

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)

1. Name and Address of Reporting  
Person \*

ValueAct Holdings, L.P.

(Last)

(First)

(Middle)

435 PACIFIC AVENUE, 4TH  
FLOOR, A

(Street)

SAN

FRANCISCO, CA 94133

(City)

(State)

(Zip)

2. Date of Event Requiring  
Statement

(Month/Day/Year)

12/10/2009

3. Issuer Name and Ticker or Trading Symbol  
KAR Auction Services, Inc. [KAR]4. Relationship of Reporting  
Person(s) to Issuer5. If Amendment, Date Original  
Filed(Month/Day/Year)

(Check all applicable)

\_\_\_\_ Director \_\_\_\_X\_\_\_\_ 10% Owner  
\_\_\_\_ Officer \_\_\_\_ Other  
(give title below) (specify below)6. Individual or Joint/Group  
Filing(Check Applicable Line)  
\_\_\_\_ Form filed by One Reporting  
Person  
\_\_\_\_X\_\_\_\_ Form filed by More than One  
Reporting Person**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)

**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.****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)  
Title4. Conversion  
or Exercise  
Price of  
Derivative  
Security5. 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:

JointÂ FilerÂ Information:

Name:Â ValueActÂ CapitalÂ MasterÂ Fund,Â L.P.

Address:Â 435Â PacificÂ Avenue,Â 4thÂ Floor,Â SanÂ Francisco,Â CAÂ 94133

DesignatedÂ Filer:Â ValueActÂ Holdings,Â L.P.

IssuerÂ &Â Ticker:Â KARÂ AuctionÂ Services,Â Inc.Â (KAR)

DateÂ ofÂ EventÂ RequiringÂ Statement:Â 12/10/2009

Name:Â VAA Partners I,Â LLC

Address:Â 435Â PacificÂ Avenue,Â 4thÂ Floor,Â SanÂ Francisco,Â CAÂ 94133

DesignatedÂ Filer:Â ValueActÂ Holdings,Â L.P.

IssuerÂ &Â Ticker:Â KARÂ AuctionÂ Services,Â Inc.Â (KAR)

DateÂ ofÂ EventÂ RequiringÂ Statement:Â 12/10/2009

Name:Â ValueActÂ CapitalÂ Management,Â L.P.

Address:Â 435Â PacificÂ Avenue,Â 4thÂ Floor,Â SanÂ Francisco,Â CAÂ 94133

DesignatedÂ Filer:Â ValueActÂ Holdings,Â L.P.

IssuerÂ &Â Ticker:Â KARÂ AuctionÂ Services,Â Inc.Â (KAR)

DateÂ ofÂ EventÂ RequiringÂ Statement:Â 12/10/2009

Name:Â ValueActÂ CapitalÂ Management,Â LLC

Address:Â 435Â PacificÂ Avenue,Â 4thÂ Floor,Â SanÂ Francisco,Â CAÂ 94133

DesignatedÂ Filer:Â ValueActÂ Holdings,Â L.P.

IssuerÂ &Â Ticker:Â KARÂ AuctionÂ Services,Â Inc.Â (KAR)

DateÂ ofÂ EventÂ RequiringÂ Statement:Â 12/10/2009

Name:Â ValueActÂ HoldingsÂ GP,Â LLC

Address:Â 435Â PacificÂ Avenue,Â 4thÂ Floor,Â SanÂ Francisco,Â CAÂ 94133

DesignatedÂ Filer:Â ValueActÂ Holdings,Â L.P.

IssuerÂ &Â Ticker:Â KARÂ AuctionÂ Services,Â Inc.Â (KAR)

DateÂ ofÂ EventÂ RequiringÂ Statement:Â 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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