Gottwald Donald S. Form 3
December 10, 2009

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

OMB APPROVAL

OMB Number:

3235-0104

Expires:

January 31, 2005

0.5

Estimated average burden hours per response...

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

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF

SECURITIES

30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting 2. Date of Event Requiring 3. Issuer Name and Ticker or Trading Symbol Person * Statement KAR Auction Services, Inc. [KAR] Gottwald Donald S. (Month/Day/Year) 12/10/2009 (Last) (First) (Middle) 4. Relationship of Reporting 5. If Amendment, Date Original Person(s) to Issuer Filed(Month/Day/Year) C/O KAR AUCTION (Check all applicable) SERVICES, INC., Â 13085 HAMILTON CROSSING 10% Owner Director BLVD. _X__ Officer Other (give title below) (specify below) (Street) 6. Individual or Joint/Group President and CEO of AFC Filing(Check Applicable Line) _X_ Form filed by One Reporting Person CARMEL, INÂ 46032 Form filed by More than One Reporting Person (City) (State) (Zip) Table I - Non-Derivative Securities Beneficially Owned 4. Nature of Indirect Beneficial 1. Title of Security 2. Amount of Securities Beneficially Owned Ownership Ownership (Instr. 4) (Instr. 4) (Instr. 5) Form: Direct (D) or Indirect (I) (Instr. 5) Reminder: Report on a separate line for each class of securities beneficially SEC 1473 (7-02) owned directly or indirectly. Persons who respond to the collection of information contained in this form are not

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

required to respond unless the form displays a

currently valid OMB control number.

3. Title and Amount of 1. Title of Derivative Security 2. Date Exercisable and 4. 6. Nature of Indirect 5. Securities Underlying Ownership Beneficial Ownership (Instr. 4) **Expiration Date** Conversion (Month/Day/Year) or Exercise Form of (Instr. 5) Derivative Security (Instr. 4) Price of Derivative Derivative Security:

Edgar Filing: Gottwald Donald S. - Form 3

	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
Employee Stock Option (right to buy)	(1)(2)	05/06/2019	Common Stock	316,520 (1) (2)	\$ 10	D	Â

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. Â Â President and CEO of AFC CARMEL, INÂ 46032

Signatures

/s/ Rebecca C. Polak as Attorney-in-Fact

**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).
- 79,130 of these options are service options that vest based upon the passage of time and the reporting person's continued service with the (1) Company. On December 10, 2009, the Company's board of directors adopted resolutions providing that these options will become exercisable as of the effective date of the Company's IPO.
 - 237,390 of these options are performance options that, as of the effective date of the Company's IPO, 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
- (2) 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 \$21.25; the next 25% of these options vest if, during any consecutive 90-day period, the average 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.

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

Reporting Owners 2