

SONIC AUTOMOTIVE INC
Form 8-K
April 26, 2019

UNITED STATES
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): April 24, 2019

SONIC AUTOMOTIVE, INC.

(Exact name of registrant as specified in its charter)

Delaware

**(State or other jurisdiction
of incorporation)**

1-13395
(Commission
File Number)

56-2010790
(IRS Employer
Identification No.)

4401 Colwick Road
Charlotte, North Carolina
(Address of principal executive offices)
Registrant's telephone number, including area code: (704) 566-2400

28211
(Zip Code)

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On April 24, 2019, Sonic Automotive, Inc. (the Company) held its 2019 annual meeting of stockholders (the Annual Meeting). At the Annual Meeting, the Company's stockholders approved the amendment and restatement of the Sonic Automotive, Inc. 2012 Stock Incentive Plan (as amended and restated, the 2012 Stock Incentive Plan). The 2012 Stock Incentive Plan was adopted by the Company's Board of Directors (the Board) on February 13, 2019, subject to stockholder approval. Upon stockholder approval at the Annual Meeting, the 2012 Stock Incentive Plan became effective as of April 24, 2019.

The 2012 Stock Incentive Plan was first adopted by the Board on February 22, 2012 and approved by the Company's stockholders at the 2012 annual meeting of stockholders. The 2012 Stock Incentive Plan was then amended and restated by the Board effective as of February 11, 2015 and approved by the Company's stockholders at the 2015 annual meeting of stockholders. This second amendment and restatement of the 2012 Stock Incentive Plan includes the following changes:

increasing the number of shares of the Company's Class A Common Stock authorized for issuance under the 2012 Stock Incentive Plan from 4,000,000 to 6,000,000, reflecting an increase of 2,000,000 shares;

extending the term of the 2012 Stock Incentive Plan until February 22, 2027, allowing an additional five years for the 2012 Stock Incentive Plan; and

updating the 2012 Stock Incentive Plan in connection with certain changes in applicable tax law and other minor revisions.

As noted above, the Company has reserved for issuance under the 2012 Stock Incentive Plan an aggregate of 6,000,000 shares of the Company's Class A Common Stock, \$0.01 par value per share (Class A Common Stock), that may be granted in connection with awards under the 2012 Stock Incentive Plan. Shares of Class A Common Stock covered by awards that expire or are forfeited, canceled, settled in cash or otherwise terminated without the delivery of the full number of covered shares will be available for further awards under the 2012 Stock Incentive Plan to the extent of such expiration, forfeiture, cancellation, cash settlement, etc. However, shares of Class A Common Stock subject to an award that are (i) withheld or retained by the Company in payment of the exercise or purchase price of an award (including shares withheld or retained by the Company or not issued in connection with the net settlement or net exercise of an award) or (ii) tendered to, withheld or retained by the Company in payment of tax withholding obligations relating to an award will not become available again for awards under the 2012 Stock Incentive Plan.

The 2012 Stock Incentive Plan authorizes a variety of types of equity-based awards to employees (including the principal executive officer, principal financial officer and other named executive officers) and consultants providing services to the Company. Specifically, awards under the 2012 Stock Incentive Plan may be granted in the form of incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units and other stock awards.

Unless terminated earlier by the Board, the 2012 Stock Incentive Plan will terminate at 11:59 p.m. on February 22, 2027; provided, that no incentive stock options may be granted under the 2012 Stock Incentive Plan on or after February 22, 2022, and no awards may be made under the 2012 Stock Incentive Plan after its termination.

The foregoing description of the terms and conditions of the 2012 Stock Incentive Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the 2012 Stock Incentive Plan, a copy of which is filed as Exhibit 10.1 hereto and incorporated herein by reference. For a more complete description of the 2012 Stock Incentive Plan, please refer to the discussion under Proposal 4 in the Company's definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission (the "SEC") on March 13, 2019.

Item 5.07. Submission of Matters to a Vote of Security Holders.

(a) The Annual Meeting was held on April 24, 2019.

(b) At the Annual Meeting, the Company's stockholders (i) elected all eight of the Company's nominees for director to serve for a term of one year or until their successors are duly elected and qualified; (ii) ratified the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2019; (iii) approved, on an advisory basis, the Company's named executive officer compensation in fiscal 2018; and (iv) approved the amendment and restatement of the 2012 Stock Incentive Plan. The proposals are further described in the Company's definitive proxy statement on Schedule 14A filed with the SEC on March 13, 2019.

Final voting results on each proposal submitted to the Company's stockholders at the Annual Meeting are as follows:

1. Election of directors:

| | Votes For | Votes Against | Abstentions | Broker Non-Votes |
|--------------------|--------------|------------------|-------------|---------------------|
| O. Bruton Smith | 139,675,767 | 7,172,141 | 15,973 | 2,601,313 |
| David Bruton Smith | 140,574,226 | 6,275,831 | 13,824 | 2,601,313 |
| William I. Belk | 135,248,688 | 11,601,556 | 13,637 | 2,601,313 |
| William R. Brooks | 139,609,343 | 7,240,901 | 13,637 | 2,601,313 |
| Victor H. Doolan | 131,902,775 | 14,717,872 | 243,234 | 2,601,313 |
| John W. Harris III | 136,703,705 | 10,146,539 | 13,637 | 2,601,313 |
| Robert Heller | 134,193,287 | 12,656,957 | 13,637 | 2,601,313 |
| R. Eugene Taylor | 136,518,468 | 10,329,366 | 16,047 | 2,601,313 |

2. Ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2019:

| Votes For | Votes Against | Abstentions | Broker Non-Votes |
|--------------|------------------|-------------|---------------------|
| 149,428,334 | 13,522 | 23,338 | 0 |

3. Advisory vote to approve the Company's named executive officer compensation in fiscal 2018:

| Votes For | Votes Against | Abstentions | Broker Non-Votes |
|--------------|------------------|-------------|---------------------|
| | | | |

| | | | |
|-------------|------------|---------|-----------|
| 129,452,714 | 17,310,189 | 100,978 | 2,601,313 |
|-------------|------------|---------|-----------|

4. Approval of the amendment and restatement of the 2012 Stock Incentive Plan:

| Votes | Votes | | Broker |
|-------------|------------|-------------|-----------|
| For | Against | Abstentions | Non-Votes |
| 134,340,886 | 12,491,230 | 31,765 | 2,601,313 |

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit

| No. | Description |
|------|---|
| 10.1 | <u>Sonic Automotive, Inc. 2012 Stock Incentive Plan, amended and restated as of April 24, 2019. (1)</u> |

(1) Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SONIC AUTOMOTIVE, INC.

Date: April 26, 2019

By: /s/ STEPHEN K. COSS
Stephen K. Coss
Senior Vice President and General Counsel