP OR PLACE	OF OR	GANIZATION:		Delaware	
		5.	SOLE VOTING	POWER:	0	
NUMBER OF SHARES 6.			SHARED VOTIN	NG POWER:	803,628	
BENEFICIALLY OWNED BY EACH REPORTING 7.		7.	SOLE DISPOSIT	TIVE POWER:	0	
F	PERSON WITH	8.	SHARED DISPO	SITIVE POWER:	803,628	
9.	AGGREGATE AMOUNT PERSON:	BENEFI	CIALLY OWNED BY	EACH REPORTING	803,628	
10.	CHECK IF THE AGGREG SHARES: (See Instructions		MOUNT IN ROW (9)	EXCLUDES CERTAIN	o	
11.	PERCENT OF CLASS RE	PRESEN	TED BY AMOUNT I	N ROW (9):	0.6%	
12.	TYPE OF REPORTING PI	ERSON (See Instructions):		PN	

CUSIP	No. 48238T109		13G/A	Page 23 of 34 Pages		
1. 2.	NAMES OF REPORTING VALUEACT CAPITAL M CHECK THE APPROPRIA Instructions)	IANAGE	MENT, LLC	A GROUP: (See	(a) (b)	o x
3.	SEC USE ONLY:					
4.	CITIZENSHIP OR PLACE	E OF OR	GANIZATION:		Delaware	
		5.	SOLE VOTING	POWER:	0	
NUMBER OF SHARES 6. BENEFICIALLY OWNED			SHARED VOTIN	NG POWER:	803,628	
BYE	BY EACH REPORTING 7.		SOLE DISPOSIT	TIVE POWER:	0	
r	PERSON WITH	8.	SHARED DISPO	SITIVE POWER:	803,628	
9.	AGGREGATE AMOUNT PERSON:	BENEFI	CIALLY OWNED BY	EACH REPORTING	803,628	
10.	CHECK IF THE AGGREC SHARES: (See Instruction		MOUNT IN ROW (9)	EXCLUDES CERTAIN	o	
11.	PERCENT OF CLASS RE	PRESEN	TED BY AMOUNT I	N ROW (9):	0.6%	
12.	TYPE OF REPORTING P	ERSON (See Instructions):		00	

CUSIP No. 48238T109	13	3G/A	Page 24 of 34 Pages		
 NAMES OF REPORTING I VALUEACT HOLDINGS, I CHECK THE APPROPRIA Instructions) SEC USE ONLY: 	L.P.		A GROUP: (See	(a) (b)	
4. CITIZENSHIP OR PLACE	OF ORGA	ANIZATION:		Delaware	
ii. Citizzi tottii oki zitez	5.	SOLE VOTING I	POWER:	0	
NUMBER OF SHARES	6.	SHARED VOTIN	NG POWER:	803,628	
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE DISPOSIT	TVE POWER:	0	
FERSON WITH	8.	SHARED DISPO	SITIVE POWER:	803,628	
9. AGGREGATE AMOUNT E PERSON:	BENEFIC	IALLY OWNED BY	EACH REPORTING	803,628	
10. CHECK IF THE AGGREGA SHARES: (See Instructions)		OUNT IN ROW (9) I	EXCLUDES CERTAIN	o	
11. PERCENT OF CLASS REP	RESENT	ED BY AMOUNT I	N ROW (9):	0.6%	
12. TYPE OF REPORTING PE	RSON (Se	ee Instructions):		PN	

CUSIP No. 48238T109			13G/A	Page 25 of 34 Pages		
1. 2.	VALUEACT HOLDINGS GP, LLC CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (See Instructions)					o x
3.	SEC USE ONLY:					
4.	CITIZENSHIP OR PLACE OF ORGANIZATION:				Delaware	
		5.	SOLE VOTING	POWER:	0	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		6.	SHARED VOTI	NG POWER:	803,628	
		7.	SOLE DISPOSIT	TIVE POWER:	0	
1	EROOT WITH	8.	SHARED DISPO	OSITIVE POWER:	803,628	
9.	O. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:					
10.	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES: (See Instructions)					
11.	1. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):					
12. TYPE OF REPORTING PERSON (See Instructions):					00	

CUSIP No. 48238T109		13G/A	Page 26 of 34 Pages				
1. 2. 3.	AXLE HOLDINGS II, LLC CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (See Instructions)					(a) (b)	o x
<i>3</i> . 4.	CITIZENSHIP OR PLACE OF ORGANIZATION:				Delawa	are	
т.	. CITIZENSHIP OR PLACE OF ORGANIZATION:					arc	
		5.	SOLE VOTING I	POWER:	0		
BENEFICIALLY OWNED		6.	SHARED VOTIN	NG POWER:	0		
		7.	SOLE DISPOSIT	TVE POWER:	0		
1	ERGON WIIII	8.	SHARED DISPO	SITIVE POWER:	0		
9.	9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:						
10.	O. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES: (See Instructions))	
11.	11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):						
12. TYPE OF REPORTING PERSON (See Instructions):					00		

CUSIP No. 48238T109

13G/A

Page 27 of 34 Pages

Item 1. (a) Name of Issuer

KAR AUCTION SERVICES, INC.

(b) Address of Issuer's Principal Executive Offices:

13085 Hamilton Crossing Boulevard

Carmel, Indiana 46032

Item 2 (a) Name of Person Filing:

KAR Holdings II, LLC

KELSO GROUP

Kelso GP VII, LLC

Kelso GP VII, L.P.

Kelso Investment Associates VII, L.P.

KEP VI, LLC

Philip E. Berney

Frank K. Bynum, Jr.

Michael B. Goldberg

Frank J. Loverro

George E. Matelich

Frank T. Nickell

David I. Wahrhaftig

Thomas R. Wall, IV

James J. Connors, II

Stanley de J. Osborne

Church M. Moore

Christopher L. Collins

Howard A. Matlin

VALUEACT GROUP

ValueAct Capital Master Fund, L.P.

VA Partners I, LLC

ValueAct Capital Management, L.P.

ValueAct Capital Management, LLC

ValueAct Holdings, L.P.

ValueAct Holdings GP, LLC

Axle Holdings II, LLC

(b) Address of Principal Business Office or, if none, Residence:

KAR HOLDINGS II, LLC

c/o Kelso & Company, L.P.

320 Park Avenue, 24th Floor

New York, NY 10022

KELSO GROUP

c/o Kelso & Company, L.P.

320 Park Avenue, 24th Floor

New York, NY 10022

VALUEACT GROUP c/o ValueAct Capital 435 Pacific Avenue, 4th Floor San Francisco, CA 94133

AXLE HOLDINGS II, LLC c/o Kelso & Company, L.P. 320 Park Avenue, 24th Floor

CUSIP No. 48238T109

13G/A

Page 28 of 34 Pages

New York, NY 10022

(c) Citizenship:

See Item 9 of the cover pages attached hereto.

(d) Title of Class of Securities:

Common Stock, par value \$0.01 per share (the "Common Stock")

(e) CUSIP Number:

48238T109

Item 3. If this statement is filed pursuant to §§240.13d-1(b), or 240.13d-2(b) or (c), check whether the person filing is a:

Not Applicable

Item 4. Ownership (a) through (c)

(a) Amount beneficially owned

See Item 9 of the attached cover pages.

(b) Percent of class

See Item 11 of the attached cover pages. The figures reported in Item 11 of the attached cover pages are based on 138,997,491 shares of common stock outstanding as of December 13, 2013 as reported by KAR Auction Services, Inc. in a prospectus supplement filed with the Securities and Exchange Commission on December 19, 2013 pursuant to Rule 424(b)(7) under the Securities Act of 1933.

(c) Number of shares as to which such person has:

(i) Sole power to vote or direct the vote

See Item 5 of the attached cover pages.

(ii) Shared power to vote or direct the vote

See Item 6 of the attached cover pages.

(iii) Sole power to dispose or to direct the disposition

See Item 7 of the attached cover pages.

(iv) Shared power to dispose or to direct the disposition

See Item 8 of the attached cover pages.

803,628 shares of the securities reported herein are directly beneficially owned by ValueAct Capital Master Fund, L.P. and may be deemed to be indirectly 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

CUSIP No. 48238T109

13G/A

Page 29 of 34 Pages

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. 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 Sections 13(d), 13(g) or 16 of the Act, or for any other purpose.

Messrs. Jeffrey W. Ubben, G. Mason Morfit, George F. Hamel and Bradely E. Singer may be deemed to share beneficial ownership of securities owned of record indirectly by ValueAct Holdings GP, LLC, if any, by virtue of serving on the management committee of ValueAct Holdings GP, LLC, but disclaim beneficial ownership of such securities, and this report shall not be deemed an admission that any of Messrs. Ubben, Morfit and Hamel is the beneficial owner of these securities, if any, for purposes of Sections 13(d), 13(g) or 16 of the Act, or for any other purposes.

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5 percent of the class of securities, check the following [X].

Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security

Being Reported on By the Parent Holding Company.

Not applicable.

Item 8. Identification and Classification of Members of the Group.

Not applicable.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

Not applicable as this statement is filed pursuant to Rule 13d-1(d).

CUSIP No. 48238T109 13G/A Page 30 of 34 P

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 10, 2014

KAR Holdings II, LLC

Signature:

KELSO GP VII, LLC

Signature: *

By:

KELSO GP VII, L.P.

Signature:

By:

KELSO INVESTMENT ASSOCIATES VII, L.P

Signature: *

By:

KEP VI, LLC

Signature:

By:

PHILIP E. BERNEY

Signature: *

FRANK K. BYNUM, JR.

Signature:

MICHAEL B. GOLDBERG

Signature: *

FRANK J. LOVERRO

Signature: *

CUSIP No. 48238T109	13G/A	Page 31 of 34 Pages
	GEORGE E. MATELICH	
	Signature:	*
	FRANK T. NICKELL	
	Signature:	*
	DAVID I. WAHRHAFTIG	
	Signature: THOMAS R. WALL, IV	*
	Signature:	*
	JAMES J. CONNORS, II	
	Signature:	*
	STANLEY DE J. OSBORNE	
	Signature:	*
	CHURCH M. MOORE	
	Signature:	*
	CHRISTOPHER L. COLLINS	
	Signature:	/s/ Christopher L. Collins
	HOWARD A. MATLIN	
	Signature:	*
	AXLE HOLDINGS II, LLC	
	Signature:	*
	VALUEACT CAPITAL	MASTER FUND, L.P.
	Signature: By: Title:	/s/ George F. Hamel, Jr. George F. Hamel, Jr. Chief Operating Officer

CUSIP No. 48238T109 13G/A Page 32 of 34 Pages

VA PARTNERS I, LLC

Signature: /s/ George F. Hamel, Jr.
By: George F. Hamel, Jr.
Title: Chief Operating Officer

VALUEACT CAPITAL MANAGEMENT, L.P.

Signature: /s/ George F. Hamel, Jr.
By: George F. Hamel, Jr.
Title: Chief Operating Officer

VALUEACT CAPITAL MANAGEMENT, LLC

Signature: /s/ George F. Hamel, Jr.
By: George F. Hamel, Jr.
Title: Chief Operating Officer

VALUEACT HOLDINGS, L.P.

Signature: /s/ George F. Hamel, Jr.
By: George F. Hamel, Jr.
Title: Chief Operating Officer

VALUEACT HOLDINGS GP, LLC

Signature: /s/ George F. Hamel, Jr.
By: George F. Hamel, Jr.
Title: Chief Operating Officer

Name: Rosanna T. Leone Attorney-in-fact**

** The Powers of Attorney filed with the Securities and Exchange Commission with the Form 3s, dated December 10, 2009 in respect of the securities of KAR Auction Services, Inc. by Kelso GP VII, LLC, Kelso GP VII, L.P., Kelso Investment Associates VII, L.P., KEP VI, LLC, Axle Holdings II, LLC, Philip E. Berney, Frank K. Bynum, Jr., Michael B. Goldberg, Frank J. Loverro, George E. Matelich, Frank T. Nickell, David I. Wahrhaftig, Thomas R. Wall, IV, James J. Connors, II, Stanley de J. Osborne and Church M. Moore are hereby incorporated by reference. The Powers of Attorney filed with the Securities and Exchange Commission with the Form 3, dated December 28, 2009 in respect of the securities of KAR Auction Services, Inc. by KAR Holdings II, LLC are hereby incorporated by reference. The Power of Attorney relating to Howard A. Matlin is included as an exhibit to this filing.

^{*}By: /s/ Rosanna T. Leone

Exhibit No. Exhibit

99.1 Power of Attorney relating to Howard A. Matlin