

SONIC AUTOMOTIVE INC  
Form SC TO-I/A  
July 27, 2012

**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**Amendment No. 3**

**to**

**SCHEDULE TO**

**(Rule 14d-100)**

**TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR SECTION 13(e)(1)**

**OF THE SECURITIES EXCHANGE ACT OF 1934**

**Sonic Automotive, Inc.**

**(Name of Subject Company (Issuer) and Filing Person (Offeror))**

**5.0% CONVERTIBLE SENIOR NOTES DUE 2029**

**(Title of Class of Securities)**

**83545GAQ5**

**(CUSIP Number of Class of Securities)**

**Stephen K. Coss, Esq.**

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Senior Vice President and General Counsel

4401 Colwick Road

Charlotte, North Carolina 28211

Telephone: (704) 566-2400

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing persons)

CALCULATION OF FILING FEES

Transaction Valuation (1)  
\$85,125,055 (2)

Amount of Filing Fee (3)  
\$9,760

- (1) Estimated solely for the purpose of calculating the Filing Fees pursuant to Rule 0-11 under the Securities Exchange Act of 1934.
- (2) Determined in accordance with Rule 0-11(b) under the Securities Exchange Act of 1934 (the Exchange Act ). This Transaction Valuation assumes, solely for purposes of calculating the Filing Fee for this Schedule TO, that all 5.0% Convertible Senior Notes due 2029 (the Notes ) of Sonic Automotive, Inc. (the Company ) outstanding as of June 25, 2012 will be purchased pursuant to the Exchange Offer at the maximum purchase price of \$1,631 per \$1,000 principal amount of Notes paid in cash and shares of our Class A common stock. As of June 25, 2012, there was \$134,905,000 aggregate principal amount of Notes outstanding.
- (3) The amounts of the Filing Fees are calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended, by multiplying the Transaction Value by .0001146.

x Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing

Amount Previously Paid: \$9,760  
Form or Registration No.: Form S-4

Filing Party: Sonic Automotive, Inc.  
Date Filed: June 25, 2012

.. Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.  
Check the appropriate boxes below to designate any transactions to which the statement relates:

- .. third-party tender offer subject to Rule 14d-1.
- x issuer tender offer subject to Rule 13e-4.
- .. going-private transaction subject to Rule 13e-3.
- .. amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: ..



**INTRODUCTORY STATEMENT**

This Amendment No. 3 amends and supplements the Issuer Tender Offer Statement on Schedule TO (as amended, the Schedule TO ) filed by Sonic Automotive, Inc., a Delaware corporation ( Sonic or the Company ) on June 25, 2012 and amended on July 20, 2012 and July 25, 2012, pursuant to Rule 13e-4 under the Securities Exchange Act of 1934, as amended, in connection with its offer to exchange (i) cash and (ii) shares of the Company s Class A common stock, par value \$0.01 per share (the Common Stock ) for each \$1,000 principal amount of the Company s 5.0% Convertible Senior Notes due 2029 (the Notes ) (the Exchange Offer ). The Exchange Offer is being made upon the terms and subject to the conditions set forth in the Company s Prospectus, dated July 24, 2012 (the Prospectus ), which forms a part of the Registration Statement on Form S-4 (Reg. No. 333-182307) filed with the Securities and Exchange Commission (the SEC ), as amended by Amendment No. 1 to such Registration Statement on Form S-4 filed with the SEC on July 20, 2012 (as it may be amended or supplemented from time to time, the Registration Statement ), and in the related Letter of Transmittal.

The Prospectus and the related letter of transmittal are incorporated by reference as exhibits (a)(1)(i) and (a)(1)(ii), respectively, hereto.

This Schedule TO is being filed in satisfaction of the reporting requirements of Rules 13e-4(b)(1) and (c)(2) promulgated under the Securities Exchange Act of 1934, as amended.

Information set forth in the Registration Statement is incorporated by reference in response to Items 1 through 13 of this Schedule TO, except those items as to which information is specifically provided herein.

Only the items amended are reported in this Amendment No. 3. Except as specifically provided herein, the information contained in the Schedule TO, the Prospectus and the Letter of Transmittal remains unchanged and this Amendment No. 3 does not modify any of the information previously reported on the Schedule TO, or in the Prospectus or the Letter of Transmittal. You should read this Amendment No. 3 together with the Schedule TO, the Prospectus and the related Letter of Transmittal.

**Item 1. Summary Term Sheet**

The information set forth under Item 1 of the Schedule TO is hereby amended and supplemented by adding the following:

On July 27, 2012, Sonic issued a press release announcing that it has determined the final Offer Consideration (as defined in the Prospectus) offered by Sonic pursuant to the Offer. The final Offer Consideration was determined in accordance with the pricing formula described in the Prospectus.

The final Offer Consideration being offered per \$1,000 principal amount of Notes is \$1,503.11. The final Offer Consideration was determined in accordance with the pricing formula described in the Prospectus and is equal to (i) \$495 plus (ii) the Average VWAP (as defined herein) multiplied by 60.5274. For purposes of the pricing formula, the Average VWAP is \$16.6554.

The final Offer Consideration will be paid by (i) a fixed cash payment of \$1,000 plus (ii) 30.2070 shares of our Class A common, which is the number of shares equal to the quotient of the total value of the Offer Consideration less the fixed cash payment, divided by the Average VWAP (as defined in the Prospectus). In addition, holders will receive, in respect of their Notes that are accepted for exchange, accrued and unpaid interest on such Notes to, but excluding, the settlement date of the Offer. Cash will be paid in lieu of fractional shares.

**Item 4. Terms of the Transaction**

Item 4(a) of the Schedule TO is hereby amended and supplemented by the information set forth above under Item 1, which information is incorporated by reference.

**Item 7. Source and Amount of Funds or Other Consideration**

The information set forth under Items 7(a) and (d) of the Schedule TO is hereby amended and supplemented by the information set forth above under Item 1, which information is incorporated by reference, and the following information:

Based on the final Offer Consideration, Sonic would need approximately \$137.6 million in cash and to issue approximately 4,047,150 shares of its Class A common stock to purchase all of the Notes outstanding as of June 25, 2012, assuming that the purchase of Notes pursuant to the Offer is settled on August 1, 2012. Sonic intends to fund the cash portion of the Offer Consideration with cash on hand and the net proceeds from the sale of its 7.0% Senior Subordinated Notes due 2022.

**Item 10. Financial Statements**

The information set forth under Item 10(a) of the Schedule TO is hereby amended and supplemented by the following information:

(a) *Financial Information.* The information set forth in, or incorporated by reference into, the Prospectus in the sections entitled "Capitalization", "Ratio of Earnings to Fixed Charges" and "Summary" Summary Consolidated Financial and Operating Data is incorporated herein by reference. The information, including the financial statements, set forth under (i) Item 8, Financial Statements and Supplementary Data and Item 15, Exhibits and Financial Statement Schedules in Sonic's Annual Report on Form 10-K for the year ended December 31, 2011 and our Current Report on Form 8-K furnished to the Securities Exchange Commission pursuant to Items 2.02 and 9.01 on June 25, 2012, and (ii) Part I, Item 1, Financial Statements in Sonic's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012, are, in each case, incorporated herein by reference and can also be accessed electronically on the Securities and Exchange Commission's website at <http://www.sec.gov>.

**Item 12. Exhibits.**

The following are attached as exhibits to this Schedule TO:

Exhibit No.	Description
(a)(1)(i)	Prospectus, dated July 24, 2012 (incorporated herein by reference to Sonic Automotive, Inc.'s filing on July 25, 2012 pursuant to Rule 424(b)(3) under the Securities Act of 1933, as amended).
(a)(1)(ii)	Form of Letter of Transmittal for Exchange Offer (incorporated herein by reference to Exhibit 99.1 to Sonic Automotive, Inc.'s Registration Statement on Form S-4 (Reg. No. 333-182307)).
(a)(2)	None.
(a)(3)	None.
(a)(4)	Prospectus, dated July 24, 2012 (incorporated herein by reference to Sonic Automotive, Inc.'s filing on July 25, 2012 pursuant to Rule 424(b)(3) under the Securities Act of 1933, as amended).
(a)(5)	Press Release, dated June 25, 2012 (filed on Form 8-K on June 25, 2012 and deemed filed pursuant to Rule 13e-4(c) under the Securities Exchange Act of 1934).
(a)(6)	Press Release, dated June 25, 2012 (filed on Form 8-K on June 25, 2012 and deemed filed pursuant to Rule 13e-4(c) under the Securities Exchange Act of 1934).
(a)(7)	Press Release dated June 26, 2012 (filed on Form 8-K on June 26, 2012 and deemed filed pursuant to Rule 13e-4(c) under the Securities Exchange Act of 1934).
(a)(8)	Press Release dated July 27, 2012 (filed on Form 8-K on July 27, 2012 and deemed filed pursuant to Rule 13e-4(c) under the Securities Exchange Act of 1934).
(b)	None.
(d)(i)	Dealer Manager Agreement (incorporated by reference to Exhibit 1.1 to the Registration Statement on Form S-4 filed on June 25, 2012).
(d)(ii)	Form of 5.0% Convertible Senior Note due October 2029 (included in Exhibit 4.2 to the Current Report on Form 8-K filed September 25, 2009 (the September 25, 2009 Form 8-K)).
(d)(iii)	Senior Indenture dated as of September 23, 2009 by and among Sonic Automotive, Inc, the guarantors named therein, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the September 25, 2009 Form 8-K).
(d)(iv)	First Supplemental Indenture dated as of September 23, 2009 between Sonic Automotive, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to the September 25, 2009 Form 8-K).
(d)(v)	Registration Rights Agreement dated as of March 12, 2010 by and among Sonic Automotive, Inc. the guarantors set forth on the signature page thereto and Banc of America Securities LLC, as representative of the several initial purchasers named on Schedule A to the Purchase Agreement (incorporated by reference to Exhibit 4.1 to the March 15, 2010 Form 8-K).
(d)(vi)	Indenture dated as of March 12, 2010 by and among Sonic Automotive, Inc, as issuer, the guarantors named therein, and U.S. Bank National Association, as trustee, relating to the 9.0% Senior Subordinated Notes due 2018 (incorporated by reference to Exhibit 4.2 to Sonic's Current Report on Form 8-K filed March 15, 2010 (the March 15, 2010 Form 8-K)).
(d)(vii)	Form of 9.0% Senior Subordinated Note due 2018 (incorporated by reference to Exhibit 4.2 to the March 15, 2010 Form 8-K).
(d)(viii)	Sonic Automotive, Inc. 2004 Stock Incentive Plan, Amended and Restated as of February 11, 2009 (incorporated by reference to Exhibit 4 to Sonic's Registration Statement on Form S-8 (Reg. No. 333-159674)).
(d)(ix)	Sonic Automotive, Inc. 1997 Stock Option Plan, Amended and Restated as of April 22, 2003 (incorporated by reference to Exhibit 10.10 to Sonic's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003).
(d)(x)	Sonic Automotive, Inc. Employee Stock Purchase Plan, Amended and Restated as of May 8, 2002 (incorporated by reference to Exhibit 10.15 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2002 (the 2002 Annual Report)).
(d)(xi)	Sonic Automotive, Inc. Nonqualified Employee Stock Purchase Plan, Amended and Restated as of October 23, 2002 (incorporated by reference to Exhibit 10.16 to the 2002 Annual Report).

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- (d)(xii) Sonic Automotive, Inc. 2005 Formula Restricted Stock Plan for Non-Employee Directors, Amended and Restated as of May 11, 2009 (incorporated by reference to Exhibit 4 to Sonic's Registration Statement on Form S-8 (Reg. No. 333-159675)).
- (d)(xiii) Sonic Automotive, Inc. 2004 Stock Incentive Plan Form of Performance-Based Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.33 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2006).
- (d)(xiv) Sonic Automotive, Inc. 2004 Stock Incentive Plan Form of Performance-Based Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.34 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2006).
- (d)(xv) Sonic Automotive, Inc. Incentive Compensation Plan, Amended and Restated as of December 4, 2008 (incorporated by reference to Appendix B to Sonic's Definitive Proxy Statement on Schedule 14A filed April 9, 2009).
- (d)(xvi) Sonic Automotive, Inc. 2004 Stock Incentive Plan, Amended and Restated as of February 11, 2009 (incorporated by reference to Exhibit 4 to Sonic's Registration Statement on Form S-8 (Reg. No. 333-159674)).
- (d)(xvii) Amendment No. 1 to Sonic Automotive, Inc. Formula Stock Option Plan for Independent Directors (incorporated by reference to Exhibit 10.45 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2009).
- (d)(xviii) Sonic Automotive, Inc. 2012 Stock Incentive Plan (incorporated by reference to Exhibit 4.5 to Sonic's Registration Statement on Form S-8 (Reg. No. 333-180814)).
- (d)(xix) Sonic Automotive, Inc. 2012 Formula Restricted Stock Plan for Non-Employee Directors (incorporated by reference to Exhibit 4.5 to Sonic's Registration Statement on Form S-8 (Reg. No. 333-180815)).
- (d)(xx) Director Compensation (incorporated by reference to the Company's Definitive Proxy Statement filed with the Securities and Exchange Commission on March 12, 2012).
- (d)(xxi) Registration Rights Agreement dated as of July 2, 2012 by and among Sonic Automotive, Inc. the guarantors set forth on the signature page thereto and Merrill Lynch, Pierce, Fenner & Smith Incorporated (incorporated by reference to Exhibit 4.1 to Sonic's Current Report on Form 8-K filed July 2, 2012).
- (d)(xxii) Indenture dated as of July 2, 2012 by and among Sonic Automotive, Inc, the guarantors named therein, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to Sonic's Current Report on Form 8-K filed July 2, 2012).
- (d)(xxiii) Form of 7.0% Senior Subordinated Note due 2022 (included in Exhibit 4.2 to Sonic's Current Report on Form 8-K filed July 2, 2012).
- (d)(xxiv) Escrow Agreement dated as of July 2, 2012 by and among Sonic Automotive, Inc., U.S. Bank National Association, as trustee, and Wilmington Trust, National Association, as escrow agent (incorporated by reference to Exhibit 4.4 to Sonic's Current Report on Form 8-K filed July 2, 2012).
- (g) None.
- (h) None.

**SIGNATURE**

After due 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.

**SONIC AUTOMOTIVE, INC.**

By: /s/ Stephen K. Coss  
Name: Stephen K. Coss  
Title: Senior Vice President and General Counsel

Date: July 27, 2012

**EXHIBIT INDEX**

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