

SONIC AUTOMOTIVE INC

Form S-4/A

July 20, 2012

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As filed with the Securities and Exchange Commission on July 20, 2012

Registration No. 333-182307

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## AMENDMENT NO. 1

TO

FORM S-4

REGISTRATION STATEMENT

*UNDER*

*THE SECURITIES ACT OF 1933*

**Sonic Automotive, Inc.**

(Exact name of registrant as specified in its charter)

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<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>5500</b> (Primary standard industrial classification code number) <b>4401 Colwick Road</b>	<b>56-2012790</b> (I.R.S. Employer Identification No.)
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**Charlotte, North Carolina 28211**

**Telephone: (704) 566-2400**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Stephen K. Coss, Esq.**

**Senior Vice President and General Counsel**

**4401 Colwick Road**

**Charlotte, North Carolina 28211**

**Telephone: (704) 566-2400**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copies to:*

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**Charlotte, North Carolina 28202**

**New York, New York 10004**

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**Telephone: (212) 859-8000**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the registration statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.    

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.    

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

**The Registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the SEC, acting pursuant to said Section 8(a), may determine.**

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**The information in this preliminary prospectus is not complete and may be changed. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to Completion**

**Preliminary Prospectus dated July 20, 2012.**

**Offer to Exchange Class A Common Stock and Cash**

**For All of Our 5.0% Convertible Senior Notes Due 2029**

We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, cash and newly issued shares of our Class A common stock for all our outstanding 5.0% Convertible Senior Notes due 2029 (the "Notes"). We refer to the \$1,000 fixed cash amount and the shares to be issued in exchange for our Notes as the "Offer Consideration" in this prospectus.

The total value of the Offer Consideration per \$1,000 principal amount of Notes accepted for exchange will equal (i) \$495 plus (ii) the Average VWAP (as defined herein) multiplied by 60.5274. The Offer Consideration will be paid by (i) a fixed cash payment of \$1,000 per \$1,000 principal amount of Notes accepted for exchange in this exchange offer and (ii) a number of shares of our Class A common stock equal to the quotient of the total value of the Offer Consideration less the fixed cash payment, divided by the Average VWAP. As discussed below, cash will be paid in lieu of fractional shares based upon the Average VWAP. In no event will the total value of the Offer Consideration paid in this exchange offer be less than \$1,000 or more than \$1,631, in each case, per \$1,000 principal amount of Notes accepted for exchange in this exchange offer.

Holders whose Notes are accepted for exchange will also be entitled to receive a cash payment for accrued and unpaid interest on the Notes to, but excluding, the settlement date. We will not issue fractional shares of our Class A common stock in the exchange offer. Instead, we will pay cash for all fractional shares on the settlement date based upon the Average VWAP. All amounts payable pursuant to the exchange offer will be rounded to the nearest cent.

Throughout the exchange offer, an indicative Offer Consideration will be available at <http://www.gbsc-usa.com/SAH> and from the Information Agent (as defined herein), which may be contacted at one of its telephone numbers listed on the back cover of this prospectus. We will determine the final Offer Consideration promptly after the close of trading on the New York Stock Exchange (the "NYSE") on Friday, July 27, 2012 (as such date may be extended, the "Pricing Date"). We will announce the final Offer Consideration no later than 4:30 p.m., New York City time, on the Pricing Date, and details regarding the final Offer Consideration will also be available by that time at <http://www.gbsc-usa.com/SAH> and from the Information Agent. If the Offer Consideration will equal the maximum Offer Consideration of \$1,631, then the exchange offer will be automatically extended (a "Mandatory Extension") until 12:00 midnight, New York City time, at the end of the second trading day following the Pricing Date to permit holders of Notes to tender or withdraw their Notes during those days. See "The Exchange Offer" Extension of the Offer; Termination; Amendment.

**The exchange offer will expire at 12:00 midnight, New York City time, at the end of July 27, 2012, unless extended or earlier terminated by us. We refer to this date as the expiration date. Notes must be validly tendered for exchange in the exchange offer on or prior to the expiration date to receive the Offer Consideration. Notes tendered for exchange in the exchange offer may be withdrawn at any time prior to the expiration date of the exchange offer. Upon the terms and subject to the conditions of the exchange offer, all Notes validly tendered in the exchange offer and not properly withdrawn prior to 12:00 midnight, New York City time, at the end of the expiration date will be accepted in the exchange offer. You should carefully review the procedures for tendering Notes beginning on page 32 of this prospectus.**

As of the date of this prospectus, \$134,905,000 aggregate principal amount of Notes were outstanding. The Notes are not listed on any securities exchange. Our Class A common stock is listed on the NYSE under the symbol "SAH". The last reported sale price of our Class A common stock on July 16, 2012 was \$15.86 per share. We expect the shares of Class A common stock offered by this prospectus will be listed on the NYSE.

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The offer is subject to the conditions discussed under The Exchange Offer Conditions to the Exchange Offer, including, among other things, a minimum aggregate principal amount of Notes being tendered and the effectiveness of the registration statement of which this prospectus forms a part.

**Both acceptance and rejection of this exchange offer involve risks. Some of the risks associated with the exchange offer and an investment in our Class A common stock offered through this prospectus are described under the caption Risk Factors beginning on page 9 of this prospectus and in our filings with the Securities and Exchange Commission incorporated by reference herein. We urge you to carefully read the Risk Factors section beginning on page 9 and our filings with the Securities and Exchange Commission incorporated by reference herein before you make any decision regarding the exchange offer.**

You must make your own decision whether to tender Notes in the exchange offer, and, if you decide to tender Notes, the principal amount of Notes to tender. Neither we, our management, our board of directors, the dealer managers, the information agent, the exchange agent nor any other person is making any recommendation as to whether or not you should tender your Notes for exchange in the offer.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of our Class A common stock or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

J.P. Morgan

**BofA Merrill Lynch**  
*The date of this prospectus is \_\_\_\_\_, 2012*

Wells Fargo Securities

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**IMPORTANT INFORMATION**

Except as otherwise indicated or as the context otherwise requires, all references in this prospectus to the Company, we, us, , our, or Sonic m Sonic Automotive, Inc. and its subsidiaries.

The Notes were issued in book-entry form, and all of the Notes are currently represented by one or more global certificates held for the account of The Depository Trust Company ( DTC ).

Should you have any questions as to the procedures for tendering your Notes, please call your broker, dealer, commercial bank, trust company or other nominee, or call the information agent at its telephone number set forth on the back cover page of this prospectus.

You may tender your Notes through DTC s Automated Tender Offer Program ( ATOP ) or by following the other procedures described under The Exchange Offer Procedures for Tendering Notes.

We are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of DTC on or prior to the expiration date of the exchange offer. If you hold your Notes through a broker, dealer, commercial bank, trust company or other nominee, you should consider that such entity may require you to take action with respect to the exchange offer a number of days before the expiration date in order for such entity to tender Notes on your behalf on or prior to the expiration date. Tenders not completed at or prior to 12:00 midnight, New York City time, at the end of the expiration date will be disregarded and of no effect.

Notwithstanding any other provision of the exchange offer, our obligation to purchase, and to pay the Offer Consideration for, any Notes validly tendered and not properly withdrawn pursuant to the exchange offer are subject to and conditioned upon the satisfaction of, or where applicable, waiver by us of, all conditions of the exchange offer described under The Exchange Offer Conditions of the Exchange Offer.

You may direct questions and requests for assistance, including requests for additional copies of this prospectus or the accompanying letter of transmittal, to Global Bondholder Services Corporation, as information agent for the exchange offer (the Information Agent ), and you may also direct questions regarding the exchange offer to J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as the joint lead dealer managers for the exchange offer (collectively, the Dealer

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Managers ), at their respective addresses and telephone numbers listed on the back cover page of this prospectus. Global Bondholder Services Corporation is also acting as the exchange agent for the exchange offer (the Exchange Agent ).

Subject to applicable law (including Rule 13e-4(d)(2) under the Securities Exchange Act of 1934 (the Exchange Act ), which requires that material changes in the exchange offer be promptly disseminated to holders in a manner reasonably designed to inform them of such changes), delivery of this prospectus shall not under any circumstances create any implication that the information contained in or incorporated by reference in this prospectus is correct as of any time after the date of this prospectus or that there has been no change in the information included or incorporated by reference herein or in our affairs or the affairs of any of our subsidiaries since the date hereof. You should assume that the information contained or incorporated by reference in this prospectus is accurate only as of the date of this prospectus or the date of the document incorporated by reference, as applicable.

You should rely only on the information contained or incorporated by reference in this prospectus or the accompanying letter of transmittal. None of us, our management, our board of directors, the dealer managers, the exchange agent or the information agent makes any recommendation to any holder of Notes as to whether or not to exchange any Notes. None of us, our management, our board of directors, the dealer managers, the exchange agent or the information agent has authorized any person to give any information or to make any representation in connection with the exchange offer other than the information and representations contained in this prospectus or the letter of transmittal. If anyone makes any recommendation or representation or gives any such information, you should not rely upon that recommendation, representation or information as having been authorized by us, our management, our board of directors, the dealer managers, the exchange agent or the information agent.

Each holder must comply with all applicable laws and regulations in force in any jurisdiction in which it participates in the exchange offer or possesses or distributes this prospectus and must obtain any consent, approval or permission required by it for participation in the exchange offer under the laws and regulations in force in any jurisdiction to which it is subject, and we shall not have any responsibility therefor.

We are not making an offer of these securities in any jurisdiction where the offer is not permitted.

No automobile manufacturer or distributor has been involved, directly or indirectly, in the preparation of this prospectus or in the offering being made hereby. No automobile manufacturer or distributor has been authorized to make any statements or representations in connection with the offering, and no automobile manufacturer or distributor has any responsibility for the accuracy or completeness of this prospectus or for any offering hereunder.

## **MARKET AND INDUSTRY DATA**

We obtained the industry, market and competitive position data included and incorporated by reference in this prospectus from our own internal estimates and research as well as from industry publications and research, surveys and studies conducted by third parties. Industry publications, studies and surveys generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe that each of these publications, studies and surveys is reliable, we have not independently verified industry, market and competitive position data from third-party sources. While we believe our internal business research is reliable and the market definitions are appropriate, neither such research nor these definitions have been verified by any independent source. Accordingly, investors should not place undue weight on the industry and market share data presented in this prospectus.

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**CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus and the documents incorporated by reference herein contain numerous forward-looking statements. These forward looking statements address our future objectives, plans and goals, as well as our intent, beliefs and current expectations regarding future operating performance, and can generally be identified by words such as may, will, should, believe, expect, anticipate, intend, plan, foresee, similar words or phrases. Specific events addressed by these forward-looking statements include, but are not limited to:

vehicle sales rates and same store sales growth;

future liquidity trends or needs;

our business and growth strategies;

future covenant compliance;

our financing plans and our ability to repay or refinance existing debt when due;

future acquisitions or dispositions;

level of fuel prices;

industry trends; and

general economic trends, including employment rates and consumer confidence levels.

These forward-looking statements are based on our current estimates and assumptions and involve various risks and uncertainties. As a result, you are cautioned that these forward-looking statements are not guarantees of future performance and that actual results could differ materially from those projected in these forward-looking statements. Factors which may cause actual results to differ materially from our projections include those risks described in Risk Factors and elsewhere in this prospectus and our filings with the Securities and Exchange Commission (the SEC ) that are incorporated by reference into this prospectus, as well as:

the number of new and used cars sold in the United States as compared to our expectations and the expectations of the market;

our ability to generate sufficient cash flows or obtain additional financing to fund acquisitions, capital expenditures, our share repurchase program, dividends on our common stock and general operating activities;

the reputation and financial condition of vehicle manufacturers whose brands we represent, the financial incentives vehicle manufacturers offer and their ability to design, manufacture, deliver and market their vehicles successfully;



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our relationships with manufacturers, which may affect our ability to obtain desirable new vehicle models in inventory or complete additional acquisitions;

adverse resolutions of one or more significant legal proceedings against us or our dealerships;

changes in laws and regulations governing the operation of automobile franchises, accounting standards, taxation requirements and environmental laws;

general economic conditions in the markets in which we operate, including fluctuations in interest rates, employment levels, the level of consumer spending and consumer credit availability;

the terms of any refinancing of our existing indebtedness;

high competition in the automotive retailing industry, which not only creates pricing pressures on the products and services we offer, but also on businesses we may seek to acquire;

our ability to successfully integrate potential future acquisitions; and

the rate and timing of overall economic recovery or decline.

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**WHERE YOU CAN FIND MORE INFORMATION ABOUT SONIC**

We file annual, quarterly and current reports, proxy statements and other information with the SEC (File No. 001-13395). You may read and copy these reports, proxy statements and other information at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. Copies may be obtained from the SEC by paying the required fees. The SEC maintains an internet website that contains reports, proxy and information statements and other information regarding us and other issuers that file electronically with the SEC. The SEC's website is <http://www.sec.gov>. Information that we file with the SEC may also be read and copied at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. In addition, you may access all of such filings on our website at <http://www.sonicautomotive.com>. The information set forth on our website is not part of this prospectus.

This prospectus incorporates by reference information we file with the SEC, which means that we can disclose important information to you by referring to documents we have previously filed with the SEC without including such information in this prospectus. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information in the prospectus. We incorporate by reference into this prospectus the documents listed below, filings with the SEC after the date of the initial registration statement of which this prospectus forms a part and prior to effectiveness of such registration statement and any future documents we file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, until the exchange offer is completed or terminated:

- (1) Our Annual Report on Form 10-K for the fiscal year ended December 31, 2011;
- (2) Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012;
- (3) Our definitive proxy statement dated March 12, 2012;
- (4) Our Current Reports on Form 8-K filed on February 28, 2012 (pursuant to Item 8.01), March 5, 2012, March 6, 2012, April 23, 2012 (pursuant to Items 1.01, 5.02, 5.07 and 9.01), May 18, 2012, May 25, 2012, June 25, 2012 (pursuant to Item 8.01), June 26, 2012, June 29, 2012 and July 9, 2012, and our Current Report on Form 8-K furnished on June 25, 2012 (pursuant to Items 2.02 and 9.01) (including the exhibits thereto);
- (5) our Quarterly Reports on Form 10-Q/A for the quarters ended March 31, 2011, June 30, 2011 and September 30, 2011;
- (6) the description of our Class A common stock contained in our Registration Statement on Form 8-A, as amended, filed with the SEC on October 6, 1997 pursuant to Section 12 of the Exchange Act, including all amendments and reports updating such description; and
- (7) the description of the Notes, at pages S-42 to S-67 of our Prospectus Supplement filed pursuant to Rule 424(b) of the Securities Act of 1933, as amended (the Securities Act), on September 21, 2009.

The Notes were issued pursuant to a Senior Indenture, dated as of September 23, 2009, among the Company, the guarantors named therein and U.S. Bank National Association, as supplemented by the First Supplemental Indenture, dated as of September 23, 2009, between the Company and U.S. Bank National Association. A copy of these documents, as well as the form of the Note, are filed as exhibits to the registration statement of which this prospectus forms a part. We will provide upon request a free copy of any or all of the documents incorporated by reference into this prospectus (excluding exhibits to such documents unless such exhibits are specifically incorporated by reference) to anyone to whom we provide this prospectus. Written or telephone requests should be directed to Mr. Stephen K. Coss, Senior Vice President and General Counsel, 4401 Colwick Road, Charlotte, North Carolina 28211, telephone (704) 566-2400.

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We have filed with the SEC a Tender Offer Statement on Schedule TO (the Schedule TO ), pursuant to Section 13(e) of the Exchange Act and Rule 13e-4 thereunder, furnishing certain information with respect to the

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exchange offer. We will file an amendment to the Schedule TO to report any material changes in the terms of the exchange offer and to report the final results of the exchange offer as required by Exchange Act Rule 13e-4(c)(3) and Rule 13e-4(c)(4), respectively. The Schedule TO, together with any exhibits and any amendments thereto, may be examined and copies may be obtained at the same places and in the same manner as set forth above.

**In order to ensure timely delivery of such documents, holders must request this information promptly and in no event later than Friday, July 20, 2012, which is five business days before the expiration date. We encourage you to submit any request for documents as soon as possible to ensure timely delivery of the documents prior to the expiration date.**

This prospectus is a part of our registration statement on Form S-4 filed with the SEC. This prospectus does not contain all of the information set forth in the registration statement and the exhibits to the registration statement. Statements about the contents of contracts or other documents contained in this prospectus or in any other filing to which we refer you are not necessarily complete. You should review the actual copy of these documents filed as an exhibit to the registration statement or such other filing. You may obtain a copy of the registration statement and the exhibits filed with it from the SEC at any of the locations listed above.

As of March 31, 2012, we reclassified certain of our franchises between discontinued and continuing operations in accordance with generally accepted accounting principles. This reclassification has been reflected in our financial statements as of March 31, 2012 and for the three months ended March 31, 2012 and as of and for the three years ended December 31, 2011 that are incorporated by reference into this prospectus. The Current Report on Form 8-K furnished to the SEC on June 25, 2012 (pursuant to Items 2.02 and 9.01) incorporated by reference into this prospectus recasts certain information previously presented in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 to conform with the presentation of franchises classified between continuing operations and discontinued operations in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012. Accordingly, investors should rely upon the financial statements included in this June 25, 2012 Form 8-K for our audited financial information for the three year period ended December 31, 2011.

Our financial statements as of, and for the three months ended March 31, 2011, June 30, 2011 and September 30, 2011 that are incorporated by reference into this prospectus from our Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2011, as amended, were not restated to reflect this reclassification. Accordingly, since these incorporated financial statements cannot be reviewed on a comparative basis with the other financial statements incorporated by reference into this prospectus, for our interim financial condition and operating results.

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**SUMMARY**

*This summary highlights selected information included in or incorporated by reference into this prospectus. The following summary does not contain all of the information that you should consider before exchanging your Notes and is qualified in its entirety by the more detailed information appearing elsewhere in the prospectus, the accompanying letter of transmittal and the financial statements and the documents incorporated by reference. You should carefully read the entire prospectus, including the information incorporated by reference into this prospectus, the Risk Factors section beginning on page 9 and the The Exchange Offer section beginning on page 25 before making an investment decision. See Where You Can Find More Information About Sonic.*

**The Company**

We are one of the largest automotive retailers in the United States. As of March 31, 2012, we operated 118 dealerships in 15 states, representing 28 different brands of cars and light trucks, and 24 collision repair centers. Our dealerships provide comprehensive services including (1) sales of both new and used cars and light trucks, (2) sales of replacement parts, performance of vehicle maintenance, manufacturer warranty repairs, paint and collision repair services and (3) arrangement of extended service contracts, financing, insurance and other aftermarket products for our automotive customers.

Our Class A common stock is listed on the NYSE under the symbol SAH . The last reported sale price of our Class A common stock on July 16, 2012 was \$15.86 per share.

Our principal executive offices are located at 4401 Colwick Road, Charlotte, North Carolina 28211, telephone (704) 566-2400. We were incorporated in Delaware in 1997.

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**The Exchange Offer**

The following summarizes certain material terms of the exchange offer. Before you decide whether to tender your Notes in the exchange offer, you should read the entire prospectus, including the detailed description under the heading "The Exchange Offer", "Description of Common Stock" and "Risk Factors".

**Offeror**

Sonic Automotive, Inc.

**Securities Subject to Exchange Offer**

All of our outstanding Notes. As of the date of this prospectus, \$134.9 million aggregate principal amount of Notes are outstanding and the conversion rate is 75.3017 shares of Class A common stock per \$1,000 principal amount of Notes, which is equivalent to a conversion price of approximately \$13.28 per share of Class A common stock. The Notes were not convertible as of the date of this prospectus.

**The Exchange Offer**

We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, cash and newly issued shares of our Class A common stock for all our outstanding Notes. We refer to the \$1,000 fixed cash amount and the shares to be issued in exchange for our Notes collectively as the "Offer Consideration" in this prospectus.

The total value of the Offer Consideration per \$1,000 principal amount of Notes accepted for exchange will equal (i) \$495 plus (ii) the Average VWAP (as defined herein) multiplied by 60.5274.

The Offer Consideration will be paid by (i) a fixed cash payment of \$1,000 per \$1,000 principal amount of Notes accepted for exchange in this exchange offer and (ii) a number of shares of our Class A common stock equal to the quotient of the total value of the Offer Consideration less the fixed cash payment, divided by the Average VWAP.

For the avoidance of doubt, the Offer Consideration per \$1,000 principal amount of Notes will consist of:

- (i) \$1,000 in cash, plus
  
- (ii) A number of shares of our Class A common stock equal to:

(Total value of Offer Consideration per \$1,000 principal amount of Notes - \$1,000)

Average VWAP

As discussed below, cash will be paid in lieu of fractional shares based upon the Average VWAP.

In no event will the total value of the Offer Consideration paid in this exchange offer be less than \$1,000 or more than \$1,631, in each case, per \$1,000 principal amount of Notes accepted for exchange in this exchange offer.

Holders whose Notes are accepted for exchange will also be entitled to receive a cash payment for accrued and unpaid interest on the Notes to, but excluding, the settlement date. We will not issue fractional shares of our Class A common stock in the

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exchange offer. Instead, we will pay cash for all fractional shares on the settlement date based upon the Average VWAP. All amounts payable pursuant to the exchange offer will be rounded to the nearest cent.

We will accept for exchange all Notes validly tendered and not validly withdrawn on or prior to the expiration date, upon the terms and subject to the conditions described in this prospectus and the accompanying letter of transmittal.

**Conditions to the Exchange Offer**

Among other conditions, the exchange offer is conditioned upon the effectiveness of the registration statement of which this prospectus forms a part, no stop order suspending the effectiveness of the registration statement and no proceeding for that purpose having been instituted or that is pending, contemplated or threatened by the SEC, all other required governmental approvals or consents having been obtained and the other closing conditions described in *The Exchange Offer Conditions of the Exchange Offer*. In addition, because of limitations on our ability to utilize net proceeds from sale of our 7.0% Senior Subordinated Notes due 2022, this exchange offer is conditioned upon the valid tender and acceptance, in our discretion, of Notes representing at least \$80.0 million aggregate principal amount (the *Minimum Tender Condition*). Except as to the requirements that the registration statement be declared effective by the SEC, that there be no stop orders suspending the effectiveness of such registration statement, which we will not waive, we may waive any of the other conditions to the exchange offer in our sole and absolute discretion. See *The Exchange Offer Conditions of the Exchange Offer*.

**Purpose of the Exchange Offer**

To repurchase, cancel and retire the Notes, thereby reducing the dilutive impact of the Notes on our outstanding equity on an as-converted basis, after giving effect to any shares of Class A common stock that may be issued in this exchange offer.

**Expiration Date; Extension of Tender Period; Termination; and Amendment**

This exchange offer will expire at 12:00 midnight New York City time at the end of July 27, 2012, unless we extend or terminate it. We may extend the expiration date for the exchange offer for any reason in our sole and absolute discretion. If we decide to extend the expiration date, we will announce any extension by press release or other public announcement no later than 9:00 a.m., New York City time, on the business day after the scheduled expiration date. You must tender your outstanding Notes prior to this time, if you want to participate in the exchange offer. We reserve the right to terminate the exchange offer at any time prior to completion of the exchange offer in our sole and absolute discretion, but subject to applicable law, if any of the conditions under *The Exchange Offer Conditions of the Exchange Offer* have not been, or we reasonably determine cannot be, satisfied on or prior to the expiration date or upon the occurrence



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of any of the events specified under The Exchange Offer Conditions of the Exchange Offer . See The Exchange Offer Termination of the Exchange Offer. In addition, we have the right to amend any of the terms of the exchange offer. See The Exchange Offer Expiration Date; Extensions; Amendments.

In the event that the exchange offer is terminated, withdrawn or otherwise not consummated on or prior to the expiration date, no consideration will be paid or become payable to holders who have properly tendered their Notes pursuant to the exchange offer. In any such event, the Notes previously tendered pursuant to the exchange offer will be promptly returned to the tendering holders.

**Settlement Date**

The settlement date in respect of Notes that are validly tendered and not properly withdrawn prior to the expiration date is expected to be promptly following such expiration date. See The Exchange Offer Settlement Date.

**Accrued and Unpaid Interest**

Holders whose Notes are accepted for exchange will be entitled to receive a cash payment for accrued and unpaid interest on the Notes to, but excluding, the settlement date.

**Procedures for Tendering Notes**

Holders of Notes desiring to accept the exchange offer must tender their Notes through ATOP or by following the other procedures described under The Exchange Offer Procedures for Tendering Notes. A holder who wishes to tender its Notes must either deliver an Agent s Message or sign and return the applicable letter of transmittal, including all other documents required by the applicable letter of transmittal, as described under The Exchange Offer Procedures for Tendering Notes.

If your Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you should contact that registered holder promptly and instruct him, her or it to tender your Notes on your behalf.

**You are urged to instruct your broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to allow adequate processing time for your instruction prior to the expiration date.**

**BECAUSE WE ARE NOT PROVIDING FOR GUARANTEED DELIVERY PROCEDURES, YOU MUST ALLOW SUFFICIENT TIME FOR THE NECESSARY TENDER PROCEDURES TO BE COMPLETED DURING NORMAL BUSINESS HOURS OF DTC PRIOR TO THE APPLICABLE EXPIRATION DATE.** See The Exchange Offer Procedures for Tendering Notes.

Do not send letters of transmittal or certificates representing Notes to us or DTC. Send these documents only to the exchange agent.

**Withdrawal**

Your tender of Notes pursuant to this exchange offer may be withdrawn at any time before the exchange offer expires.



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	<p>Withdrawals may not be rescinded. If you change your mind again, you may tender your Notes again by following the exchange offer procedures before the exchange offer expires. See <a href="#">The Exchange Offer</a> <a href="#">Withdrawal Rights</a>.</p>
<b>Acceptance of Notes and Delivery of Offer Consideration</b>	<p>We will, subject to the terms and conditions described in this prospectus, accept all Notes that are validly tendered and not validly withdrawn prior to 12:00 midnight, New York City time, at the end of the expiration date. The Offer Consideration will be delivered promptly after we accept the Notes. See <a href="#">The Exchange Offer</a> <a href="#">Acceptance of Notes for Exchange</a>; <a href="#">Delivery of Offer Consideration</a>.</p>
<b>Consequences of Failure to Exchange Notes</b>	<p>Notes not exchanged in the exchange offer will remain outstanding after consummation of the exchange offer and will continue to accrue any interest in accordance with their terms. Following completion of, and as a result of, the exchange offer, the market for the remaining outstanding Notes may be less liquid. See <a href="#">Risk Factors</a> <a href="#">The liquidity of any market that currently exists for the Notes may be adversely affected by the exchange offer, and holders of the Notes who fail to properly tender their Notes may find it more difficult to sell their Notes.</a></p>
	<p>Holders of Notes that remain outstanding will continue to have the same rights under the Notes as they are entitled to today.</p>
<b>No Appraisal Rights</b>	<p>No appraisal rights are available to holders of Notes in connection with the exchange offer.</p>
<b>Federal Tax Consequences</b>	<p>For a summary of the U.S. federal tax consequences relating to the exchange offer, see <a href="#">Federal Tax Consequences</a>. You should consult your own tax advisor for a full understanding of the tax consequences of participating in the exchange offer.</p>
<b>Risk Factors</b>	<p>You should carefully consider in its entirety all of the information set forth in this prospectus and the accompanying letter of transmittal, as well as the information incorporated by reference in this prospectus, and, in particular, the section entitled <a href="#">Risk Factors</a>, before deciding whether to participate in the exchange offer.</p>
<b>Use of Proceeds</b>	<p>We will not receive any proceeds from the exchange offer.</p>
<b>Market Price and Trading</b>	<p>Our Class A common stock is listed on the NYSE under the symbol <a href="#">SAH</a> . On July 16, 2012, the last reported sale price for our Class A common stock was \$15.86 per share. We expect the shares of our Class A common stock offered by this prospectus to be listed on the NYSE at or prior to the settlement of the exchange offer.</p>

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**Brokerage Commissions**

No brokerage commissions are payable by the holders of the Notes to the dealer managers, the information agent, the exchange agent or us. If your Notes are held through a broker, dealer, commercial bank, trust company or other nominee who tenders the Notes on your behalf, such nominee may charge you a commission for doing so. You should consult with your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply.

**Exchange Agent**

Global Bondholder Services Corporation is the exchange agent for the exchange offer.

**Dealer Managers**

J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are serving as joint lead dealer managers in connection with the exchange offer.

**Information Agent**

Global Bondholder Services Corporation is the information agent for the exchange offer.

**Fees and Expenses**

We will pay all fees and expenses we incur in connection with the exchange offer. See The Exchange Offer Fees and Expenses.

**Questions and Additional Information**

If you have questions about the terms of the exchange offer, please contact the joint lead dealer managers. If you have questions regarding the procedures for tendering Notes in the exchange offer or require assistance in tendering your Notes, please contact the exchange agent. If you have any other questions or requests for assistance, or requests for additional copies of this prospectus or of the accompanying letters of transmittal, please contact the information agent. The contact information for the joint lead dealer managers, the exchange agent and the information agent are set forth on the back cover page of this prospectus. See also Where You Can Find More Information About Sonic.

**Table of Contents****Summary Consolidated Financial and Operating Data**

The summary consolidated income statement data for the years ended December 31, 2009, 2010 and 2011 and the summary consolidated balance sheet data as of December 31, 2010 and 2011 are derived from our consolidated financial statements, which are incorporated by reference into this prospectus from our Current Report on Form 8-K furnished to the SEC on June 25, 2012 (pursuant to Items 2.02 and 9.01). The summary consolidated income statement data for the three month periods ended March 31, 2011 and 2012 and the summary consolidated balance sheet data as of March 31, 2012 are derived from our consolidated financial statements, which are incorporated by reference into this prospectus from our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012. This summary consolidated financial and operating data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the related notes thereto, which are incorporated by reference into this prospectus from our Current Report on Form 8-K furnished to the SEC on June 25, 2012 (pursuant to Items 2.02 and 9.01) and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012. The summary consolidated balance sheet data as of December 31, 2009 and March 31, 2011 are derived from our consolidated financial statements as of December 31, 2009 and March 31, 2011, respectively, which are not included in or incorporated by reference into this prospectus.

	2009	Year Ended December 31, 2010	2011	Three Months Ended March 31,	
				2011	2012
	<i>(amounts in thousands, except per share data)</i>				
<b>Income Statement Data:</b>					
Revenues:					
New Vehicles	\$ 3,190,743	\$ 3,604,042	\$ 4,197,134	\$ 969,313	\$ 1,057,064
Used Vehicles	1,422,431	1,743,494	1,998,626	472,655	514,831
Wholesale Vehicles	142,896	146,401	171,000	34,996	45,028
Total Vehicles	4,756,070	5,493,937	6,366,760	1,476,964	1,616,923
Parts, service and collision repair	1,043,912	1,101,423	1,156,974	285,488	299,823
Finance, insurance and other	153,041	179,045	215,767	48,934	58,924
Total Revenues	5,953,023	6,774,405	7,739,501	1,811,386	1,975,670
Cost of Sales	(4,941,497)	(5,680,184)	(6,551,415)	(1,525,460)	(1,665,316)
Gross Profit	1,011,524				