

SONIC AUTOMOTIVE INC
Form 8-K
October 02, 2003

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): October 2, 2003

SONIC AUTOMOTIVE, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other)

1-13395
(Commission File Number)

56-201079
(I.R.S. Employer

Jurisdiction of Incorporation)

Identification No.)

5401 E. Independence Boulevard,
Charlotte, North Carolina
(Address of Principal Executive Offices)

28212
(Zip Code)

Registrant's telephone number, including area code: (704) 566-2400

Item 9. Regulation FD Disclosure and Item 12. Results of Operations and Financial Condition

Sonic Automotive, Inc. (Sonic) is filing this Current Report on Form 8-K to reflect the reclassifications of franchises between discontinued and continuing operations in accordance with the provisions of Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS No. 144). Although the information in this Current Report is being furnished to the Securities and Exchange Commission (the Commission) under Items 9 and 12 of Form 8-K, we are hereby incorporating this Current Report by reference into our existing and future prospectuses, registration statements and other filings with the Commission under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

During 2002, Sonic completed the disposal of 16 automobile franchises and as of December 31, 2002 had approved, but not yet completed, the disposition of ten additional franchises. In accordance with the provisions of SFAS No. 144, the results of operations of these franchises for the years ended December 31, 2000, 2001 and 2002 were reported as discontinued operations in Sonic s Annual Report on Form 10-K filed for the year ended December 31, 2002.

As of March 31, 2003, Sonic had approved, but not yet completed, the disposition of seven additional franchises that had not been identified for disposition as of December 31, 2002. In accordance with the provisions of SFAS No. 144, the results of operations of these franchises for the three months ended March 31, 2003 and 2002 were removed from the results of continuing operations and included in the results of discontinued operations in Sonic s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2003. In addition, as of March 31, 2003, Sonic decided to retain three franchises that had previously been identified for disposition as of December 31, 2002. In accordance with the provisions of SFAS No. 144, the results of operations of these dealerships for the three months ended March 31, 2003 and 2002 were removed from the results of discontinued operations and included in the results of continuing operations in Sonic s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2003. The five additional franchises approved for disposition and the three franchises retained for future operations were included in, and removed from, respectively, reported discontinued operations for the years ended December 31, 2002, 2001 and 2000 in Sonic s Current Report on Form 8-K filed August 4, 2003.

As of June 30, 2003, Sonic had approved, but not yet completed, the disposition of one additional franchise that had not been identified for disposition as of March 31, 2003. In accordance with the provisions of SFAS No. 144, the results of operations of this franchise for the three and six month periods ended June 30, 2003 and 2002 were removed from the results of continuing operations and included in the results of discontinued operations in Sonic s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2003. In addition, as of June 30, 2003, Sonic decided to retain two franchises that had previously been identified for disposition as of March 31, 2003. In accordance with the provisions of SFAS No. 144, the results of operations of these dealerships for the three and six month periods ended June 30, 2003 and 2002 were removed from the results of discontinued operations and included in the results of continuing operations in Sonic s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2003.

This Current Report on Form 8-K updates certain financial information for the years ended December 31, 2002, 2001 and 2000 presented in Exhibit No. 99.1 in Sonic s Current Report on Form 8-K filed August 4, 2003 to reflect the reclassifications of franchises between discontinued and continuing operations during the three month periods ended June 30, 2002 and 2003 as discussed above. This reclassification has no effect on Sonic s:

reported net income or net income per share;

consolidated balance sheets;

Edgar Filing: SONIC AUTOMOTIVE INC - Form 8-K

statements of stockholders' equity;

statements of cash flows; or

the discussion of liquidity and capital resources for these periods.

The updated financial information is set forth in Exhibit 99.1 to this Current Report.

Item 7: Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
23.1	Consent of Deloitte & Touche LLP
99.1	Reclassified financial information for the years ended December 31, 2002, 2001 and 2000 in accordance with the provisions of SFAS No. 144
99.2	Risk Factors

EXHIBIT INDEX

Attached as exhibits to this form are the documents listed below:

Exhibit	Document
23.1	Consent of Deloitte & Touche LLP
99.1	Reclassified financial information for the years ended December 31, 2002, 2001 and 2000 in accordance with the provisions of SFAS No. 144
99.2	Risk Factors