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SRE TEXAS 8 LP
Form S-3/A
June 10, 2002

As filed with the Securities and Exchange Commission on June 10, 2002

Registration No. 333-86672 and

Registration Nos. 333-86672-01 through 333-86672-208

=====

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1 TO

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Sonic Automotive, Inc.
(Exact name of registrant as specified in its charter)

See "Table of Additional Registration" on the following page for information relating to the subsidiaries of Sonic Automotive, Inc. ("Sonic") that may guarantee obligations of Sonic on the debt securities registered hereunder.

Delaware 56-2010790
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

5401 East Independence Boulevard, P. O. Box 18747
Charlotte, North Carolina 28212-5401
Telephone: (704) 532-3320
(Address, including zip code, and telephone number, including area code, of
registrant's principal executive offices)

Stephen K. Coss, Esq.
Vice President and General Counsel
5401 East Independence Boulevard, P. O. Box 18747
Charlotte, North Carolina 28212-5401
Telephone: (704) 532-3320
(Name, address, including zip code, and telephone number, including area code,
of agent for service)

Copies to:
Brian T. Atkinson, Esq.
Thomas H. O'Donnell, Esq.
Moore & Van Allen PLLC
100 North Tryon Street, Suite 4700

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Charlotte, North Carolina 28202-4003
Telephone: (704) 331-1000

Approximate date of commencement of proposed sale to the public:
From time to time after the registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. []

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please 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(c) 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 delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. []

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 Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANTS

UNDER REGISTRATION STATEMENT ON FORM S-3

The following subsidiaries of Sonic are co-registrants under this registration statement for the purpose of providing guarantees, if any, of payments on debt securities registered hereunder:

Table with 3 columns: Subsidiary, State of Organization, and IRS Employer ID No. Rows include Arngar, Inc., Autobahn, Inc., Avalon Ford, Inc., Capitol Chevrolet and Imports, Inc., and Cobb Pontiac Cadillac, Inc.

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FA Service Corporation.....	California	94-3285891
FAA Auto Factory, Inc.....	California	94-3285893
FAA Beverly Hills, Inc.....	California	95-4673054
FAA Capitol F, Inc.....	California	94-3350030
FAA Capitol N, Inc.....	California	94-3279958
FAA Concord H, Inc.....	California	94-3264558
FAA Concord N, Inc.....	California	94-3266151
FAA Concord T, Inc.....	California	94-1730939
FAA Dublin N, Inc.....	California	94-3267515
FAA Dublin VWD, Inc.....	California	94-3267514
FAA Holding Corp.....	California	94-3338764
FAA Las Vegas H, Inc.....	Nevada	94-3330754
FAA Marin D, Inc.....	California	94-3320521
FAA Marin F, Inc.....	California	95-4746388
FAA Marin LR, Inc.....	California	94-3345066
FAA Poway D, Inc.....	California	94-3264557
FAA Poway G, Inc.....	California	33-0792049
FAA Poway H, Inc.....	California	94-3265895
FAA Poway T, Inc.....	California	94-3266152
FAA San Bruno, Inc.....	California	94-3264556
FAA Santa Monica V, Inc.....	California	95-4746387
FAA Serramonte, Inc.....	California	94-3264554
FAA Serramonte H, Inc.....	California	94-3293588
FAA Serramonte L, Inc.....	California	94-3264555
FAA Stevens Creek, Inc.....	California	94-3264553
FAA Torrance CPJ, Inc.....	California	98-4746385
FirstAmerica Automotive, Inc.....	Delaware	88-0206732
Fort Mill Ford, Inc.....	South Carolina	62-1289609
Franciscan Motors, Inc.....	California	77-0112132
Freedom Ford, Inc.....	Florida	59-2214873
Frontier Oldsmobile-Cadillac, Inc.....	North Carolina	56-1621461
HMC Finance Alabama, Inc.....	Alabama	56-2198417
Kramer Motors Incorporated.....	California	95-2092777
L Dealership Group, Inc.....	Texas	94-1719069
Marcus David Corporation.....	North Carolina	56-1708384
Massey Cadillac, Inc.....	Tennessee	62-1434905
Massey Cadillac, Inc.....	Texas	75-2651186
Philpott Motors, Ltd.....	Texas	76-0608365
Riverside Nissan, Inc.....	Oklahoma	73-1079837
Royal Motor Company, Inc.....	Alabama	63-1012554
Santa Clara Imported Cars, Inc.....	California	94-1705756

Subsidiary	State of Organization	IRS Employer ID No.
Smart Nissan, Inc.....	California	94-3256136
Sonic Automotive-Bondesen, Inc.....	Florida	59-3552436
Sonic Automotive of Chattanooga, LLC.....	Tennessee	62-1708471
Sonic Automotive-Clearwater, Inc.....	Florida	59-3501017
Sonic Automotive Collision Center of Clearwater, Inc.....	Florida	59-3501024
Sonic Automotive F&I, LLC.....	Nevada	88-0444271
Sonic Automotive of Georgia, Inc.....	Georgia	58-2399219
Sonic Automotive of Nashville, LLC.....	Tennessee	62-1708481
Sonic Automotive of Nevada, Inc.....	Nevada	88-0378636
Sonic Automotive Servicing Company, LLC.....	Nevada	88-0443690
Sonic Automotive of Tennessee, Inc.....	Tennessee	62-1710960

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Sonic Automotive of Texas, L.P.....	Texas	76-0586658
Sonic Automotive West, LLC.....	Nevada	88-0444344
Sonic Automotive-1307 N. Dixie Hwy., NSB, Inc.....	Florida	59-3523302
Sonic Automotive-1400 Automall Drive, Columbus, Inc.....	Ohio	31-1604259
Sonic Automotive-1455 Automall Drive, Columbus, Inc.....	Ohio	31-1604276
Sonic Automotive-1495 Automall Drive, Columbus, Inc.....	Ohio	31-1604281
Sonic Automotive-1500 Automall Drive, Columbus, Inc.....	Ohio	31-1604285
Sonic Automotive-1720 Mason Ave., DB, Inc.....	Florida	59-3523303
Sonic Automotive-1720 Mason Ave., DB, LLC.....	Florida	57-1072509
Sonic Automotive-1919 N. Dixie Hwy., NSB, Inc.....	Florida	59-3523301
Sonic Automotive-21699 U.S. Hwy 19 N., Inc.....	Florida	59-3501021
Sonic Automotive-241 Ridgewood Ave., HH, Inc.....	Florida	59-3523304
Sonic Automotive 2424 Laurens Rd., Greenville, Inc.....	South Carolina	58-2384994
Sonic Automotive-2490 South Lee Highway, LLC.....	Tennessee	62-1708486
Sonic Automotive 2752 Laurens Rd., Greenville, Inc.....	South Carolina	58-2384996
Sonic Automotive-3401 N. Main, TX, L.P.....	Texas	76-0586794
Sonic Automotive-3700 West Broad Street, Columbus, Inc.....	Ohio	31-1604296
Sonic Automotive-3741 S. Nova Rd., PO, Inc.....	Florida	59-3532504
Sonic Automotive-4000 West Broad Street, Columbus, Inc.....	Ohio	31-1604301
Sonic Automotive-4701 I-10 East, TX, L.P.....	Texas	76-0586659
Sonic Automotive-5221 I-10 East, TX, L.P.....	Texas	76-0586795
Sonic Automotive-5260 Peachtree Industrial Blvd., LLC.....	Georgia	62-1716095
Sonic Automotive-5585 Peachtree Industrial Blvd., LLC.....	Georgia	58-2459799
Sonic Automotive-6008 N. Dale Mabry, FL, Inc.....	Florida	59-3535965
Sonic Automotive-6025 International Drive, LLC.....	Tennessee	62-1708490
Sonic Automotive-9103 E. Independence, NC, LLC.....	North Carolina	56-2103562
Sonic - 2185 Chapman Rd., Chattanooga, LLC.....	Tennessee	56-2126660
Sonic - Bethany H, Inc.....	Oklahoma	73-1620712
Sonic - Buena Park H, Inc.....	California	33-0978079
Sonic - Cadillac D, L.P.....	Texas	Not Available
Sonic - Camp Ford, L.P.....	Texas	76-0613472
Sonic - Capital Chevrolet, Inc.....	Ohio	31-0743366
Sonic - Capitol Cadillac, Inc.....	Michigan	38-3642334
Sonic - Carrollton V, L.P.....	Texas	75-2896744
Sonic - Carson F, Inc.....	California	75-2989450
Sonic - Carson LM, Inc.....	California	73-1626525
Sonic - Classic Dodge, Inc.....	Alabama	56-2139902
Sonic - Coast Cadillac, Inc.....	California	95-4711579
Sonic - Crest Cadillac, LLC.....	Tennessee	62-1708483
Sonic - Crest H, LLC.....	Tennessee	62-1708487
Sonic - Development, LLC.....	North Carolina	56-2140030

Subsidiary	State of Organization	IRS Employer ID No.
-----	-----	-----
Sonic - Downey Cadillac, Inc.....	California	73-1626782
Sonic - Englewood M, Inc.....	Colorado	73-1627281
Sonic eStore, Inc.....	North Carolina	69-0002322
Sonic - Fort Mill Chrysler Jeep, Inc.....	South Carolina	56-2044964
Sonic - Fort Mill Dodge, Inc.....	South Carolina	58-2285505
Sonic - FM Automotive, LLC.....	Florida	59-3535971
Sonic - FM, Inc.....	Florida	65-0938819
Sonic - FM VW, Inc.....	Florida	65-0938821
Sonic - Fort Worth T, L.P.....	Texas	75-2897202
Sonic - Freeland, Inc.....	Florida	65-0938812
Sonic - Global Imports, L.P.....	Georgia	58-2436174

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Sonic - Glover, Inc.....	Oklahoma	74-2936323
Sonic - Harbor City H, Inc.....	California	95-4876347
Sonic - Houston V, L.P.....	Texas	76-0684038
Sonic - Integrity Dodge LV, LLC.....	Nevada	88-0430677
Sonic - Lake Norman Chrysler Jeep, LLC.....	North Carolina	56-2044997
Sonic - Lake Norman Dodge, LLC.....	North Carolina	56-2044965
Sonic - Las Vegas C East, LLC.....	Nevada	88-0470273
Sonic - Las Vegas C West, LLC.....	Nevada	88-0470284
Sonic - Lloyd Nissan, Inc.....	Florida	59-3560057
Sonic - Lloyd Pontiac-Cadillac, Inc.....	Florida	59-3560058
Sonic - Lone Tree Cadillac, Inc.....	Colorado	75-2994986
Sonic - LS Chevrolet, LLC.....	Delaware	Not Available
Sonic - LS, L.P.....	Texas	76-0594652
Sonic - Lute Riley, L. P.....	Texas	75-2812871
Sonic - Manhattan Fairfax, Inc.....	Virginia	52-2173072
Sonic - Manhattan Waldorf, Inc.....	Maryland	52-2172032
Sonic - Massey Cadillac, L.P.....	Texas	46-0465823
Sonic - Massey Chevrolet, Inc.....	California	73-1626792
Sonic - Massey Pontiac Buick GMC, Inc.....	Colorado	71-0868348
Sonic - Montgomery FLM, Inc.....	Alabama	56-2169250
Sonic - Newsome Chevrolet World, Inc.....	South Carolina	57-1077344
Sonic - Newsome of Florence, Inc.....	South Carolina	57-1077343
Sonic - North Cadillac, Inc.....	Florida	65-0938818
Sonic - North Charleston, Inc.....	South Carolina	58-2460639
Sonic - North Charleston Dodge, Inc.....	South Carolina	58-2479700
Sonic - Peachtree Industrial Blvd., L.P.....	Georgia	56-2089761
Sonic - Plymouth Cadillac, Inc.....	Michigan	30-0040929
Sonic - Reading, L.P.....	Texas	76-0605765
Sonic Resources, Inc.....	Nevada	Not Available
Sonic - Richardson F, L.P.....	Texas	75-2901775
Sonic - Riverside, Inc.....	Oklahoma	73-1574888
Sonic - Riverside Auto Factory, Inc.....	Oklahoma	73-1591124
Sonic - Rockville Imports, Inc.....	Maryland	52-2172034
Sonic - Rockville Motors, Inc.....	Maryland	52-2172033
Sonic - Sam White Nissan, L.P.....	Texas	76-0597722
Sonic - Sanford Cadillac, Inc.....	Florida	01-0595473
Sonic - Shottenkirk, Inc.....	Florida	56-3575773
Sonic - Stevens Creek B, Inc.....	California	94-2261540
Sonic - Superior Oldsmobile, LLC.....	Tennessee	56-2122487
Sonic of Texas, Inc.....	Texas	76-0586661
Sonic - University Park A, L.P.....	Texas	75-2963437

Subsidiary	State of Organization	IRS Employer ID No.
Sonic - Volvo LV, LLC.....	Nevada	88-0437180
Sonic - West Covina T, Inc.....	California	95-4876089
Sonic - West Reno Chevrolet, Inc.....	Oklahoma	73-1618268
Sonic - Williams Buick, Inc.....	Alabama	63-1213085
Sonic - Williams Cadillac, Inc.....	Alabama	63-1213084
Sonic - Williams Imports, Inc.....	Alabama	63-1213083
Sonic - Williams Motors, LLC.....	Alabama	63-1213161
Speedway Chevrolet, Inc.....	Oklahoma	73-1590233
SRE Alabama - 2, LLC.....	Alabama	56-2202484
SRE Alabama - 3, LLC.....	Alabama	56-2206042
SRE California - 1, LLC.....	California	Not Available

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SRE California - 2, LLC.....	California	Not Available
SRE California - 3, LLC.....	California	Not Available
SRE California - 4, LLC.....	California	Not Available
SRE California - 5, LLC.....	California	Not Available
SRE California - 6, LLC.....	California	Not Available
SrealEstate Arizona - 1, LLC.....	Arizona	86-0996112
SrealEstate Arizona - 2, LLC.....	Arizona	88-0468215
SrealEstate Arizona - 3, LLC.....	Arizona	88-0468217
SrealEstate Arizona - 4, LLC.....	Arizona	88-0468213
SRE Florida - 1, LLC.....	Florida	58-2560889
SRE Florida - 2, LLC.....	Florida	58-2560900
SRE Florida - 3, LLC.....	Florida	58-2560868
SRE Georgia - 1, L.P.....	Georgia	58-2560891
SRE Georgia - 2, L.P.....	Georgia	58-2555514
SRE Georgia - 3, L.P.....	Georgia	58-2554985
SRE Holding, LLC.....	North Carolina	56-2198745
SRE Michigan - 1, LLC.....	Michigan	Not Available
SRE Michigan - 2, LLC.....	Michigan	Not Available
SRE Michigan - 3, LLC.....	Michigan	Not Available
SRE Nevada - 1, LLC.....	Nevada	88-0468209
SRE Nevada - 2, LLC.....	Nevada	88-0465280
SRE Nevada - 3, LLC.....	Nevada	88-0465279
SRE Nevada - 4, LLC.....	Nevada	Not Available
SRE Nevada - 5, LLC.....	Nevada	Not Available
SRE South Carolina - 2, LLC.....	South Carolina	58-2560892
SRE South Carolina - 3, LLC.....	South Carolina	Not Available
SRE South Carolina - 4, LLC.....	South Carolina	Not Available
SRE Tennessee - 1, LLC.....	Tennessee	56-2200186
SRE Tennessee - 2, LLC.....	Tennessee	56-2202429
SRE Tennessee - 3, LLC.....	Tennessee	56-2202479
SRE Texas - 1, L.P.....	Texas	74-2962385
SRE Texas - 2, L.P.....	Texas	74-2963860
SRE Texas - 3, L.P.....	Texas	74-2963859
SRE Texas - 4, L.P.....	Texas	Not Available
SRE Texas - 5, L.P.....	Texas	Not Available
SRE Texas - 6, L.P.....	Texas	Not Available
SRE Texas - 7, L.P.....	Texas	Not Available
SRE Texas - 8, L.P.....	Texas	Not Available
SRE Virginia - 1, LLC.....	Virginia	52-2252370
Stevens Creek Cadillac, Inc.....	California	77-0093380
Town and Country Ford, Incorporated.....	North Carolina	56-0887416

Subsidiary	State of Organization	IRS Employer ID No.
Town and Country Ford of Cleveland, LLC.....	Tennessee	62-1708484
Town and Country Jaguar, LLC.....	Tennessee	62-1708491
Transcar Leasing, Inc.....	California	94-2713550
Village Imported Cars, Inc.....	Maryland	52-0896186
Windward, Inc.....	Hawaii	94-2659042

The primary standard industrial classification of all of the additional registrants is 5511. The principal executive offices of all of the additional registrants is 5401 East Independence Boulevard, Charlotte, North Carolina

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28212. Their telephone number is (704) 532-3320.

PROSPECTUS

SONIC AUTOMOTIVE, INC.

Debt Securities, Preferred Stock,
Class A Common Stock, Warrants to
Purchase Class A Common Stock,
Guarantees of Debt Securities

Through this prospectus, we may periodically offer and sell:

- . debt securities;

- . shares of preferred stock;

- . shares of Class A common stock;

- . warrants to purchase Class A common stock; and

- . guarantees by our subsidiaries of debt securities.

The aggregate offering price of all securities we issue under this prospectus may not exceed \$300,000,000. We will provide the specific terms of these securities in supplements to this prospectus. This prospectus may be used to offer and sell securities only if accompanied by the prospectus supplement for those securities. You should read this prospectus and any prospectus supplement carefully before you invest in any of these securities.

Our Class A common stock trades on the New York Stock Exchange under the symbol "SAH." We expect to list any shares of our Class A common stock we sell under this prospectus on the New York Stock Exchange. If we decide to list or seek a quotation for any other securities, the prospectus supplement will disclose the exchange or market on which such securities will be listed or quoted. The last sale price of our Class A common stock on the New York Stock Exchange on June 6, 2002 was \$30.61 per share. You are urged to obtain current market data.

Investing in our securities involves risks that are described under the heading "Risk Factors" beginning on page 1 of this prospectus.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated _____, 2002.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission utilizing a "shelf" registration process. Under this shelf registration process, we may sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$300,000,000. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of the offering and the securities. The prospectus supplement may also add, update or change information contained in this prospectus. Any statement that we make in this prospectus will be modified or superseded by any inconsistent statement made by us in a prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under the heading "Where You Can Find More Information About Sonic." Except as otherwise indicated, all references in this prospectus to the "Company," "we," "us," "our," or "Sonic" mean Sonic Automotive, Inc. and its subsidiaries.

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different

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or inconsistent information, you should not rely on it. We will not make an offer to sell these securities (1) in any jurisdiction where the offer or sale is not permitted, (2) where the person making the offer is not qualified to do so, or (3) to any person who cannot legally be offered the securities. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus is based on information provided by us and other sources that we believe are reliable. However, we cannot assure you that the information provided to us by third party sources is accurate or complete. For example, in preparing estimates of market share and industry data, we utilized third party sources when possible, including filings made by other companies with the Securities and Exchange Commission, but cannot verify some of the estimates through independent sources.

You should not consider any information in this prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in our securities.

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You should base your decision to invest in our securities solely on information contained in this prospectus, related prospectus supplement and information incorporated by reference herein and therein.

No representation or warranty, express or implied, is made as to the accuracy or completeness of the information obtained from third party sources and set forth herein, and nothing contained in this prospectus is, or shall be relied upon as, a promise or representation, whether as to past or future performance.

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THE COMPANY

Sonic is one of the largest automotive retailers in the United States, as measured by total revenue. We operate dealerships and collision repair centers in several metropolitan areas of the Southeast, Southwest, Midwest and California. Sonic sells new and used cars, light trucks and replacement parts and provides vehicle maintenance, warranty, paint and repair services. We also arrange related extended warranty and financing and insurance for our automotive customers.

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Our Class A common stock is traded on the New York Stock Exchange under the trading symbol "SAH." Our principal executive offices are located at 5401 East Independence Boulevard, Charlotte, North Carolina 28212, Telephone (704) 532-3320. We were incorporated in Delaware in 1997.

RECENT DEVELOPMENTS

Sonic adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 142: GOODWILL AND OTHER INTANGIBLE ASSETS on January 1, 2002. This resulted in the elimination of approximately \$22.1 million of annual goodwill amortization. The following table shows the adjusted effect on net income and net income per share for the years ended December 31, 1999, 2000 and 2001, as if the provisions of SFAS No. 142 eliminating goodwill amortization had been applied as of January 1, 1999.

	FOR THE YEAR ENDED DECEMBER 31,		
	1999	2000	2001
	-----	-----	-----
Reported net income.....	\$44,649	\$74,172	\$79,329
Goodwill amortization, net of tax....	6,253	12,035	14,007
	-----	-----	-----
Adjusted net income.....	\$50,902	\$86,207	\$93,336
	=====	=====	=====
Basic earnings per share:			
Reported net income.....	\$ 1.41	\$ 1.74	\$ 1.96
Goodwill amortization, net of tax.	.19	.29	.34
	-----	-----	-----
Adjusted net income.....	\$ 1.60	\$ 2.03	\$ 2.30
	=====	=====	=====
Diluted earnings per share:			
Reported net income.....	\$ 1.27	\$ 1.69	\$ 1.91
Goodwill amortization, net of tax.	.17	.28	.33
	-----	-----	-----
Adjusted net income.....	\$ 1.44	\$ 1.97	\$ 2.24
	=====	=====	=====

RISK FACTORS

THE PURCHASE OF OUR SECURITIES INVOLVES RISK. BEFORE INVESTING IN OUR SECURITIES, YOU SHOULD CONSIDER CAREFULLY ALL OF THE INFORMATION CONTAINED IN, AND INCORPORATED BY REFERENCE INTO, THIS PROSPECTUS INCLUDING THE RISK FACTORS IDENTIFIED BELOW.

RISKS RELATED TO OUR INDEBTEDNESS

OUR SIGNIFICANT INDEBTEDNESS COULD MATERIALLY ADVERSELY AFFECT OUR FINANCIAL HEALTH, LIMIT OUR ABILITY TO FINANCE FUTURE ACQUISITIONS AND CAPITAL EXPENDITURES AND PREVENT US FROM FULFILLING OUR FINANCIAL OBLIGATIONS.

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As of March 31, 2002, our total outstanding indebtedness was approximately \$1,419.0 million, including the following:

- . \$405.5 million under a revolving credit facility;
- . \$796.1 million under standardized secured inventory floor plan facilities;

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- . \$195.8 million in 11% senior subordinated notes due 2008 representing \$200.0 million in aggregate principal amount less unamortized discount of approximately \$4.2 million; and
- . \$21.6 million of other secured debt, including \$11.5 million under a revolving real estate acquisition and new dealership construction line of credit and a related mortgage refinancing facility.

As of March 31, 2002, we had approximately \$107.7 million available for additional borrowings under the revolving credit facility. We also had approximately \$88.5 million available under the mortgage facility for real estate acquisitions and new dealership construction. We also have significant additional capacity under the floor plan facilities. In addition, the indentures relating to our senior subordinated notes, convertible senior subordinated notes and other debt instruments allow us to incur additional indebtedness, including secured indebtedness.

On May 7, 2002, we issued \$149.5 million in aggregate principal amount of 5 1/4% convertible senior subordinated notes due 2009 at a discount of 3%. We received net proceeds, before expenses, of approximately \$145.0 million from the offering of these notes. The net proceeds were used to repay a portion of the amounts outstanding under our revolving credit facility.

The degree to which we are leveraged could have important consequences to the holders of our securities, including the following:

- . our ability to obtain additional financing for acquisitions, capital expenditures, working capital or general corporate purposes may be impaired in the future;
- . a substantial portion of our current cash flow from operations must be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for our operations and other purposes;
- . some of our borrowings are and will continue to be at variable rates of

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interest, which exposes us to the risk of increasing interest rates;

- . the indebtedness outstanding under our credit facilities is secured by a pledge of substantially all the assets of our dealerships; and
- . we may be substantially more leveraged than some of our competitors, which may place us at a relative competitive disadvantage and make us more vulnerable to changing market conditions and regulations.

In addition, our debt agreements contain numerous covenants that limit our discretion with respect to business matters, including mergers or acquisitions, paying dividends, incurring additional debt, making capital expenditures or disposing of assets.

YOUR RIGHT TO RECEIVE PAYMENTS ON DEBT SECURITIES ISSUED UNDER THIS REGISTRATION STATEMENT MAY BE JUNIOR TO SIGNIFICANT AMOUNTS OF EXISTING INDEBTEDNESS.

We may issue senior debt securities or subordinated debt securities under this registration statement. Senior debt securities issued under this registration statement will be senior in right of payment to the prior payment in full of all unsecured and expressly subordinated indebtedness and equally with all of our unsecured indebtedness that is not expressly subordinated and is outstanding at the time any senior debt securities are sold. Senior debt securities issued under this registration statement will not be secured and, therefore, will be effectively subordinate in right of payment to all of our secured indebtedness that is not expressly subordinated and is outstanding at the time senior debt securities are sold under this registration statement, including borrowings under our revolving credit facility, floor plan facilities and mortgage facility. Our senior indebtedness will include all debt allowed under the indenture governing any debt securities issued under this registration statement, except for trade payables, tax obligations and any future debt that is expressly equal with, or subordinated in right of payment to, debt securities issued under this registration statement. The holders of our

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senior secured indebtedness, including borrowings under our revolving credit facility, floor plan facilities and mortgage facility, will be entitled to be paid in full before any payment may be made on any senior debt securities issued under this registration statement in any bankruptcy, liquidation, reorganization or similar proceeding. In the event of such a proceeding, holders of senior debt securities issued under this registration statement will participate with holders of other senior debt securities or other indebtedness that is not expressly subordinated to our senior indebtedness in the distribution of assets remaining after all of our senior debt has been paid in full.

Subordinated debt securities issued under this registration statement will be subordinated in right of payment to the prior payment in full of all senior indebtedness, including any senior secured indebtedness, senior debt securities

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issued under this registration statement and any other indebtedness that is not expressly subordinated to the subordinated debt securities issued under this registration statement. Subordinated debt securities issued under this registration statement will rank equally in right of payment with all of our unsecured and expressly subordinated indebtedness. The holders of our senior secured indebtedness, including borrowings under our revolving credit facility, floor plan facilities and mortgage facility, and senior debt securities, including those issued under this registration statement, will be entitled to be paid in full before any payment may be made on any subordinated debt securities issued under this registration statement in any bankruptcy, liquidation, reorganization or similar proceeding. In the event of such a proceeding, holders of any subordinated debt securities issued under this registration statement will participate with holders of our other subordinated debt securities and indebtedness that is expressly subordinated to our senior indebtedness in the distribution of assets remaining after all of our senior debt securities and senior indebtedness has been paid in full.

We may not have sufficient funds to pay all of our creditors, and holders of any debt securities issued under this registration statement may receive less, ratably, than the holders of senior debt or holders of trade payables. We may not pay principal of, or premium, if any, or interest on, any other amounts owing on any debt securities issued under this registration statement, make any deposit pursuant to defeasance provisions or purchase, redeem or otherwise retire any debt securities issued under this registration statement, if any senior indebtedness is not paid when due or any other default on senior indebtedness occurs and the maturity of such indebtedness is accelerated in accordance with its terms. However, those restrictions would be lifted if, in either case, the default is cured or waived, the acceleration is rescinded or the indebtedness is repaid in full.

In addition, all payments on debt securities issued under this registration statement will be blocked in the event of a payment default on senior debt and may be blocked for a period of time under the governing indenture in the event of a non-payment default, unless the default has been cured or waived, any acceleration of the indebtedness has been rescinded or the indebtedness has been repaid in full.

Further, the subsidiary guarantees of any debt securities may be junior to the subsidiary guarantors' existing indebtedness and possibly to all of their future borrowings.

IN THE EVENT OF A DEFAULT ON DEBT SECURITIES ISSUED UNDER THIS REGISTRATION STATEMENT, HOLDERS OF THOSE SECURITIES WILL NOT BE ENTITLED TO REPAYMENT UNTIL ALL OF OUR OUTSTANDING SECURED INDEBTEDNESS IS PAID.

Debt securities issued under this registration statement may not be secured by any of our assets. The indebtedness under our revolving credit facility, floor plan facilities and mortgage facility is secured variously by (1) a pledge of all the equity we own in our subsidiaries and that our subsidiary holding companies own in the subsidiaries, excluding subsidiaries where the manufacturer does not permit such a pledge, (2) guarantees by all of our subsidiaries that are, in turn, secured by a lien on all of the assets of the subsidiaries, (3) a lien on substantially all of our other assets and (4) direct liens on the real estate and other assets of our subsidiaries that own or acquire real estate. In the event of a default on any debt securities issued under this registration statement or our bankruptcy, liquidation or reorganization, those assets will be available to satisfy the secured obligations prior to being available to repay any debt securities issued under this registration statement. Accordingly, there may not be sufficient funds or other assets remaining to pay amounts due on any debt securities issued under

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registration statement. The indenture for any debt securities may permit us to incur, and the indentures for our outstanding senior subordinated notes and convertible senior subordinated notes does not prohibit us from incurring, additional indebtedness, which may also be secured.

FEDERAL AND STATE STATUTES ALLOW COURTS, UNDER SPECIFIC CIRCUMSTANCES, TO VOID GUARANTEES AND REQUIRE DEBT SECURITY HOLDERS TO RETURN PAYMENTS RECEIVED FROM GUARANTORS.

Debt securities issued under this registration statement may be guaranteed by one or more of our subsidiaries. Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a subsidiary guarantee can be voided, or claims in respect of a subsidiary guarantee could be subordinated to all other debts of that subsidiary if, among other things, the subsidiary, at the time it incurred the indebtedness evidenced by its guarantee, received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee and

- . was insolvent or rendered insolvent by reason of such incurrence;
- . was engaged in a business or transaction for which the subsidiary's remaining assets constituted unreasonably small capital; or
- . intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

In addition, any payment made by that subsidiary pursuant to its guarantee could be voided and required to be returned to the subsidiary, or to a fund for the benefit of the creditors of the subsidiary.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a subsidiary would be considered insolvent if:

- . the sum of its debts, including contingent liabilities, were greater than the fair saleable value of all of its assets;
- . if the present fair saleable value of its assets were less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

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- . it could not pay its debts as they became due.

We can give you no assurance as to what standard a court would apply in making such a determination or that a court would agree with our conclusions that, if made, guarantees issued by our subsidiaries are valid and enforceable.

AN ACCELERATION OF OUR OBLIGATION TO REPAY ALL OF OUR OUTSTANDING INDEBTEDNESS WOULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL CONDITION OR RESULTS OF OPERATIONS.

Our revolving credit facility, floor plan facilities and the indenture governing our senior subordinated notes contain numerous financial and operating covenants. A breach of any of these covenants could result in a default under the applicable agreement or indenture. If a default were to occur, we may be unable to adequately finance our operations and the value of our common stock would be materially adversely affected. In addition, a default under one agreement or indenture could result in a default and acceleration of our repayment obligations under the other agreements or indentures, including the indenture governing our outstanding convertible senior subordinated notes, under the cross default provisions in those agreements or indentures. If a cross default were to occur, we may not be able to pay our debts or borrow sufficient funds to refinance them. Even if new financing were available, it may not be on terms acceptable to us. As a result of this risk, we could be forced to take actions that we otherwise would not take, or not take actions that we otherwise might take, in order to comply with the covenants in these agreements and indentures.

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OUR ABILITY TO REPAY DEBT SECURITIES AND THE MARKET PRICE OF OUR CLASS A COMMON STOCK COULD BE ADVERSELY AFFECTED IF WE INCUR ADDITIONAL INDEBTEDNESS, ISSUE ADDITIONAL SECURITIES OR TAKE OTHER ACTIONS.

The covenants of the indentures governing debt securities we may issue under this registration statement do not require us to achieve minimum financial results relating to our financial position or results of operations. In addition, these indentures do not restrict our ability to take certain actions that could adversely affect our investors such as:

- . incurring additional indebtedness;
- . issuing additional securities, including debt securities and shares of our Class A common stock;
- . effecting a change of control of Sonic;
- . acquiring additional dealerships or other businesses;

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- . refinancing our existing indebtedness;
- . recapitalizing Sonic; or
- . entering into highly-leveraged transactions.

Our ability to engage in these transactions, and others like them, could have the effect of diminishing our ability to make payments on debt securities, repurchase debt issued pursuant to these indentures or adversely affect the market price of our Class A common stock.

OUR ABILITY TO MAKE INTEREST AND PRINCIPAL PAYMENTS WHEN DUE TO HOLDERS OF OUR DEBT SECURITIES DEPENDS UPON THE RECEIPT OF SUFFICIENT FUNDS FROM OUR SUBSIDIARIES.

Substantially all of our consolidated assets are held by our subsidiaries and substantially all of our consolidated cash flow and net income are generated by our subsidiaries. Accordingly, our cash flow and ability to service debt depends to a substantial degree on the results of operations of subsidiaries and upon the ability of our subsidiaries to provide us with cash. We may receive cash from our subsidiaries in the form of dividends, loans or otherwise. We may use this cash to service our debt obligations or for working capital. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to distribute cash to us or to make funds available to service debt. In addition, the ability of our subsidiaries to pay dividends or make loans to us are subject to contractual limitations under the floor plan facilities, minimum net capital requirements under dealership agreements and laws of the state in which a subsidiary is organized and depend to a significant degree on the results of operations of our subsidiaries and other business considerations.

RISKS RELATED TO OUR RELATIONSHIPS WITH VEHICLE MANUFACTURERS

OUR OPERATIONS MAY BE ADVERSELY AFFECTED IF ONE OR MORE OF OUR MANUFACTURER FRANCHISE AGREEMENTS IS TERMINATED OR NOT RENEWED.

Each of our dealerships operates under a franchise agreement with the applicable automobile manufacturer or distributor. Without a franchise agreement, we cannot obtain new vehicles from a manufacturer. As a result, we are significantly dependent on our relationships with these manufacturers.

Manufacturers exercise a great degree of control over the operations of our dealerships through the franchise agreements. The franchise agreements govern, among other things, our ability to purchase vehicles from the manufacturer and to sell vehicles to customers. Each of our franchise agreements provides for termination or non-renewal for a variety of causes, including any unapproved change of ownership or management. Manufacturers may also have a right of first refusal if we seek to sell dealerships.

Actions taken by manufacturers to exploit their superior bargaining position in negotiating the terms of franchise agreements or renewals of these agreements or otherwise could also have a material adverse effect on

our results of operations. We cannot assure you that any of our existing franchise agreements will be renewed or that the terms and conditions of such renewals will be favorable to us.

OUR SALES VOLUME AND PROFIT MARGIN ON EACH SALE MAY BE MATERIALLY AND ADVERSELY AFFECTED IF MANUFACTURERS DISCONTINUE OR CHANGE THEIR INCENTIVE PROGRAMS.

Our dealerships depend on the manufacturers for certain sales incentives, warranties and other programs that are intended to promote and support dealership new vehicle sales.

Manufacturers routinely modify their incentive programs in response to changing market conditions.

Some of the key incentive programs include:

- . customer rebates or below market financing on new vehicles;
- . dealer incentives on new vehicles;
- . warranties on new and used vehicles; and
- . sponsorship of used vehicle sales by authorized new vehicle dealers.

A reduction or discontinuation of a manufacturer's incentive programs may materially adversely affect our profitability.

WE DEPEND ON MANUFACTURERS TO SUPPLY US WITH SUFFICIENT NUMBERS OF POPULAR AND PROFITABLE NEW MODELS.

Manufacturers typically allocate their vehicles among dealerships based on the sales history of each dealership. Supplies of popular new vehicles may be limited by the applicable manufacturer's production capabilities. Popular new vehicles that are in limited supply typically produce the highest profit margins. We depend on manufacturers to provide us with a desirable mix of popular new vehicles. Our operating results may be materially adversely affected if we do not obtain a sufficient supply of these vehicles.

ADVERSE CONDITIONS AFFECTING ONE OR MORE KEY MANUFACTURERS MAY NEGATIVELY IMPACT OUR PROFITABILITY.

Approximately 85.6% of our new vehicle revenue (based on new vehicle revenues for the three months ended March 31, 2002) is derived from the sale of new vehicles manufactured by Ford, Honda, Chrysler, General Motors, BMW, Toyota, Nissan and Lexus. Our success depends to a great extent on these manufacturers':

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- . financial condition;

- . marketing;

- . vehicle design;

- . publicity concerning a particular manufacturer or vehicle model;

- . production capabilities;

- . management; and

- . labor relations.

Adverse conditions affecting these and other important aspects of manufacturers' operations and public relations may adversely affect our ability to sell their automobiles and, as a result, significantly and detrimentally affect our profitability.

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MANUFACTURER STOCK OWNERSHIP RESTRICTIONS MAY IMPAIR OUR ABILITY TO MAINTAIN OR RENEW FRANCHISE AGREEMENTS OR ISSUE ADDITIONAL EQUITY.

Some of our franchise agreements prohibit transfers of any ownership interests of a dealership and, in some cases, its parent. A number of manufacturers impose restrictions on the transferability of our Class A common stock and our ability to maintain franchises if a person acquires a significant percentage of the voting power of our common stock. Our existing franchise agreements could be terminated if a person or entity acquires a substantial ownership interest in us or acquires voting power above certain levels without the applicable manufacturer's approval. Violations of these levels by an investor are generally outside of our control and may result in the termination or non-renewal of existing franchise agreements or impair our ability to negotiate new franchise agreements for dealerships we acquire. In addition, if we cannot obtain any requisite approvals on a timely basis, we may not be able to issue additional equity or otherwise raise capital on terms acceptable to us. These restrictions may also prevent or deter a prospective acquiror from acquiring control of us. This could adversely affect the market price of our Class A common stock.

The current holders of Sonic's Class B common stock maintain voting control over Sonic. However, we are unable to prevent our stockholders from transferring shares of our common stock, including transfers by holders of the Class B common stock. If such transfer results in a change in control of Sonic, it could result in the termination or non-renewal of one or more of our existing franchise agreements, the triggering of provisions in our agreements

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with certain manufacturers requiring us to sell our dealerships franchised with such manufacturers, and/or a default under our credit arrangements.

MANUFACTURERS' RESTRICTIONS ON ACQUISITIONS COULD LIMIT OUR FUTURE GROWTH.

We are required to obtain the approval of the applicable manufacturer before we can acquire an additional dealership franchise of that manufacturer. In determining whether to approve an acquisition, manufacturers may consider many factors such as our financial condition and manufacturer-determined consumer satisfaction index, or "CSI" scores. Obtaining manufacturer approval of acquisitions also takes a significant amount of time, typically three to five months. We cannot assure you that manufacturers will approve future acquisitions or do so on a timely basis, which could impair the execution of our growth strategy.

Certain manufacturers also limit the number of its dealerships that we may own, our national market share of that manufacturer's products or the number of dealerships we may own in a particular geographic area. In addition, under an applicable franchise agreement or under state law, a manufacturer may have a right of first refusal to acquire a dealership that we seek to acquire.

A manufacturer may condition approval of an acquisition on the implementation of material changes in our operations or extraordinary corporate transactions, facilities improvements or other capital expenditures. If we are unable or unwilling to comply with these conditions, we may be required to sell the assets of that manufacturer's dealerships or terminate our franchise agreement.

OUR FAILURE TO MEET A MANUFACTURER'S CONSUMER SATISFACTION, FINANCIAL AND SALES PERFORMANCE REQUIREMENTS MAY ADVERSELY AFFECT OUR ABILITY TO ACQUIRE NEW DEALERSHIPS AND OUR PROFITABILITY.

Many manufacturers attempt to measure customers' satisfaction with their sales and warranty service experiences through systems generally known as "CSI" scores. The components of CSI vary from manufacturer to manufacturer and are modified periodically. Franchise agreements also may impose financial and sales performance standards. Under our agreements with certain manufacturers, a dealership's CSI scores and financial performance may be considered a factor in evaluating applications for additional dealership acquisitions. From time to time, some of our dealerships have had difficulty meeting various manufacturers' CSI requirements or performance standards. We cannot assure you that our dealerships will be able to comply with these requirements in the future. A manufacturer may refuse to consent to an acquisition of one of its franchises if it determines our dealerships do not comply with its CSI requirements or performance standards, which could impair the execution

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of our growth strategy. In addition, we receive incentive payments from the manufacturers based, in part, on CSI scores, which could be materially adversely affected if our CSI scores decline.

RISKS RELATED TO OUR ACQUISITION STRATEGY

FAILURE TO EFFECTIVELY INTEGRATE ACQUIRED DEALERSHIPS WITH OUR EXISTING OPERATIONS COULD ADVERSELY AFFECT OUR FUTURE OPERATING RESULTS.

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Our future operating results depend on our ability to integrate the operations of recently acquired dealerships, as well as dealerships we acquire in the future, with our existing operations. In particular, we need to integrate our management information systems, procedures and organizational structures, which can be difficult. Our growth strategy has focused on the pursuit of strategic acquisitions that either expand or complement our business. We acquired 72 dealerships in 1999, 11 in 2000, 12 in 2001 and 22 to date in 2002.

We cannot assure you that we will effectively and profitably integrate the operations of these dealerships without substantial costs, delays or operational or financial problems, due to:

- . the difficulties of managing operations located in geographic areas where we have not previously operated;
- . the management time and attention required to integrate and manage newly acquired dealerships;
- . the difficulties of assimilating and retaining employees; and
- . the challenges of keeping customers.

These factors could have a material adverse effect on our financial condition and results of operations.

WE MAY NOT ADEQUATELY ANTICIPATE ALL OF THE DEMANDS THAT GROWTH THROUGH ACQUISITIONS WILL IMPOSE.

The automobile retailing industry is considered a mature industry in which minimal growth is expected in total unit sales. Accordingly, our ability to generate higher revenue and earnings in future periods depends in large part on our ability to acquire additional dealerships, manage geographic expansion, control costs in our operations and consolidate both past and future dealership acquisitions into existing operations. In pursuing a strategy of acquiring other dealerships, we face risks commonly encountered with growth through acquisitions. These risks include, but are not limited to:

- . incurring significantly higher capital expenditures and operating expenses;
- . failing to assimilate the operations and personnel of acquired dealerships;
- . entering new markets with which we are unfamiliar;

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- . potential undiscovered liabilities and operational difficulties at acquired dealerships;

- . disrupting our ongoing business;

- . diverting our limited management resources;

- . failing to maintain uniform standards, controls and policies;

- . impairing relationships with employees, manufacturers and customers as a result of changes in management;

- . increased expenses for accounting and computer systems, as well as integration difficulties;

- . failure to obtain a manufacturer's consent to the acquisition of one or more of its dealership franchises or renew the franchise agreement on terms acceptable to us; and

- . incorrectly valuing entities to be acquired.

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We may not adequately anticipate all of the demands that growth will impose on our systems, procedures and structures.

WE MAY NOT BE ABLE TO CAPITALIZE ON ACQUISITION OPPORTUNITIES BECAUSE OUR FINANCIAL RESOURCES AVAILABLE FOR ACQUISITIONS ARE LIMITED.

We intend to finance our acquisitions with cash generated from operations, through issuances of our stock or debt securities and through borrowings under credit arrangements. We may not be able to obtain additional financing by issuing stock or debt securities due to the market price of our Class A common stock, overall market conditions or the need for manufacturer consent to the issuance of equity securities. Using cash to complete acquisitions could substantially limit our operating or financial flexibility. If we are unable to obtain financing on acceptable terms, we may be required to reduce the scope of our presently anticipated expansion, which could materially adversely affect our overall growth strategy.

In addition, we are dependent to a significant extent on our ability to finance our new vehicle inventory with "floor plan financing." Floor plan financing arrangements allow us to borrow money to buy a particular vehicle from the manufacturer and pay off the loan when we sell that particular vehicle. We must obtain new floor plan financing or obtain consents to assume

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existing floor plan financing in connection with our acquisition of dealerships.

Substantially all the assets of our dealerships are pledged to secure our floor plan indebtedness and the indebtedness under the revolving credit facility. In addition, substantially all the real property and assets of our subsidiaries that are constructing new dealerships are pledged under our mortgage facility with Ford Motor Credit. These pledges may impede our ability to borrow from other sources. Moreover, because Ford Motor Credit is associated with Ford Motor Company, any deterioration of our relationship with one could adversely affect our relationship with the other. The same is true of our relationships with Chrysler, GM and Toyota and the floor plan financing divisions of each of these manufacturers.

WE MAY NOT BE ABLE TO CONTINUE EXECUTING OUR ACQUISITION STRATEGY WITHOUT THE COSTS OF FUTURE ACQUISITIONS ESCALATING.

We have grown our business primarily through acquisitions. We may not be able to consummate any future acquisitions at acceptable prices and terms or identify suitable candidates. In addition, increased competition for acquisition candidates could result in fewer acquisition opportunities for us and higher acquisition prices. The magnitude, timing, pricing and nature of future acquisitions will depend upon various factors, including:

- . the availability of suitable acquisition candidates;
- . competition with other dealer groups for suitable acquisitions;
- . the negotiation of acceptable terms;
- . our financial capabilities;
- . our stock price; and
- . the availability of skilled employees to manage the acquired companies.

OUR PROFITABILITY MAY BE ADVERSELY AFFECTED BY DEALERSHIPS WE ACQUIRE.

The operating and financial condition of acquired businesses cannot be determined accurately until we assume control. Although we conduct what we believe to be a prudent level of investigation regarding the operating and financial condition of the businesses we purchase, in light of the circumstances of each transaction, an unavoidable level of risk remains regarding the actual operating condition of these businesses. Similarly, many of the dealerships we acquire, including our largest acquisitions, do not have financial statements audited

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or prepared in accordance with generally accepted accounting principles. We may not have an accurate understanding of the historical financial condition and performance of our acquired entities. Until we actually assume control of business assets and their operations, we may not be able to ascertain the actual value or understand the potential liabilities of the acquired entities and their operations.

ALTHOUGH O. BRUTON SMITH, OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER, HAS PREVIOUSLY ASSISTED US WITH OBTAINING ACQUISITION FINANCING, WE CANNOT ASSURE YOU THAT HE WILL BE WILLING OR ABLE TO DO SO IN THE FUTURE.

Our obligations under the revolving credit facility are secured with a pledge of shares of common stock of Speedway Motorsports, Inc., which are beneficially owned by Sonic Financial Corporation, an entity controlled by Mr. Smith. Presently, the \$600 million borrowing limit of the revolving credit facility is subject to a borrowing base calculation that is based, in part, on the value of the Speedway Motorsports, Inc. shares pledged by Sonic Financial. Consequently, a withdrawal of this pledge by Sonic Financial or a significant decrease in the value of Speedway Motorsports, Inc. common stock could reduce the amount we can currently borrow under the revolving credit facility.

Mr. Smith has also guaranteed additional indebtedness incurred to complete certain dealership acquisitions. Mr. Smith may not be willing or able to provide similar guarantees or credit support in the future. This could impair our ability to obtain acquisition financing on favorable terms.

RISKS RELATED TO THE AUTOMOTIVE RETAIL INDUSTRY

INCREASING COMPETITION IN AUTOMOTIVE RETAILERS REDUCES OUR PROFIT MARGINS ON VEHICLE SALES AND RELATED BUSINESSES. FURTHER, THE USE OF THE INTERNET IN THE CAR PURCHASING PROCESS COULD MATERIALLY ADVERSELY AFFECT US.

Automobile retailing is a highly competitive business. Our competitors include publicly and privately owned dealerships, some of which are larger and have greater financial and marketing resources than we do. Many of our competitors sell the same or similar makes of new and used vehicles that we offer in our markets at competitive prices. We do not have any cost advantage in purchasing new vehicles from manufacturers due to economies of scale or otherwise. In addition, the increased popularity of short-term vehicle leasing also has resulted, as these leases expire, in a large increase in the number of late model used vehicles available in the market, which puts added pressure on new and used vehicle margins. We typically rely on advertising, merchandising, sales expertise, service reputation and dealership location to sell new vehicles. Our revenues and profitability could be materially adversely affected if manufacturers decide to enter the retail market directly.

Our financing and insurance ("F&I") business and other related businesses, which have higher margins than sales of new and used vehicles, are subject to strong competition from various financial institutions and other third parties. This competition is increasing as these products are now being marketed and sold over the Internet.

The Internet has become a significant part of the sales process in our industry. Customers are using the Internet to compare pricing for cars and related F&I services, which may further reduce margins for new and used cars and profits for related F&I services. If Internet new vehicle sales are allowed to be conducted without the involvement of franchised dealers, our business could be materially adversely affected. In addition, other franchise groups

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have aligned themselves with Internet car sellers or are investing heavily in the development of their own Internet capabilities, which could materially adversely affect our business.

Our franchise agreements do not grant us the exclusive right to sell a manufacturer's product within a given geographic area. Our revenues or profitability could be materially adversely affected if any of our manufacturers award franchises to others in the same markets where we operate or if existing franchised dealers increase their market share in our markets.

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As we seek to acquire dealerships in new markets, we may face increasingly significant competition as we strive to gain market share through acquisitions or otherwise. Our gross margins may decline over time as we expand into markets where we do not have a leading position.

OUR BUSINESS WILL BE HARMED IF OVERALL CONSUMER DEMAND SUFFERS FROM A SEVERE OR SUSTAINED DOWNTURN.

Our business is heavily dependent on consumer demand and preferences. Our revenues will be materially and adversely affected if there is a severe or sustained downturn in overall levels of consumer spending. Retail vehicle sales are cyclical and historically have experienced periodic downturns characterized by oversupply and weak demand. These cycles are often dependent on general economic conditions and consumer confidence, as well as the level of discretionary personal income and credit availability. The economic outlook appears uncertain in the aftermath of the terrorist attacks in the U.S. on September 11, 2001, and the subsequent war on terrorism. Future recessions may have a material adverse effect on our retail business, particularly sales of new and used automobiles. In addition, severe or sustained increases in gasoline prices may lead to a reduction in automobile purchases or a shift in buying patterns from luxury and sport utility vehicle models (which typically provide high margins to retailers) to smaller, more economical vehicles (which typically have lower margins).

THE SEASONALITY OF OUR BUSINESS MAGNIFIES THE IMPORTANCE OF SECOND AND THIRD QUARTER OPERATING RESULTS.

Our business is subject to seasonal variations in revenues. In our experience, demand for automobiles is generally lower during the first quarter of each year. We therefore receive a disproportionate amount of revenues generally in the second, third and fourth quarters and expect our revenues and operating results to be generally lower in the first quarter. Consequently, if conditions surface during the second, third and fourth quarters that impair vehicle sales, such as higher fuel costs, depressed economic conditions or similar adverse conditions, our revenues for the year could be disproportionately adversely affected.

GENERAL RISKS RELATED TO INVESTING IN OUR SECURITIES

CONCENTRATION OF VOTING POWER AND ANTI-TAKEOVER PROVISIONS OF OUR CHARTER, DELAWARE LAW AND OUR DEALER AGREEMENTS MAY REDUCE THE LIKELIHOOD OF ANY POTENTIAL CHANGE OF CONTROL OF SONIC.

Sonic's common stock is divided into two classes with different voting

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rights. This dual class stock ownership allows the present holders of the Class B common stock to control Sonic. Holders of Class A common stock have one vote per share on all matters. Holders of Class B common stock have 10 votes per share on all matters, except that they have only one vote per share on any transaction proposed by the Board of Directors or a Class B common stockholder or otherwise benefiting the Class B common stockholders constituting a:

- . "going private" transaction;
- . disposition of substantially all of our assets;
- . transfer resulting in a change in the nature of our business; or
- . merger or consolidation in which current holders of common stock would own less than 50% of the common stock following such transaction.

The holders of Class B common stock currently hold less than a majority of Sonic's outstanding common stock, but a majority of Sonic's voting power. This may prevent or discourage a change of control of Sonic even if the action was favored by holders of Class A common stock.

Sonic's charter and bylaws make it more difficult for its stockholders to take corporate actions at stockholders' meetings. In addition, options under our 1997 Stock Option Plan become immediately exercisable on a change in control. Delaware law also makes it difficult for stockholders who have recently acquired a large interest in a company to consummate a business combination transaction with the company against its directors'

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wishes. Finally, restrictions imposed by our dealer agreements may impede or prevent any potential takeover bid. Generally, our franchise agreements allow the manufacturers the right to terminate the agreements upon a change of control of our company and impose restrictions upon the transferability of any significant percentage of our stock to any one person or entity who may be unqualified, as defined by the manufacturer, to own one of its dealerships. The inability of a person or entity to qualify with one or more of our manufacturers may prevent or seriously impede a potential takeover bid. In addition, provisions of our lending arrangements create an event of default on a change in control. These agreements, corporate governance documents and laws may have the effect of delaying or preventing a change in control or preventing stockholders from realizing a premium on the sale of their shares upon an acquisition of Sonic.

THE OUTCOME OF LEGAL AND ADMINISTRATIVE PROCEEDINGS WE ARE OR MAY BECOME INVOLVED IN COULD HAVE AN ADVERSE EFFECT ON OUR BUSINESS, RESULTS OF OPERATIONS AND PROFITABILITY.

In 2001, the Florida Attorney General's Office issued subpoenas to two of our wholly-owned dealership subsidiaries located in Florida. The subpoenas requested, among other things, documentation from the dealerships regarding

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transactions with customers in the months of January 1999 and June 2000. In subsequent discussions, the Attorney General's office informed each of these dealership subsidiaries that it was investigating allegations of fraud against customers by those dealerships in the sale of finance and insurance products. In April 2002, the Florida Department of Insurance informed the same two dealership subsidiaries that it had also initiated an investigation into allegations similar to those underlying the Attorney General's investigation. Our two dealership subsidiaries are cooperating with this investigation. To date, there have been no formal charges or administrative proceedings filed against either dealership subsidiary by the Attorney General or the Department of Insurance. Additionally, five private civil actions have been filed against one of the dealership subsidiaries and one private civil action has been filed against the other dealership subsidiary stating allegations similar to those underlying the Attorney General's investigation. Two of the private civil actions purport to represent a class of customers as potential plaintiffs, although no motion for class certification has been filed or granted.

We intend to vigorously defend ourselves and assert available defenses with respect to each of the foregoing matters, and do not believe that the ultimate resolution of these matters will have a material adverse affect on our business, results of operations, financial condition, cash flows or prospects. However, because the investigations by the Attorney General's office and Department of Insurance are continuing and have not resulted in formal charges to date, and because the private civil actions are also in the early stages of litigation, we cannot assure you as to the outcomes of such proceedings.

In addition, we are involved, and expect to continue to be involved, in numerous other legal proceedings arising out of the conduct of our business, including litigation with customers, employment related lawsuits and actions brought by governmental authorities. The results of these matters cannot be predicted with certainty, and an unfavorable resolution of one or more of these matters, including the matters specifically discussed above, could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

OUR BUSINESS MAY BE ADVERSELY AFFECTED BY UNFAVORABLE CONDITIONS IN OUR LOCAL MARKETS, EVEN IF THOSE CONDITIONS ARE NOT PROMINENT NATIONALLY.

Our performance is subject to local economic, competitive and other conditions prevailing in geographic areas where we operate. For example, our current results of operations depend substantially on general economic conditions and consumer spending habits in the Southeast and Northern California and, to a lesser extent, the Houston and Columbus markets. Sales in our Northern California market represented approximately 18% of our sales for the three months ended March 31, 2002. Sonic may not be able to expand geographically and any such expansion may not adequately insulate it from the adverse effects of local or regional economic conditions.

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THE LOSS OF KEY PERSONNEL AND LIMITED MANAGEMENT AND PERSONNEL RESOURCES COULD ADVERSELY AFFECT OUR OPERATIONS AND GROWTH.

Our success depends to a significant degree upon the continued contributions of Sonic's management team, particularly its senior management, and service and sales personnel. Additionally, manufacturer franchise agreements may require the prior approval of the applicable manufacturer before any change is made in

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franchise general managers. We do not have employment agreements with most of our dealership managers and other key dealership personnel. Consequently, the loss of the services of one or more of these key employees could have a material adverse effect on our results of operations.

In addition, as we expand we may need to hire additional managers. The market for qualified employees in the industry and in the regions in which we operate, particularly for general managers and sales and service personnel, is highly competitive and may subject us to increased labor costs during periods of low unemployment. The loss of the services of key employees or the inability to attract additional qualified managers could have a material adverse effect on our results of operations. In addition, the lack of qualified management or employees employed by potential acquisition candidates may limit our ability to consummate future acquisitions.

GOVERNMENTAL REGULATION AND ENVIRONMENTAL REGULATION COMPLIANCE COSTS MAY ADVERSELY AFFECT OUR PROFITABILITY.

We are subject to a wide range of federal, state and local laws and regulations, such as local licensing requirements, retail financing and consumer protection laws and regulations, and wage-hour, anti-discrimination, and other employment practices laws and regulations. Our facilities and operations are also subject to federal, state and local laws and regulations relating to environmental protection and human health and safety, including those governing wastewater discharges, air emissions, the operation and removal of underground and aboveground storage tanks, the use, storage, treatment, transportation, release, recycling and disposal of solid and hazardous materials and wastes and the cleanup of contaminated property or water. The violation of these laws and regulations can result in administrative, civil or criminal penalties against us or in a cease and desist order against our operations that are not in compliance. Our future acquisitions may also be subject to regulation, including antitrust reviews. We believe that we comply in all material respects with all laws and regulations applicable to our business, but future regulations may be more stringent and require us to incur significant additional compliance costs.

Our past and present business operations are subject to environmental laws and regulations. We may be required by these laws to pay the full amount of the costs of investigation and/or remediation of contaminated properties, even if we are not at fault for disposal of the materials or if such disposal was legal at the time. Like many of our competitors, we have incurred, and will continue to incur, capital and operating expenditures and other costs in complying with such laws and regulations. In addition, soil and groundwater contamination exists at certain of our properties. We cannot assure you that our other properties have not been or will not become similarly contaminated. In addition, we could become subject to potentially material new or unforeseen environmental costs or liabilities because of our acquisitions.

POTENTIAL CONFLICTS OF INTEREST BETWEEN SONIC AND ITS OFFICERS COULD ADVERSELY AFFECT OUR FUTURE PERFORMANCE.

O. Bruton Smith serves as the chairman and chief executive officer of Speedway Motorsports, Inc., a publicly traded owner and operator of automobile racing facilities. Accordingly, Sonic competes with Speedway Motorsports, Inc. for the management time of Mr. Smith.

Sonic has in the past and will likely in the future enter into transactions with Mr. Smith, entities controlled by Mr. Smith or other affiliates of Sonic. We believe that all of our existing arrangements with affiliates are as favorable to us as if the arrangements were negotiated between unaffiliated parties, although the majority of such transactions have neither been independently verified in that regard nor are likely to be so verified in the

future.

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Potential conflicts of interest could arise in the future between Sonic and its officers or directors in the enforcement, amendment or termination of arrangements existing between them.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains numerous "forward-looking statements" within the meaning of the Private Litigation Securities Reform Act of 1995. 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," and other similar words or phrases. Specific events addressed by these forward looking statements include, but are not limited to:

- . future acquisitions;
- . industry trends;
- . general economic trends, including employment rates and consumer confidence levels;
- . vehicle sales rates and same store sales growth;
- . our financing plans; and
- . our business and growth strategies.

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 this prospectus, as well as:

- . our ability to generate sufficient cash flows or obtain additional financing to support acquisitions, capital expenditures and general operating activities;

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- . the reputation and financial condition of vehicle manufacturers whose brands we represent, and their ability to design, manufacture, deliver and market their vehicles successfully;
- . our relationships with manufacturers which may affect our ability to complete additional acquisitions;
- . 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, and the level of consumer spending;
- . high competition in the automotive retailing industry which not only creates pricing pressures on the products and services we offer, but on businesses we seek to acquire; and
- . our ability to successfully integrate recent and potential future acquisitions.

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USE OF PROCEEDS

Unless otherwise provided in a prospectus supplement, we will use the net proceeds from the sale of the securities offered by this prospectus and any prospectus supplement for our general corporate purposes, which may include repayment of indebtedness, the acquisition of additional automobile dealerships, additions to our working capital and capital expenditures.

RATIO OF EARNINGS TO FIXED CHARGES

The following table contains our consolidated ratios of earnings to fixed charges for the periods indicated:

	1997	1998	1999	2000	2001
	----	----	----	----	----
Ratio of earnings to fixed charges	4.1	3.3	3.4	3.0	3.3

DESCRIPTION OF INDEBTEDNESS

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THE REVOLVING FACILITY

On June 20, 2001 we entered into a new revolving credit facility (the "Revolving Facility") with Ford Motor Credit Company ("Ford Motor Credit"), Chrysler Financial, LLC ("Chrysler Financial") and Toyota Motor Credit Corporation ("Toyota Credit") with a borrowing limit of \$600 million, subject to a borrowing base calculated on the basis of our receivables, inventory and equipment and the value of certain additional collateral pledged by an affiliate of Sonic. The borrowing base was approximately \$513.2 million at March 31, 2002. The amounts outstanding under the Revolving Facility bear interest at 2.50% above LIBOR (LIBOR was 1.88% as of March 31, 2002) and will mature on October 31, 2004 (but may be extended for a number of additional one year terms to be negotiated with Ford Motor Credit, Chrysler Financial and Toyota Credit). The Revolving Facility includes an annual commitment fee equal to 0.25% of the unused portion of the facility. This fee was approximately \$0.2 million in 2001. The total outstanding balance was approximately \$405.5 million as of March 31, 2002.

We agreed under the Revolving Facility not to pledge any of our assets to any third party with the exception of currently encumbered assets of our dealership subsidiaries that are subject to previous pledges or liens. In addition, the Revolving Facility contains certain negative covenants, including covenants restricting or prohibiting the payment of dividends, capital expenditures and material dispositions of assets as well as other customary covenants and default provisions. Financial covenants include specified ratios of:

COVENANT	REQUIRED	ACTUAL
-----	-----	-----
		(AS OF MARCH 31, 2002)
Current ratio.....	(greater than)1.23	1.25
Fixed charges coverage.	(greater than)1.41	1.66
Interest coverage.....	(greater than)2.00	3.62
Adjusted debt to EBITDA	(less than)2.25	1.87

In addition, the loss of voting control over Sonic by O. Bruton Smith, chairman and chief executive officer, B. Scott Smith, president and chief operating officer, and their spouses or immediate family members or our failure, with certain exceptions, to own all the outstanding equity, membership or partnership interests in our dealership subsidiaries will constitute an event of default under the Revolving Facility. We were in compliance with all restrictive covenants as of March 31, 2002.

THE MORTGAGE FACILITY

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We currently have a revolving real estate acquisition and construction line of credit (the "Construction Loan") and a related mortgage refinancing facility (the "Permanent Loan" and collectively with the Construction Loan, the "Mortgage Facility") with Ford Motor Credit. Under the Construction Loan, our dealership development subsidiaries can borrow up to \$50.0 million to finance land acquisition and dealership construction costs. Advances can be made under the Construction Loan until December 2003. All advances will mature on September 22, 2005, bear interest at 2.25% above LIBOR and are secured by Sonic's guarantee and a lien on all of the borrowing subsidiaries' real estate and other assets. Borrowings, net of repayments, under the Construction

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Loan in 2001 were approximately \$4.0 million and were primarily used in construction of dealership facilities. The total outstanding balance under the Construction Loan as of March 31, 2002 was approximately \$7.5 million.

Under the Permanent Loan, we can refinance up to \$50.0 million in advances under the Construction Loan once the projects are completed and can finance real estate acquisition costs to the extent these costs were not previously financed under the Construction Loan. Advances can be made under the Permanent Loan until June 2005. All advances under the Permanent Loan mature on June 22, 2010, bear interest at 2.00% above LIBOR and are secured by the same collateral given under the Construction Loan. Borrowings under the Permanent Loan in 2001 were approximately \$4.8 million and were used to finance the acquisition of real estate. The total outstanding balance as of March 31, 2002 was approximately \$4.0 million.

The Mortgage Facility allows us to borrow up to \$100 million in the aggregate under the Construction Loan and the Permanent Loan. The Mortgage Facility is not cross collateralized with the Revolving Facility; however, a default under the Construction Loan will cause a default under the Permanent Loan and VICE VERSA and may result in a default under the indentures governing our senior subordinated notes and convertible senior subordinated notes. Among other customary covenants, the borrowing subsidiaries under the Mortgage Facility agreed not to incur any other liens on their property (except for existing encumbrances on property acquired) and not to transfer their property or more than 20% of their ownership interests to any third party. In addition, the loss of voting control by O. Bruton Smith, B. Scott Smith and their spouses or immediate family members, with certain exceptions, will result in an event of default under the Mortgage Facility. We were in compliance with all restrictive covenants as of March 31, 2002.

CONVERTIBLE SENIOR SUBORDINATED NOTES

On May 7, 2002, we issued \$149.5 million in aggregate principal outstanding of 5 1/4% convertible senior subordinated notes due 2009. The convertible notes are unsecured and mature on May 7, 2009. Interest will be paid in arrears on May 7 and November 7 beginning on November 7, 2002. These notes are convertible

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into shares of our Class A common stock at the option of the holder in any fiscal quarter commencing after June 30, 2002 if, as of the last day of the preceding fiscal quarter, the closing sale price of our Class A common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is more than 110% of the conversion price per share on the last day of the preceding quarter. If this condition is satisfied, then the notes will be convertible, at the option of the holder, at any time through maturity. The initial conversion price is \$46.87, subject to adjustment for certain distributions on, or other changes in, our Class A common stock, if any, prior to the conversion date. In addition, on or before May 7, 2007, the notes are convertible at the option of the holder at any time after a 10 consecutive trading day period in which the average of the trading prices for the notes for that 10 consecutive trading day period was less than 103% of the average conversion value for the notes during that period. The conversion value of a note is equal to the product of the closing sale price for shares of our Class A common stock on a given day multiplied by the then current conversion rate, which is the number of shares of Class A common stock into which each \$1,000 principal amount of notes is then convertible. Initially, each \$1,000 principal amount of convertible notes is convertible into 21.3379 shares of our Class A common stock, which is subject to adjustment for certain distributions, or other changes in, our Class A common stock, if any, prior to the conversion date.

The convertible notes are subordinated to all of our existing and future senior indebtedness, including the revolving facility discussed above. The convertible notes are not guaranteed by any of our subsidiaries. We may redeem the convertible notes in whole or in part at any time after May 7, 2005 at the following redemption prices, which are expressed as percentages of the principal amount.

PERIOD -----	REDEMPTION PRICE -----
Beginning on May 7, 2005 and ending on May 6, 2006	103.00%
Beginning on May 7, 2006 and ending on May 6, 2007	102.25%
Beginning on May 7, 2007 and ending on May 6, 2008	101.50%
Beginning on May 7, 2008 and thereafter.....	100.75%

SENIOR SUBORDINATED NOTES

As of March 31, 2002, we had \$200 million in aggregate principal outstanding of 11% senior subordinated notes due 2008. The senior subordinated notes are unsecured and mature on August 1, 2008. Interest is paid semi-annually on February 1 and August 1.

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The senior subordinated notes are subordinated to all present and future senior indebtedness of Sonic, including the revolving credit facility discussed above. We may redeem the senior subordinated notes in whole or in part at any time after August 1, 2003 at the following redemption prices, which are expressed as percentages of the principal amount.

PERIOD -----	REDEMPTION PRICE -----
Beginning on August 1, 2003 and ending on July 31, 2004	105.500%
Beginning on August 1, 2004 and ending on July 31, 2005	103.667%
Beginning on August 1, 2005 and ending on July 31, 2006	101.833%
Beginning on August 1, 2006 and thereafter.....	100.000%

The indentures governing the senior subordinated notes contain certain specified restrictive and required financial covenants. We have agreed not to pledge our assets to any third party except under certain limited circumstances. We have also agreed to certain other limitations or prohibitions concerning the incurrence of other indebtedness, capital stock, guaranties, asset sales, investments, cash dividends to shareholders, distributions and redemptions. We were in compliance with all restrictive covenants as of March 31, 2002.

SUBSIDIARY GUARANTEES

Balances outstanding under our revolving credit facility and senior subordinated notes are guaranteed by all of our operating subsidiaries. These guarantees are full and unconditional and joint and several. The parent company has no independent assets or operations and subsidiaries that are not guarantors are minor.

FLOOR PLAN INDEBTEDNESS

We currently have in place standardized secured floor plan facilities with either Ford Motor Credit, Chrysler Financial, Toyota Credit or General Motors Acceptance Corporation ("GMAC") for each of our dealership subsidiaries. Each dealership subsidiary has its own agreement for its inventory financing needs. As of March 31, 2002, there was an aggregate of \$796.1 million outstanding under these floor plan facilities. Amounts outstanding under the Ford Motor Credit and GMAC floor plan facilities bear interest at the prime rate, which was 4.75% on March 31, 2002, subject to certain incentives and other adjustments. Amounts outstanding under the Toyota Credit and Chrysler Financial floor plan facilities bear interest at 1.25% above LIBOR, which was 1.88% on March 31, 2002, subject to certain incentives and adjustments. The weighted average interest rate for our floor plan facilities was 5.63% for the year

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ended December 31, 2001 and 3.6% for the quarter ended March 31, 2002. Our floor plan interest expenses are substantially offset by amounts received from manufacturers, in the form of floor plan assistance. In 2001, we received approximately \$33.8 million in floor plan assistance, which resulted in an effective borrowing rate under our floor plan facilities of approximately 0.3% after netting these assistance payments against floor plan interest expense. In the three months ended March 31, 2002, we received approximately \$8.0 million in floor plan assistance, which reduced the effective rate incurred on these facilities to 0%. Interest payments under each floor plan facility are due monthly, but we are not required to make principal repayments prior to the sale of the vehicles.

The notes underlying the floor plan facilities are due when the related vehicles are sold and are collateralized by vehicle inventories and other assets, excluding franchise agreements, of the relevant dealership subsidiary. The floor plan facilities contain a number of covenants, including among others, covenants restricting

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us with respect to the creation of liens and changes in ownership, officers and key management personnel. We were in compliance with all covenants as of March 31, 2002.

DESCRIPTION OF DEBT SECURITIES

The Debt Securities may be issued from time to time in one or more series. The particular terms of each series that are offered by a prospectus supplement will be described in the prospectus supplement.

The Debt Securities will be either our senior debt securities issued under this registration statement ("Senior Debt Securities") or our subordinated debt securities issued under this registration statement ("Subordinated Debt Securities"). The Senior Debt Securities and the Subordinated Debt Securities will be issued under separate Indentures among us, our subsidiaries, if our subsidiaries are guarantors of the Debt Securities, and a U.S. banking institution (a "Trustee"). Senior Debt Securities will be issued under a "Senior Indenture" and Subordinated Debt Securities will be issued under a "Subordinated Indenture." Together, the Senior Indenture and the Subordinated Indenture are called "Indentures."

We will describe the particular terms of any Debt Securities that we offer and the extent to which the general provisions below will apply to those Debt Securities in a prospectus supplement relating to those Debt Securities. The terms of the Debt Securities will include those stated in the applicable Indenture and those made part of the applicable Indenture by reference to the Trust Indenture Act of 1939, as amended. The Debt Securities will be subject to all those terms, and we refer the holders of the Debt Securities to the Indenture and the Trust Indenture Act for a statement of those terms. Unless we indicate otherwise, capitalized terms have the meanings given in the applicable

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Indenture.

We have summarized certain material provisions of the notes and Indentures below. The summary is qualified in its entirety by reference to the form of notes and Indentures. The forms of the notes and Indentures have been filed as exhibits to the registration statement of which this prospectus forms a part. You should read the notes and Indentures for provisions that may be important to you. In the summary below we have included references to Section numbers of the applicable Indentures so that you can easily locate these provisions. Whenever we refer in this prospectus or in the prospectus supplement to particular Sections or defined terms of the Indentures, such Sections or defined terms are incorporated by reference herein or therein, as applicable.

GENERAL

The Indentures provide that Debt Securities in separate series may be issued from time to time without limitation as to aggregate principal amount. We may specify a maximum aggregate principal amount for the Debt Securities of any series. (Section 301) We will determine the terms and conditions of the Debt Securities, including the maturity, principal and interest, but those terms must be consistent with the Indenture. The Debt Securities will be our unsecured obligations.

The Senior Debt Securities will be senior in right of payment in full of all unsecured and subordinated indebtedness and equally with all of our unsecured and subordinated indebtedness outstanding at the time Senior Debt Securities are sold as will be described in the prospectus supplement applicable to any Senior Debt Securities. Senior Debt Securities will not be secured and, therefore, will be effectively subordinate in right of payment to all of our secured and unsubordinated indebtedness outstanding at the time Senior Debt Securities are sold as will be described in the prospectus supplement applicable to any Senior Debt Securities.

The Subordinated Debt Securities will be subordinated in right of payment to the prior payment in full of all of our Senior Indebtedness (as defined) as described under "--Subordination of Subordinated Debt Securities" and in the prospectus supplement applicable to any Subordinated Debt Securities.

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If specified in the prospectus supplement, our subsidiaries (the "Guarantors") will unconditionally guarantee (the "Subsidiary Guarantees") on a joint and several basis the Debt Securities as described under "--Subsidiary Guarantees" and in the prospectus supplement. The Subsidiary Guarantees will be unsecured obligations of each Guarantor.

The applicable prospectus supplement will set forth the price or prices at which the Debt Securities to be offered will be issued and will describe the following additional terms:

- . the title of the Debt Securities;
- . whether the Debt Securities are Senior Debt Securities or Subordinated Debt Securities and, if Subordinated Debt Securities, subordinated terms

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relating thereto;

- . whether the Guarantors will provide Subsidiary Guarantees of the Debt Securities;
- . the aggregate principal amount of the Debt Securities or any limit thereon;
- . the dates on which the principal of the Debt Securities will be payable;
- . the interest rate of the Debt Securities and the interest payment dates for the Debt Securities;
- . the places where payments on the Debt Securities will be payable;
- . any terms upon which the Debt Securities may be redeemed at our option;
- . any sinking fund or other provisions that would obligate us to repurchase or otherwise redeem the Debt Securities;
- . the portion of the principal amount, if less than all, of the Debt Securities that will be payable upon declaration of acceleration of the Maturity of the Debt Securities;
- . if convertible into our Class A common stock or any of our other securities, the terms on which such Debt Securities are convertible;
- . whether the Debt Securities are secured and the terms of such security;
- . whether the Debt Securities are defeasible;
- . any addition to or change in the Events of Default;
- . any addition to or change in the covenants in the applicable Indenture; and
- . any other terms of the Debt Securities not inconsistent with the provisions of the applicable Indenture. (Section 301)

Debt Securities, including Original Issue Discount Securities, may be sold at a substantial discount below their principal amount. Special United States federal income tax considerations applicable to Debt Securities sold at an original issue discount may be described in the applicable prospectus supplement. In addition, special United States federal income tax or other considerations applicable to any Debt Securities that are denominated in a currency other than United States dollars may be described in the applicable prospectus supplement.

SUBORDINATION OF SUBORDINATED DEBT SECURITIES

The indebtedness evidenced by the Subordinated Debt Securities will, to the extent set forth in the Subordinated Indenture and the supplemental indenture applicable to each series of Subordinated Debt Securities, be subordinate in right of payment to the prior payment in full of all of our Senior Debt, including the Senior Debt Securities. The prospectus supplement relating to any Subordinated Debt Securities will summarize the subordination provisions of the Subordinated Indenture and supplemental indenture applicable to that series including:

- . the applicability and effect of such provisions upon any payment or distribution of our assets to creditors upon any liquidation, bankruptcy, insolvency or similar proceedings;

- . the applicability and effect of such provisions in the event of specified defaults with respect to any or certain Senior Debt, including the circumstances under which and the periods in which we will be prohibited from making payments on the Subordinated Debt Securities; and
- . the definition of Senior Indebtedness applicable to the Subordinated Debt Securities of that series.

The prospectus supplement will also describe as of a recent date the approximate amount of Senior Indebtedness to which the Subordinated Debt Securities of that series will be subordinated.

The failure to make any payment on any of the Subordinated Debt Securities due to the subordination provisions of the Subordinated Indenture described in the prospectus supplement will not prevent the occurrence of an Event of Default on the Subordinated Debt Securities arising from any such failure to make payment.

The subordination provisions described above will not be applicable to payments in respect of the Subordinated Debt Securities from a defeasance trust established in connection with any defeasance or covenant defeasance of the Subordinated Debt Securities as described under "--Defeasance and Covenant Defeasance."

CONVERSION RIGHTS

The Debt Securities may be converted into other securities of our company, if at all, according to the terms and conditions of an applicable prospectus supplement. Such terms will include the conversion price, the conversion period, provisions as to whether conversion will be at the option of the holders of such series of Debt Securities or at the option of our company, the events requiring an adjustment of the conversion price and provisions affecting conversion in the event of the redemption of such series of Debt Securities.

SUBSIDIARY GUARANTEES

If specified in the prospectus supplement, the Guarantors will guarantee the Debt Securities of a series. Unless otherwise indicated in the prospectus supplement, the following provisions will apply to the Subsidiary Guarantees of the Guarantors.

Subject to the limitations described below and in the prospectus supplement, the Guarantors will, jointly and severally, unconditionally guarantee the performance and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all our obligations under the Indentures and the Debt Securities of a series (the "Guaranteed Obligations"). The Guarantors will also pay, in addition to the amount stated above, any and all expenses (including reasonable counsel fees and expenses) incurred by the applicable Trustee in enforcing any rights under a Subsidiary Guarantee with respect to a Guarantor.

In the case of Subordinated Debt Securities, a Guarantor's Subsidiary Guarantee will be subordinated in right of payment to the Senior Indebtedness of such Guarantor on the same basis as the Subordinated Debt Securities are subordinated to our Senior Indebtedness. No payment will be made by any Guarantor under its Subsidiary Guarantee during any period in which payments by us on the Subordinated Debt Securities are suspended by the subordination

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provisions of the Subordinated Indenture.

Each Subsidiary Guarantee will be limited in amount to an amount not to exceed the maximum amount that can be guaranteed by the relevant Guarantor without rendering such Subsidiary Guarantee voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

Each Subsidiary Guarantee will be a continuing guarantee and will:

- . remain in full force and effect until either (a) payment in full of all the Guaranteed Obligations (or the applicable Debt Securities are defeased and discharged in accordance with the defeasance provisions of the Indentures) or (b) released as described in the following paragraph,

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- . be binding upon each Guarantor, and
- . inure to the benefit of and be enforceable by the applicable Trustee, the holders and their successors, transferees and assigns.

In the event that a Guarantor ceases to be a Significant Subsidiary, whether as a result of a disposition of all of the assets or all of the capital stock of such Guarantor, by way of sale, merger, consolidation or otherwise, such Guarantor will be deemed released and relieved of its obligations under its Subsidiary Guarantee without any further action required on the part of the Trustee or any holder and no other person acquiring or owning the assets or capital stock of such Guarantor (if not otherwise a Significant Subsidiary) will be required to enter into a Subsidiary Guarantee; provided, in each case, that the transaction or transactions resulting in such Guarantor's ceasing to be a Significant Subsidiary are carried out pursuant to and in compliance with all of the applicable covenants in the Indenture. In addition, the prospectus supplement may specify additional circumstances under which a Guarantor can be released from its Subsidiary Guarantee.

REDEMPTION RIGHTS; SINKING FUNDS

The Debt Securities issued under this registration statement may be redeemable at our option or may be subject to mandatory redemption by us as required by a sinking fund or otherwise. In addition, Debt Securities issued under this registration statement may be subject to repurchase by us at the option of the holders. We will describe any applicable redemption rights and sinking fund requirements in a prospectus supplement related to a series of Debt Securities being offered under this registration statement.

FORM, EXCHANGE AND TRANSFER

The Debt Securities of each series will be issuable only in fully registered form, without coupons, and, unless otherwise specified in the applicable prospectus supplement, only in denominations of \$1,000 and integral multiple thereof. (Section 302)

At the option of the Holder, subject to the terms of the applicable Indenture and the limitations applicable to Global Securities, Debt Securities of each series will be exchangeable for other Debt Securities of the same series of any authorized denomination and of a like tenor and aggregate

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principal amount. (Section 305)

Subject to the terms of the applicable Indenture and the limitations applicable to Global Securities, Debt Securities may be presented for exchange as provided above or for registration of transfer (duly endorsed or with the form of transfer endorsed thereon duly executed) at the office of the Security Registrar or at the office of any transfer agent designated by us for such purpose. No service charge will be made for any registration of transfer or exchange of Debt Securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Such transfer or exchange will be effected upon the Security Registrar or such transfer agent, as the case may be, begin satisfied with the documents of title and identity of the person making the request. The Security Registrar and any other transfer agent initially designated by us for any Debt Securities will be named in the applicable prospectus supplement. (Section 305) We may at any time designate additional transfer agents or rescind the designation of any transfer agent or approve a change in the office through which any transfer agent acts, except that we will be required to maintain a transfer agent in each Place of Payment for the Debt Securities of each series. (Section 1002).

If the Debt Securities of any series (or of any series and specified terms) are to be redeemed in part, we will not be required to (i) issue, register the transfer of or exchange any Debt Security of that series (or of that series and specified tenor, as the case may be) during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of any such Debt Security selected for redemption and ending at the close of business on the day of such mailing or (ii) register the transfer of or exchange any Debt Security so selected for redemption, in whole or in part, except the unredeemed portion of any such Debt Security being redeemed in part. (Section 305)

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GLOBAL SECURITIES

Some or all of the Debt Securities of any series may be represented, in whole or in part, by one or more Global Securities which will have an aggregate principal amount equal to that of the Debt Securities represented thereby. Each Global Security will be registered in the name of a Depositary or a nominee thereof identified in the applicable prospectus supplement, will be deposited with such Depositary or nominee or a custodian therefor and will bear a legend regarding the restrictions on exchanges and registration of transfer thereof referred to below and any such other matters as may be provided for pursuant to the Indenture.

Notwithstanding any provision of the applicable Indenture or any Debt Security described herein, no Global Security may be exchanged or transferred in whole or in part for Debt Securities registered in the name of any person other than the Depositary for such Global Security or any nominee of such Depositary unless:

- . the Depositary is unwilling or unable to continue as depositary;
- . an Event of Default has occurred and is continuing under the Debt Securities represented by the Global Security; or
- . as otherwise provided in a prospectus supplement.

All Debt Securities issued in exchange for a Global Security or any portion thereof will be registered in such names as the Depositary may direct. (Section

305).

As long as the Depositary, or its nominee, is the registered Holder of a Global Security, the Depositary or such nominee, as the case may be, will be considered the sole owner and Holder of such Global Security and the Debt Securities represented thereby for all purposes under the Debt Securities and the applicable Indenture. Except in the limited circumstances referred to above, owners of beneficial interests in a Global Security will not be entitled to have such Global Security or any Debt Securities represented thereby registered in their names, will not receive or be entitled to receive physical delivery of certificated Debt Securities in exchange therefor and will not be considered to be the owners or Holders of such Global Security or any Debt Securities represented thereby for any purpose under the Debt Securities or the applicable Indenture. All payments of principal of and any premium and interest on a Global Security will be made to the Depositary or its nominee, as the case may be, as the Holder thereof. The laws of some jurisdictions require that certain purchasers of Debt Securities take physical delivery of such Debt Securities in definitive form. These laws may impair the ability to transfer beneficial interests in a Global Security.

Ownership of beneficial interests in a Global Security will be limited to institutions that have accounts with the Depositary or its nominee ("participants") and to persons that may hold beneficial interests through participants. In connection with the issuance of any Global Security, the Depositary will credit, on its book-entry registration and transfer system, the respective principal amounts of Debt Securities represented by the Global Security to the accounts of its participants. Ownership of beneficial interests in a Global Security will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by the Depositary (with respect to participants' interests) or any such participant (with respect to interests of persons held by such participants on their behalf). Payments, transfers, exchanges and other matters relating to beneficial interests in a Global Security may be subject to various policies and procedures adopted by the Depositary from time to time. None of us, the Guarantors, the Trustees or our agents or the Trustees will have any responsibility or liability for any aspect of the Depositary's or any participant's records relating to, or for payments made on account of, beneficial interests in a Global Security, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

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PAYMENT AND PAYING AGENT

Unless otherwise indicated in the applicable prospectus supplement, payment of interest on a Debt Security on any Interest Payment Date will be made to the person in whose name such Debt Security is registered at the close of business on the regular record date for such interest. (Section 307)

Unless otherwise indicated in the applicable prospectus supplement, principal of and any premium and interest on the Debt Securities of a particular series will be payable at the office of such Paying Agent or Paying Agents as we may designate for such purpose from time to time, except that at our option payment of any interest may be made by check mailed to the address of the Person entitled thereto as such address appears in the Security Register. Unless otherwise indicated in the applicable prospectus supplement, the corporate trust office of the trustee under the Senior Indenture (the "Senior Trustee") in The City of New York will be designated as sole Paying Agent for payments with respect to Senior Debt Securities of each series, and the corporate trust office of the Subordinated Trustee in the City of New York

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will be designated as the sole Paying Agent for payment with respect to Subordinated Debt Securities of each series. Any other Paying Agents initially designated by us for the Debt Securities of a particular series will be named in the applicable prospectus supplement. We may at any time designate additional Paying Agents or rescind the designation of any Paying Agent or approve a change in the office through which any Paying Agent acts, except that we will be required to maintain a Paying Agent in each Place of Payment for the Debt Securities of a particular series. (Section 1002)

All moneys paid by us to a Paying Agent for the payment of the principal of or any premium or interest on any Debt Security which remain unclaimed at the end of two years after such principal, premium or interest has become due and payable will be repaid to us, and the Holder of such Debt Security thereafter may look only to us for payment thereof. (Section 1003)

CONSOLIDATION, MERGER AND SALE OF ASSETS

We may consolidate with or merge into, or sell or lease substantially all of our properties to any person only if:

- . the successor person (if any) is a corporation, partnership, trust or other entity organized and validly existing under the laws of any domestic jurisdiction and assumes our obligations on the Debt Securities and under the Indentures;
- . immediately after giving effect to the transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and
- . any other conditions specified in the applicable prospectus supplement are met. (Section 801)

EVENTS OF DEFAULT

Unless otherwise specified in the prospectus supplement, each of the following will constitute an Event of Default under the applicable Indenture with respect to Debt Securities of any series:

- . failure to pay principal or premium on any Debt Security of that series when due;
- . failure to pay any interest on any Debt Security of that series when due, continued for 30 days;
- . failure to deposit any sinking fund payment, when due, on any Debt Security of that series;
- . failure to perform or comply with the provisions described under "--Consolidation, Merger and Sale of Assets";
- . failure to perform any of our other covenants in the Indenture (other than a covenant included in such Indenture solely for the benefit of a series other than that series) for 60 days after being given written notice by the Trustee or holders of at least 25% in principal amount of the Outstanding Debt Securities of that series;

- . default under the terms of any instrument evidencing or securing any of our Debt or any Significant Subsidiary having an outstanding principal

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amount of \$20 million individually or in the aggregate which default results in the acceleration of the payment of all or any portion of such Debt (which acceleration is not rescinded within a period of 10 days from the occurrence of such acceleration) or constitutes the failure to pay all or any portion of the principal amount of such Debt when due;

- . the rendering of a final judgment or judgments against us or any Significant Subsidiary in an amount in excess of \$20 million that remains undischarged or unstayed for a period of 60 days after the date on which the right to appeal has expired;
- . certain events of bankruptcy, insolvency or reorganization affecting us, any Significant Subsidiary Guarantor or any group of Significant Subsidiaries that together would constitute a Significant Subsidiary Guarantor; and
- . in the case of Debt Securities guaranteed by any Guarantor, the Subsidiary Guarantee of any Guarantor is held by a final non-appealable order or judgment of a court of competent jurisdiction to be unenforceable or invalid or ceases for any reason to be in full force and effect (other than in accordance with the terms of the applicable Indenture) or any Guarantor or any person acting on behalf of any Guarantor denies or disaffirms such Guarantor's obligations under its Subsidiary Guarantee (other than by reason of a release of such Guarantor from its Subsidiary Guarantee in accordance with the terms of the applicable Indenture). (Section 501)

If an Event of Default (other than as a result of bankruptcy, insolvency or reorganization) for any series of Debt Securities occurs and continues, the applicable Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Debt Securities of that series may declare the principal amount of the Debt Securities of that series (or, such portion of the principal amount of such Debt Securities as may be specified in a prospectus supplement) to be due and payable immediately. If an Event of Default results from bankruptcy, insolvency or reorganization, the principal amount of all the Debt Securities of a series (or, such portion of the principal amount of such Debt Securities as may be specified in a prospectus supplement) will automatically become immediately due and payable. If an acceleration occurs, subject to specified conditions, the holders of a majority of the aggregate principal amount of the outstanding Debt Securities of that series may rescind and annul such acceleration. (Section 502)

Other than its duties in case of an Event of Default, a Trustee is not obligated to exercise any of its rights or powers under the applicable Indenture at the request or direction of any of the Holders, unless the Holders offer the Trustee reasonable indemnity. (Section 603) Subject to the indemnification of the Trustees, the Holders of a majority in aggregate principal amount of the Outstanding Debt Securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Debt Securities of that series. (Section 512)

The Holders of Debt Securities of any series will not have any right to institute any proceeding with respect to the applicable Indenture unless:

- . the Holder previously gave written notice to the Trustee of an Event of Default;
- . the Holders of at least 25% in aggregate principal amount of the Outstanding Debt Securities of that series have made a written request, and such Holder or Holders have offered reasonable indemnity, to the Trustee to institute such proceeding as trustee; and

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- . the Trustee fails to institute such proceeding, and has not received from the Holders of a majority in aggregate principal amount of the Outstanding Debt Securities of that series a direction inconsistent with such request, within 15 days after such notice, request and offer. (Section 507)

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However, such limitations do not apply to a suit instituted by a Holder of a Debt Security for the enforcement of payment of the principal, interest or premium on such Debt Security on or after the applicable due date specified in such Debt Security. (Section 508)

We will be required to furnish to each Trustee annually a statement by certain of our officers as to whether or not we are in default in the performance of any of the terms of the applicable Indenture. (Section 1004)

AMENDMENT AND WAIVER

Modifications and amendments of the Indentures may be made by us, the Guarantors and the applicable Trustee with the consent of the Holders of a majority in aggregate principal amount of the Outstanding Debt Securities of each series affected by such modification or amendment; provided, however, that no such modification or amendment may, without the consent of the Holder of each Outstanding Debt Security affected thereby:

- (1) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Debt Security,
- (2) reduce the principal amount of, or any premium or interest on, any Debt Security,
- (3) reduce the amount of principal of an Original Issue Discount Security or any other Debt Security payable upon acceleration of the Maturity thereof,
- (4) change the place or currency of payment of principal of, or any premium or interest on, any Debt Security,
- (5) impair the right to institute suit for the enforcement of any payment on or with respect to any Debt Security,
- (6) in the case of Subordinated Debt Securities, modify the subordination provisions in a manner adverse to the Holders of the Subordinated Debt Securities,
- (7) except as provided in the applicable Indenture, release the Subsidiary Guarantee of a Guarantor,
- (8) reduce the percentage in principal amount of Outstanding Debt Securities of any series, the consent of whose Holders is required for modification or amendment of the Indenture,
- (9) reduce the percentage in principal amount of Outstanding Debt Securities of any series necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults or
- (10) modify such provisions with respect to modification and waiver.
(Section 902)

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The Holders of a majority in principal amount of the Outstanding Debt Securities of any series may waive compliance by us with certain restrictive provisions of the applicable Indenture. The Holders of a majority in principal amount of the Outstanding Debt Securities of any series may waive any past default under the applicable Indenture, except a default in the payment of principal, premium or interest and certain covenants and provisions of the Indenture which cannot be amended without the consent of the Holder of each Outstanding Debt Security of such series affected. (Section 513)

The Indentures provide that in determining whether the Holders of the requisite principal amount of the Outstanding Debt Securities have given or taken any direction, notice, consent, waiver or other action under such Indenture as of any date, (A) the principal amount of an Original Issue Discount Security that will be deemed to be Outstanding will be the amount of the principal thereof that would be due and payable as of such date upon acceleration of the Maturity thereof to such date, (B) if, as of such date, the principal amount payable at the Stated Maturity of a Debt Security is not determinable (for example, because it is based on an index), the principal amount of such Debt Security deemed to be Outstanding as of such date will be an amount determined

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in the manner prescribed for such Debt Security and (C) the principal amount of a Debt Security denominated in one or more foreign currencies or currency units that will be deemed to be Outstanding will be the U.S. dollar equivalent, determined as of such date in the manner prescribed for such Debt Security, of the principal amount of such Debt Security (or, in the case of a Debt Security described in clause (A) or (B) above, of the amount described in such clause) . Certain Debt Securities, including those for whose payment or redemption money has been deposited or set aside in trust for the Holders and those that have been fully defeased pursuant to Section 1502, will not be deemed to be Outstanding. (Section 101)

Except in certain limited circumstances, we will be entitled to set any day as a record date for the purpose of determining the Holders of Outstanding Debt Securities of any series entitled to give or take any direction, notice, consent, waiver or other action under the applicable Indenture, in the manner and subject to the limitations provided in the Indenture. In certain limited circumstances, the Trustee will be entitled to set a record date for action by Holders. If a record date is set for any action to be taken by Holders of a particular series, such action may be taken only by persons who are Holders of Outstanding Debt Securities of that series on the record date. To be effective, such action must be taken by Holders of the requisite principal amount of such Debt Securities within a specified period following the record date. For any particular record date, this period will be 180 days or such other period as may be specified by us (or the Trustee, if it set the record date), and may be shortened or lengthened (but not beyond 180 days) from time to time. (Section 104)

DEFEASANCE AND COVENANT DEFEASANCE

If and to the extent indicated in the applicable prospectus supplement, we may elect, at our option at any time, to have the provisions of the Indentures, relating to defeasance and discharge of indebtedness (Section 1502) and to defeasance of certain restrictive covenants (Section 1503) applied to the Debt Securities of any series, or to any specified part of a series.

DEFEASANCE AND DISCHARGE. The Indentures provide that, upon our exercise of our option (if any) we will be discharged from all our obligations, and have

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the subordination provisions of any Subordinated Indenture (if any) cease to be effective, with respect to the applicable Debt Securities upon the deposit in trust for the benefit of the holders of such Debt Securities of money or U.S. Government Obligations, or both, which, through the payment of principal and interest in respect thereof in accordance with their terms, will provide money in an amount sufficient to pay the principal of and any premium and interest on such Debt Securities on the respective Stated Maturities in accordance with the terms of the applicable Indenture and such Debt Securities.

Such defeasance or discharge may occur only if, among other things,

- (1) we have delivered to the applicable Trustee an Opinion of Counsel to the effect that we have received from, or there has been published by, the United States Internal Revenue Service a ruling, or there has been a change in tax law, in either case to the effect that Holders of such Debt Securities will not recognize gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount, in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge were not to occur;
- (2) no Event of Default or event that with the passing of time or the giving of notice, or both, shall constitute an Event of Default shall have occurred and be continuing;
- (3) such deposit, defeasance and discharge will not result in a breach or violation of, or constitute a default under, any agreement or instrument to which we or any Significant Subsidiary is a party or by which we or any Significant Subsidiary is bound;
- (4) in the case of Subordinated Debt Securities, at the time of such deposit, no default in the payment of all or a portion of principal of (or premium, if any) or interest on or other obligations in respect of any of our Senior Indebtedness shall have occurred and be continuing and no other event of default with respect to any of our Senior Indebtedness shall have occurred and be continuing permitting after notice or the lapse of time, or both, the acceleration thereof; and

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- (5) we have delivered to the Trustee an Opinion of Counsel to the effect that such deposit shall not cause the Trustee or the trust so created to be subject to the Investment Company Act of 1940. (Sections 1502 and 1504)

Any additional conditions to the discharge of our obligations with respect to a series of Debt Securities will be described in an applicable prospectus supplement.

DEFEASANCE OF CERTAIN COVENANTS. The Indentures provide that, upon our exercise of our option (if any), we may omit to comply with specified restrictive covenants as described in an applicable prospectus supplement and the occurrence of specified Events of Default in "--Events of Default" and any Events of Default described in an applicable prospectus supplement, will not be deemed to either be or result in an Event of Default and, if such Debt Securities are Subordinated Debt Securities, the provisions of the Subordinated Indenture relating to subordination will cease to be effective, in each case with respect to such Debt Securities. In order to exercise such option, we must deposit, in trust for the benefit of the Holders of such Debt Securities, money or U.S. Government Obligations, or both, which, through the payment of

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principal and interest in respect thereof in accordance with their terms, will provide money in an amount sufficient to pay the principal of and any premium and interest on such Debt Securities on the respective Stated Maturities in accordance with the terms of the applicable Indenture and such Debt Securities. Such covenant defeasance may occur only if we have delivered to the applicable Trustee an Opinion of Counsel that in effect says that Holders of such Debt Securities will not recognize gain or loss for federal income tax purposes as a result of such deposit and defeasance of certain obligations and will be subject to federal income tax on the same amount, in the same manner and at the same times as would have been the case if such deposit and defeasance were not to occur and the requirements set forth in clauses (2), (3), (4) and (5) above are satisfied. If we exercise this option with respect to any Debt Securities and such Debt Securities were declared due and payable because of the occurrence of any Event of Default, the amount of money and U.S. Government Obligations so deposited in trust would be sufficient to pay amounts due on such Debt Securities at the time of their respective Stated Maturities but may not be sufficient to pay amounts due on such Debt Securities upon any acceleration resulting from such Event of Default. In such case, we would remain liable for such payments. (Sections 1503 and 1504). Any additional conditions to exercising this option with respect to a series of Debt Securities will be described in an applicable prospectus supplement.

NOTICES

Notices to Holders of Debt Securities will be given by mail to the addresses of such Holders as they may appear in the Security Register. (Sections 101 and 106)

TITLE

We, the Guarantors, the Trustees and any agent of ours may treat the Person in whose name a Debt Security is registered as the absolute owner of the Debt Security, whether or not such Debt Security may be overdue, for the purpose of making payment and for all other purposes. (Section 309)

GOVERNING LAW

The Indentures and the Debt Securities will be governed by, and construed in accordance with, the laws of the State of New York. (Section 112)

DESCRIPTION OF CAPITAL STOCK

Sonic's authorized capital stock consists of (a) 100,000,000 shares of Class A common stock, \$.01 par value, (b) 30,000,000 shares of Class B common stock, \$.01 par value and (c) 3,000,000 shares of preferred stock, \$.10

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par value. As of May 31, 2002, Sonic had 30,766,561 outstanding shares of Class A common stock, 12,029,375 outstanding shares of Class B common stock and no outstanding shares of preferred stock.

The following is a summary of the material provisions of Sonic's capital stock. This summary is qualified in its entirety by reference to Sonic's Amended and Restated Certificate of Incorporation (which was filed as an exhibit to Sonic's Registration Statement on Form S-1 (File No. 333-33295)), Sonic's amendment to its Amended and Restated Certificate of Incorporation

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(which is filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 1999) and Sonic's Certificate of Designations relating to the Class A convertible preferred stock (which was filed as an exhibit to Sonic's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998). We urge you to read these exhibits for a detailed description of the provisions thereof summarized below.

PREFERRED STOCK

As of the date of this prospectus, no shares of preferred stock are outstanding. Our board of directors may authorize the issuance of preferred stock in one or more series and may determine, with respect to any series, the designations, powers, preferences and rights of that series, and the qualifications, limitations and restrictions of that series, including:

- . the number of shares of the series, which number may thereafter be increased or decreased by our board of directors (but not below the number of shares of that series then outstanding);
- . whether dividends, if any, will be cumulative or noncumulative and the dividend rate of the series;
- . the conditions under which and the dates upon which dividends will be payable, and the relation which those dividends will bear to the dividends payable on any other class or classes of stock;
- . the redemption rights and price or prices, if any, for shares of the series;
- . the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the series;
- . the amounts payable on and the preferences of shares of the series, in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of our company;
- . whether the shares of the series will be convertible into shares of any other class or series, or any other security, of our company or any other corporation, and, if so, the specification of that other class or series or that other security, the conversion price or prices or rate or rates, that adjustments to that price or those prices or that rate or those rates, the date or dates as of which those shares will be convertible and all other terms and conditions upon which the conversion may be made;
- . restrictions on the issuance of shares of the same series or of any other class or series; and
- . the voting rights, if any, of the holders of shares of that series.

The prospectus supplement will specify any terms of any series of preferred stock offered by it. The description of the terms of the preferred stock to be set forth in an applicable prospectus supplement will not be complete and will be subject to and qualified in its entirety by reference to the statement of resolution relating to the applicable series of preferred stock. The registration statement of which this prospectus forms a part will include the statement of resolution as an exhibit or incorporate it by reference.

We believe that the ability of our board of directors to issue one or more series of preferred stock from our undesignated preferred stock will provide us with flexibility in structuring possible future financings and acquisitions and in meeting other corporate needs that might arise. Our authorized shares of

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preferred stock will be available for issuance without further action by our stockholders, unless that action is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or

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traded. The New York Stock Exchange currently requires stockholder approval as a prerequisite to listing shares in several instances, including where the present or potential issuance of shares could result in an increase in the number of shares of common stock outstanding, or in the amount of voting securities outstanding, of at least 20%.

Although our board of directors has no intention at the present time of doing so, it could issue a series of preferred stock that could, depending on the terms of that series, impede the completion of a merger, tender offer or other takeover attempt. Our board of directors may decide to issue those shares based on its judgment as to the best interests of our company and our stockholders. Our board of directors, in so acting, could issue preferred stock having terms that could discourage a potential acquiror from making an unsolicited and unwanted acquisition attempt through which that acquirer may be able to change the composition of our board of directors, including a tender offer or other transaction that some, or a majority, of our stockholders might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then current market price of that stock.

COMMON STOCK

Sonic's Class A common stock and Class B common stock are equal in all respects except for voting rights, conversion rights of the Class B common stock and as required by law, as discussed more fully below.

VOTING RIGHTS; CONVERSION OF CLASS B COMMON STOCK TO CLASS A COMMON STOCK

The voting powers, preferences and relative rights of the Class A common stock and the Class B common stock are subject to the following provisions. Holders of Class A common stock have one vote per share on all matters submitted to a vote of the stockholders of Sonic. Holders of Class B common stock are entitled to 10 votes per share except as described below. Holders of all classes of common stock entitled to vote will vote together as a single class on all matters presented to the stockholders for their vote or approval except as otherwise required by Delaware law. There is no cumulative voting with respect to the election of directors.

In the event any shares of Class B common stock held by a member of the Smith Group (as defined below) are transferred outside of the Smith Group, such shares will automatically be converted into shares of Class A common stock. In addition, if the total number of shares of common stock held by members of the Smith Group is less than 15% of the total number of shares of common stock outstanding, all of the outstanding shares of Class B common stock automatically will be reclassified as Class A common stock. In any merger, consolidation or business combination, the consideration to be received per share by holders of Class A common stock must be identical to that received by holders of Class B common stock, except that in any such transaction in which shares of common stock are distributed, such shares may differ as to voting rights to the extent that voting rights now differ between our classes of common stock.

Notwithstanding the foregoing, the holders of Class A common stock and Class B common stock vote as a single class, with each share of each Class entitled

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to one vote per share, with respect to any transaction proposed or approved by the board of directors of Sonic or proposed by or on behalf of holders of the Class B common stock or as to which any member of the Smith Group or any affiliate thereof has a material financial interest other than as a then existing stockholder of Sonic constituting a

- . "going private" transaction;
- . sale or other disposition of all or substantially all of Sonic's asset; or
- . sale or transfer that would cause the nature of Sonic's business to be no longer primarily oriented toward automobile dealership operations and related activities, or merger or consolidation of Sonic in which the holders of the common stock will own less than 50% of the common stock following such transaction.

A "going private" transaction is defined as any "Rule 13e-3 Transaction," as such term is defined in Rule 13e-3 promulgated under the Securities Exchange Act of 1934. An "affiliate" is defined as (a) any individual or

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entity who or that, directly or indirectly, controls, is controlled by, or is under common control with any member of the Smith Group, (b) any corporation or organization (other than Sonic or a majority-owned subsidiary of Sonic) of which any member of the Smith Group is an officer, partner or is, directly or indirectly, the beneficial owner of 10% or more of any Class of voting securities, or in which any member of the Smith Group has a substantial beneficial interest, (c) a voting trust or similar arrangement pursuant to which any member of the Smith Group generally controls the vote of the shares of common stock held by or subject to such trust or arrangement, (d) any other trust or estate in which any member of the Smith Group has a substantial beneficial interest or as to which any member of the Smith Group serves as trustee or in a similar fiduciary capacity or (e) any relative or spouse of any member of the Smith Group or any relative of such spouse, who has the same residence as any member of the Smith Group.

As used in this prospectus, the term the "Smith Group" consists of the following persons:

- . Mr. O Bruton Smith and his guardian, conservator, committee, or attorney-in-fact;
- . William S. Egan and his guardian, conservator, committee, or attorney-in-fact;
- . each lineal descendant of Messrs. Smith and Egan (a "Descendant") and their respective guardians, conservators, committees or attorneys-in-fact; and
- . each "Family Controlled Entity."

The term "Family Controlled Entity" means (a) any not-for-profit corporation if at least 80% of its board of directors is composed of Mr. Smith, Mr. Egan and/or Descendants; (b) any other corporation if at least 80% of the value of its outstanding equity is owned by members of the Smith Group; (c) any partnership if at least 80% of the value of the partnership interests are owned by members of the Smith Group; and (d) any limited liability or similar company if at least 80% of the value of the company is owned by members of the Smith Group.

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Under Sonic's charter and Delaware law, the holders of Class A common stock and/or Class B common stock are each entitled to vote as a separate class, as applicable, with respect to any amendment to Sonic's Certificate that would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or modify or change the powers, preferences or special rights of the shares of such Class so as to affect such Class adversely.

DIVIDENDS

Holders of the Class A common stock and the Class B common stock are entitled to receive ratably such dividends, if any, as are declared by our Board of Directors out of funds legally available for that purpose. An additional requirement is that dividends paid in shares of Class A common stock shall be paid only to holders of Class A common stock, and dividends paid in shares of Class B common stock shall be paid only to holders of Class B common stock. Sonic's charter provides that if there is any dividend, subdivision, combination or reclassification of either Class of common stock, a proportionate dividend, subdivision, combination or reclassification of the other Class of common stock must be made at the same time.

OTHER RIGHTS

Stockholders of Sonic have no preemptive or other rights to subscribe for additional shares. In the event of the liquidation, dissolution or winding up of Sonic, holders of Class A common stock and Class B common stock are entitled to share ratably in all assets available for distribution to holders of common stock after payment in full of creditors. No shares of any Class of common stock are subject to a redemption or a sinking fund.

DELAWARE LAW, CERTAIN CHARTER AND BYLAW PROVISIONS

Certain provisions of Delaware Law and of Sonic's charter and bylaws, summarized in the following paragraphs, may be considered to have an antitakeover effect and may delay, deter or prevent a tender offer,

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proxy contest or other takeover attempt that a stockholder might consider to be in such stockholder's best interest, including such an attempt as might result in payment of a premium over the market price for shares held by stockholders.

DELAWARE ANTITAKEOVER LAW. Sonic is subject to the provisions of Delaware law, including Section 203. In general, Section 203 prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which such person became an interested stockholder unless: (a) prior to such date, the Board of Directors approved either the business combination or the transaction, which resulted in the stockholder becoming an interested stockholder; or (b) upon becoming an interested stockholder, the stockholder then owned at least 85% of the voting stock, as defined in Section 203; or (c) subsequent to such date, the business combination is approved by both the Board of Directors and by holders of at least 66 2/3% of the corporation's outstanding voting stock, excluding shares owned by the interested stockholder. For these purposes, the term "business combination" includes mergers, asset sales and other similar transactions with an "interested stockholder." An "interested stockholder" is a person who, together with affiliates and associates, owns (or, within the prior three years, did own) 15% or more of the corporation's voting stock. Although Section 203 permits a corporation to elect

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not to be governed by its provisions, Sonic to date has not made this election.

CLASSIFIED BOARD OF DIRECTORS. Sonic's bylaws provide for the Board of Directors to be divided into three classes of directors serving staggered three-year terms. As a result, approximately one-third of the Board of Directors will be elected each year. Classification of the Board of Directors expands the time required to change the composition of a majority of directors and may tend to discourage a takeover bid for Sonic. Moreover, under Delaware law, in the case of a corporation having a classified board of directors, the stockholders may remove a director only for cause. This provision, when coupled with the provision of the bylaws authorizing only the board of directors to fill vacant directorships, will preclude stockholders of Sonic from removing incumbent directors without cause, simultaneously gaining control of the Board of Directors by filling the vacancies with their own nominees.

SPECIAL MEETINGS OF STOCKHOLDERS. Sonic's bylaws provide that special meetings of stockholders may be called only by the Chairman or by the Secretary or any Assistant Secretary at the request in writing of a majority of Sonic's Board of Directors. Sonic's bylaws also provide that no action required to be taken or that may be taken at any annual or special meeting of stockholders may be taken without a meeting; the powers of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied. These provisions may make it more difficult for stockholders to take action opposed by the Board of Directors.

ADVANCE NOTICE REQUIREMENTS FOR STOCKHOLDER PROPOSALS AND DIRECTOR NOMINATIONS. Sonic's bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual or a special meeting of stockholders, must provide timely notice thereof in writing. To be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive office of Sonic, (a) in the case of an annual meeting that is called for a date that is within 30 days before or after the anniversary date of the immediately preceding annual meeting of stockholders, not less than 60 days nor more than 90 days prior to such anniversary date, and, (b) in the case of an annual meeting that is called for a date that is not within 30 days before or after the anniversary date of the immediately preceding annual meeting, or in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth day following the day on which notice of the date of the meeting was mailed or public disclosure of the date of the meeting was made, whichever occurs first. Our bylaws also specify certain requirements for a stockholder's notice to be in proper written form. These provisions may preclude some stockholders from bringing matters before the stockholders at an annual or special meeting or from making nominations for directors at an annual or special meeting.

CONFLICT OF INTEREST PROCEDURES. Sonic's charter contains provisions providing that transactions between Sonic and its affiliates must be no less favorable to Sonic than would be available in transactions involving arms'

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length dealing with unrelated third parties. Moreover, any such transaction involving aggregate payments in excess of \$500,000 must be approved by a majority of Sonic's directors and a majority of Sonic's independent directors. Otherwise, Sonic must obtain an opinion as to the financial fairness of the transactions to be issued by an investment banking or appraisal firm of national standing.

LIMITATION OF LIABILITY OF OFFICERS AND DIRECTORS

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Delaware law authorizes corporations to limit or eliminate the personal liability of officers and directors to corporations and their stockholders for monetary damages for breach of officers' and directors' fiduciary duty of care. The duty of care requires that, when acting on behalf of the corporation, officers and directors must exercise an informed business judgment based on all material information reasonably available to them. Absent the limitations authorized by Delaware law, officers and directors are accountable to corporations and their stockholders for monetary damages for conduct constituting gross negligence in the exercise of their duty of care. Delaware law enables corporations to limit available relief to equitable remedies such as injunction or rescission.

Our certificate of incorporation limits the liability of our officers and directors to us and our stockholders to the fullest extent permitted by Delaware law. Specifically, our officers and directors will not be personally liable for monetary damages for breach of an officer's or director's fiduciary duty in such capacity, except for liability

- . for any breach of the officer's or director's duty of loyalty to us or our stockholders,
- . for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law,
- . for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation law, or
- . for any transaction from which the officer or director derived an improper personal benefit.

The inclusion of this provision in our certificate of incorporation may reduce the likelihood of derivative litigation against our officers and directors, and may discourage or deter stockholders or management from bringing a lawsuit against our officers and directors for breach of their duty of care, even though such an action, if successful, might have otherwise benefited us and our stockholders.

Both our certificate of incorporation and bylaws provide indemnification to our officers and directors and certain other persons with respect to certain matters to the maximum extent allowed by Delaware law as it exists now or may hereafter be amended. These provisions do not alter the liability of officers and directors under federal securities laws and do not affect the right to sue (nor to recover monetary damages) under federal securities laws for violations thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling Sonic pursuant to the foregoing provisions, Sonic has been informed that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

TRANSFER AGENT AND REGISTRAR

Our transfer agent and registrar of our common stock is Wachovia Bank, N.A.

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We may issue Class A common stock warrants for the purchase of our Class A common stock. Class A common stock warrants are referred to in this prospectus as "Warrants." Warrants may be issued independently or together with any Class A common stock, preferred stock or Debt Securities offered by any prospectus supplement and may be attached to or separate from the Class A common stock, preferred stock or Debt Securities.

Each series of Warrants will be issued under a separate warrant agreement to be entered into between us and a bank or trust company, as warrant agent. The warrant agent will act solely as our agent in connection with warrant certificates evidencing the Warrants. The warrant agent will not assume any obligation or relationship of agency or trust for or with any holders of warrant certificates or beneficial owners of Warrants.

The following description summarizes the material terms of the form of warrant agreements and warrant certificates, which have been filed as exhibits to the registration statement of which this prospectus forms a part. You should read the warrant agreement and warrant certificates for provisions summarized below and others that may be important to you.

GENERAL

The prospectus supplement relating to a particular series of warrants will include the specific forms of the series, including, where applicable, the following:

- . the title of the Warrants;
- . the offering price;
- . the currency or currency units in which the purchase price for offered Warrants may be payable;
- . the number of shares of Class A common stock purchasable upon the exercise of a Warrant;
- . the redemption or call provisions, if any, applicable to the Warrants;
- . the date on and after which the Warrants and the related shares of Class A common stock or preferred stock or the related Debt Securities will be separately transferable;
- . the price and currency or currency units at which the shares of Class A common stock, as the case may be, may be purchased upon exercise;
- . the date on which the right to exercise the Warrants begins and the date on which the right to exercise expires (the "expiration date");
- . the minimum and maximum amount of Warrants that may be exercised at any one time;
- . the antidilution provisions of the Warrants, if any;
- . United States federal income tax consequences applicable to that Warrant;
- . whether the Warrants represented by the warrant certificates will be issued in registered or bearer form;
- . procedures for cashless exercise, if any, for the Warrants; and

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- . any other terms of the Warrants, including terms, procedures and limitations relating to exchange and exercise of the Warrants.

TRANSFERS AND EXCHANGE

Warrant certificates may be exchanged for new warrant certificates of different denominations, may, if in registered form, be presented for registration of transfer, and may be exercised at the corporate trust office of the warrant agent. We may specify other offices where these activities may be conducted in an applicable prospectus

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supplement. Before the exercise of any Warrants, holders of the Warrants will not have any of the rights of holders of Class A common stock, as applicable, purchasable upon exercise. This means holders of Warrants will not have the right to receive payments of dividends, if any, on the Class A common stock purchasable upon such exercise or to exercise any applicable right to vote.

EXERCISE

Each Warrant will entitle its holder to purchase the number of shares of Class A common stock at the exercise price that is set forth in, or calculable from, the applicable prospectus supplement. Holders will be able to exercise Warrants at any time up to the time on the expiration date set forth in the applicable prospectus supplement. After that time, or a later date to which such expiration date may be extended by us, unexercised Warrants will become void.

Holders will be able to exercise Warrants by delivering to the warrant agent at its corporate trust office warrant certificates properly completed and paying the exercise price. As soon as practicable after such delivery, we will issue and deliver to the indicated holder the shares of Class A common stock issuable upon that exercise. If fewer than all of the Warrants represented by a warrant certificate are exercised, we will issue a new warrant certificate for the remaining number of Warrants.

CERTAIN MANUFACTURER RESTRICTIONS

Under agreements between Sonic and certain manufacturers, Sonic has agreed to provide the statement provided below:

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 the offering.

Under Sonic's Dealer Agreement with General Motors ("GM"), Sonic has agreed, among other things, to disclose the following provisions:

Sonic will deliver to GM copies of all Schedules 13D and 13G, and all amendments thereto and terminations thereof, received by Sonic, within five days of receipt of such Schedules. If Sonic is aware of any ownership of its stock that should have been reported to it on Schedule 13D but that is not reported in a timely manner, it will promptly give GM written notice of such ownership, with any relevant information about the owner that Sonic possesses.

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If Sonic, through its board of directors or through stockholder action, proposes or if any person, entity or group sends Sonic a Schedule 13D, or any amendments thereto, disclosing (a) an agreement to acquire or the acquisition of aggregate ownership of more than 20% of the voting stock of Sonic and (b) Sonic, through its board of directors or through stockholder action, proposes or if any plans or proposals which relate to or would result in the following: (i) the acquisition by any person of more than 20% of the voting stock of Sonic other than for the purposes of ordinary passive investment; (ii) an extraordinary corporate transaction, such as a material merger, reorganization or liquidation, involving Sonic or a sale or transfer of a material amount of assets of Sonic and its subsidiaries; (iii) any change which, together with any changes made to the board of directors within the preceding year, would result in a change in control of the then current board of Sonic; or (iv) in the case of an entity that produces motor vehicles or controls or is controlled by or is under common control with an entity that either produces motor vehicles or is a motor vehicle franchiser, the acquisition by any person, entity or group of more than 20% of the voting stock of Sonic and any proposal by any such person, entity or group, through the Sonic board of directors or stockholder s action, to change

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the board of directors of Sonic, then, if such actions in GM's business judgment could have a material or adverse effect on its image or reputation in the GM dealerships operated by Sonic or be materially incompatible with GM's interests (and upon notice of GM's reasons for such judgment), Sonic has agreed that it will take one of the remedial actions set forth in the next paragraph within 90 days of receiving such Schedule 13D or such amendment.

If Sonic is obligated under the previous paragraph to take remedial action, it will (a) transfer to GM or its designee, and GM or its designee will acquire the assets, properties or business associated with any GM dealership operated by Sonic at fair market value as determined in accordance with GM's dealership agreement with Sonic, or (b) provide evidence to GM that such person, entity or group no longer has such threshold level of ownership interest in Sonic or that the actions described in clause (b) of the previous paragraph will not occur.

Should Sonic or its GM franchisee subsidiary enter into an agreement to transfer the assets of the GM franchisee subsidiary to a third party, the right of first refusal described in the GM dealer agreement shall apply to any such transfer.

PLAN OF DISTRIBUTION

We may sell securities pursuant to this prospectus (a) through underwriters or dealers; (b) through agents; or (c) directly to one or more purchasers, including existing stockholders in a rights offering.

BY UNDERWRITERS

If underwriters are used in the sale, the offered securities will be acquired by the underwriters for their own account. The underwriters may resell the securities in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase the securities will be subject to certain conditions. Unless indicated in the prospectus supplement the underwriters must purchase all the securities of the series offered by a

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prospectus supplement if any of the securities are purchased. Any initial public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time. The underwriters may, from time to time, effect transactions that stabilize or maintain the market price of the securities at a level above that which might otherwise prevail in the open market, such stabilizing activities, if commenced, may be discontinued at any time.

BY AGENTS

Securities may also be sold through agents. Unless indicated in the prospectus supplement, any such agent is acting on a best efforts basis for the period of its appointment.

DIRECT SALES; RIGHTS OFFERINGS

Securities may also be sold directly. In this case, no underwriters or agents would be involved. We may sell offered securities upon the exercise of rights that may be issued to our security holders.

DELAYED DELIVERY ARRANGEMENTS

We may authorize agents, underwriters or dealers to solicit offers by certain institutional investors to purchase offered securities providing for payment and delivery on a future date specified in the prospectus supplement. Institutional investors to which such offers may be made, when authorized, include commercial and savings banks, insurance companies, pension funds, investment companies, education and charitable institutions and other institutions. The obligations of any such purchasers under such delayed delivery and payment arrangements will be subject to the condition that the purchase of the offered securities will not at the time of

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delivery be prohibited under applicable law. The underwriters and such agents will not have any responsibility with respect to the validity or performance of such contracts.

GENERAL INFORMATION

Underwriters, brokers, dealers and agents that participate in the distribution of offered securities may be underwriters as defined in the Securities Act, and any discounts, concessions or commissions received by them from us and any profit on the resale of the offered securities by them may be treated as underwriting discounts and commissions under the Securities Act. Any underwriters or agents will be identified and their compensation described in a prospectus supplement. Sonic cannot presently estimate the amount of such compensation.

Underwriters, brokers, dealers and agents may engage in transactions with, or perform services for us or our subsidiaries in the ordinary course of their businesses. In order to comply with certain states' securities laws, if applicable, the shares will be sold in such jurisdictions only through registered or licensed brokers or dealers.

LEGAL MATTERS

The validity of the securities issuable under this prospectus will be passed upon for Sonic by Moore & Van Allen PLLC, Charlotte, North Carolina.

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EXPERTS

The consolidated financial statements incorporated in this prospectus by reference from Sonic Automotive, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2001 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION ABOUT SONIC

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). These reports and information relate to our business, financial condition and other matters. You may read and copy these reports, proxy statements and other information at the Commission's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the operation of the Commission's Public Reference Room in Washington, D.C. by calling the Commission at 1-800-SEC-0330. Copies may be obtained from the Commission by paying the required fees. The Commission maintains an internet web site that contains reports, proxy and information statements and other information regarding us and other registrants that file electronically with the Commission. The Commission's web site is <http://www.sec.gov>. Information that we file with the Commission may also be read and copied at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

The Commission allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring to documents we have previously filed with the Commission. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the Commission will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), until we decide to terminate this offering earlier.

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- (1) Our Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (excluding Exhibit 99.1 to such report) (File No. 001-13395);
- (2) Our Current Report on Form 8-K dated January 15, 2002 (File No. 001-13395);

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- (3) Our Current Report on Form 8-K dated April 15, 2002 (File No. 001-13395);
- (4) Our Current Report on Form 8-K dated May 3, 2002 (File No. 001-13395);
- (5) Our Amendment to Current Report on Form 8-K dated May 6, 2002 (File No. 001-13395);
- (6) Our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2002 (excluding Exhibit 99.1 to such report) (File No. 001-13395); and
- (7) The description of our Class A common stock contained in our Registration Statement on Form 8-A, as amended, filed with the Commission pursuant to Section 12 of the Exchange Act (File No. 001-13395).

We will provide upon request a free copy of any or all of the documents incorporated by reference in this prospectus (excluding exhibits to such documents unless such exhibits are specifically incorporated by reference) to anyone who receives this prospectus. Written or telephone requests should be directed to Mr. Todd Atenhan, Director of Investor Relations, P.O. Box 18747, Charlotte, North Carolina 28218, Telephone (888) 766-4218.

This prospectus is a part of our Registration Statement on Form S-3 filed with the Commission. This prospectus does not contain all of the information set forth in the registration statement and the exhibits to the registration statement. Summaries of the material provisions of material contracts or other material documents that are required to be described in this prospectus or in any other filing to which we refer you are qualified in their entirety by reference to copies of these contracts or documents, which have been filed with the Commission. 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 Commission at any of the locations listed above.

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PART II INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

Except for the SEC Registration Fee, the following table sets forth the estimated expenses in connection with the distribution of the securities covered by this Registration Statement. All of the expenses will be borne by Sonic except as otherwise indicated.

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SEC Registration fee.....	\$ 27,600
Fees and expenses of accountants..	\$ 20,000
Fees and expenses of legal counsel	\$ 25,000
Fees and expenses of Trustee.....	\$ 25,000
Printing and engraving expenses...	\$ 2,500
Miscellaneous.....	\$ 10,900

Total.....	\$111,000
	=====

Item 15. Indemnification of Directors and Officers.

Sonic's Bylaws effectively provide that Sonic shall, to the full extent permitted by Section 145 of the General Corporation Law of the State of Delaware, as amended from time to time ("Section 145"), indemnify all persons whom it may indemnify pursuant thereto. In addition, Sonic's Certificate of Incorporation eliminates personal liability of its directors to the full extent permitted by Section 102(b)(7) of the General Corporation Law of the State of Delaware, as amended from time to time ("Section 102(b)(7)").

Section 145 permits a corporation to indemnify its directors and officers against expenses (including attorney's fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by them in connection with any actions, suit or proceeding brought by a third party if such directors or officers acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reason to believe their conduct was unlawful. In a derivative action, indemnification may be made only for expenses actually and reasonably incurred by directors and officers in connection with the defense or settlement of an action or suit and only with respect to a matter as to which they shall have acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interest of the corporation, except that no indemnification shall be made if such person shall have been adjudged liable to the corporation, unless and only to the extent that the court in which the action or suit was brought shall determine upon application that the defendant officers or directors are reasonably entitled to indemnity for such expenses despite such adjudication of liability.

Section 102(b)(7) provides that a corporation may eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for willful or negligent conduct in paying dividends or repurchasing stock out of other than lawfully available funds or (iv) for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision becomes effective. Sonic maintains insurance against liabilities under the Securities Act for the benefit of its officers and directors.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

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Item 16. Exhibits.

The following documents are filed as exhibits to this Registration Statement, including those exhibits incorporated herein by reference to a prior filing of Sonic under the Securities Act or the Exchange Act as indicated in parenthesis:

Exhibit No. -----	Description -----
1.1(1)	Form of Underwriting Agreement (for equity securities).
1.2(1)	Form of Underwriting Agreement (for debt securities).
1.3(1)	Form of Selling Agency Agreement.
2.1(2)	Asset Purchase Agreement dated as of January 11, 2002 by and among Sonic and The Dona Massey Revocable Trust (the "Trust") (incorporated by reference to Exhibit 2.1 to S Current Report on Form 8-K dated April 15, 2002 (the "Form 8-K")).
2.2(2)	Stock Purchase Agreement dated as of January 11, 2002 by and among Sonic and the Trust (incorporated by reference to Exhibit 2.2 to the Form 8-K).
2.3(2)	Stock Purchase Agreement dated as of January 11, 2002 by and among Sonic and the Trust (incorporated by reference to Exhibit 2.3 to the Form 8-K).
4.1	Amended and Restated Certificate of Incorporation of Sonic (incorporated by reference to Exhibit 3.1 to Sonic's Registration Statement on Form S-1 (Reg. No. 333-33295) (the "Form S-1")).
4.2	Certificate of Amendment to Sonic's Amended and Restated Certificate of Incorporation dated June 18, 1999 (incorporated by reference to Exhibit 3.2 to Sonic's Annual Report on Form 10-K for the year ended December 31, 1999).
4.3	Bylaws of Sonic (incorporated by reference to Exhibit 3.4 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2001).
4.4	Specimen Certificate representing Class A common stock (incorporated by reference to Exhibit 4.1 to the Form S-1).
4.5	Form of Senior Indenture (incorporated by reference to Exhibit 4.6 to Sonic's Registration Statement on Form S-3 (Reg. No. 333-50430 and Reg. Nos. 333-50430-01 through 333-50430-G7) (the "Form S-3")).
4.6	Form of Subordinated Indenture (incorporated by reference to Exhibit 4.7 to the Form S-3).
4.7	Form of Senior Debt Securities (incorporated by reference to Exhibit 4.8 to the Form S-3).
4.8	Form of Subordinated Debt Securities (incorporated by reference to Exhibit 4.9 to the Form S-3).
5.1	Opinion of Moore & Van Allen PLLC regarding the legality of the securities being registered.
12.1*	Computation of Ratio of Earnings to Fixed Charges.

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- 23.1 Consent of Deloitte & Touche LLP.
- 23.3 Consent of Moore & Van Allen PLLC (included in Exhibit 5.1).
- 24.1* Powers of Attorney (included in Signature Pages of Registration Statement).
- 25.1(3) Form T-1 Statement of Eligibility and Qualification Under Trust Indenture Act of 1939

* Previously filed.

- (1) To be filed as an exhibit to a Current Report on Form 8-K filed by Sonic, from time to time as an underwritten issuance of such securities is contemplated.
- (2) Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Commission.
- (3) To be filed in accordance with the requirements of Section 305(b)(2) of the Trust Indenture Act and Rule 5b-3 promulgated thereunder.

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Item 17. Undertakings

(a) The registrants hereby undertake:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement. Notwithstanding the foregoing, any increase or decrease in the volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in the registration statement;

provided, however, that the undertakings set forth in paragraphs (a)(1)(i) and (a)(1)(ii) above do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Securities and Exchange Commission by Sonic pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934

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that are incorporated by reference in this registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (b) The registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of Sonic's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by a registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by them is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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- (d) The registrants hereby undertake that:
 - (1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of a registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrants pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.
 - (2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (e) The registrants hereby undertake to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act ("TIA") in accordance with the rules and regulations prescribed by the Commission under Section 305(6) (2) of the TIA.

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SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC AUTOMOTIVE, INC.

By: /s/ THEODORE M. WRIGHT

Theodore M. Wright

Chief Financial Officer,
Vice President and Treasurer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature -----	Title -----	Date ----
* ----- O. Bruton Smith	Chairman, Chief Executive Officer and Director (principal executive officer)	June 7, 2002
----- Thomas A. Price	Vice Chairman and Director	, 2002
* ----- B. Scott Smith	President, Chief Operating Officer and Director	June 7, 2002
/s/ THEODORE M. WRIGHT ----- Theodore M. Wright	Chief Financial Officer (principal financial and accounting officer), Vice President, Treasurer and Director	June 7, 2002
* ----- Jeffrey C. Rachor	Executive Vice President of Retail Operations and Director	June 7, 2002
* ----- William R. Brooks	Director	June 7, 2002

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* Director June 7, 2002

 William P. Benton

----- Director , 2002
 William I Belk

* Director June 7, 2002

 H. Robert Heller

----- Director , 2002
 Maryann N. Keller

* Director June 7, 2002

 Robert L. Rewey

----- Director , 2002
 Thomas P. Capo

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrant's Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

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SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

ARNGAR, INC.
 AUTOBAHN, INC.
 AVALON FORD, INC.

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CAPITOL CHEVROLET AND IMPORTS, INC.
COBB PONTIAC CADILLAC, INC.
FA SERVICE CORPORATION
FAA AUTO FACTORY, INC.
FAA BEVERLY HILLS, INC.
FAA CAPITOL F, INC.
FAA CONCORD H, INC.
FAA CONCORD N, INC.
FAA DUBLIN N, INC.
FAA DUBLIN VWD, INC.
FAA HOLDING CORP.
FAA MARIN D, INC.
FAA MARIN F, INC.
FAA MARIN LR, INC.
FAA POWAY D, INC.
FAA POWAY G, INC.
FAA POWAY H, INC.
FAA SANTA MONICA V, INC.
FAA SERRAMONTE H, INC.
FAA SERRAMONTE, INC.
FAA STEVENS CREEK, INC.
FAA TORRANCE CPJ, INC.
FORT MILL FORD, INC.
FRANCISCAN MOTORS, INC.
FRONTIER OLDSMOBILE-CADILLAC, INC.
HMC FINANCE ALABAMA, INC.
KRAMER MOTORS INCORPORATED
L DEALERSHIP GROUP, INC.
MARCUS DAVID CORPORATION
RIVERSIDE NISSAN, INC.
ROYAL MOTOR COMPANY, INC.
SANTA CLARA IMPORTED CARS, INC.
SMART NISSAN, INC.
SONIC AUTOMOTIVE - 1400 AUTOMALL DRIVE,
COLUMBUS, INC.
SONIC AUTOMOTIVE - 1455 AUTOMALL DRIVE,
COLUMBUS, INC.
SONIC AUTOMOTIVE - 1495 AUTOMALL DRIVE,
COLUMBUS, INC.
SONIC AUTOMOTIVE - 1500 AUTOMALL DRIVE,
COLUMBUS, INC.
SONIC AUTOMOTIVE - 3700 WEST BROAD STREET,
COLUMBUS, INC.

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SONIC AUTOMOTIVE - 4000 WEST BROAD STREET,
COLUMBUS, INC.
SONIC AUTOMOTIVE 2424 LAURENS RD.,
GREENVILLE, INC.

SONIC AUTOMOTIVE 2752 LAURENS RD.,
GREENVILLE, INC.

SONIC - BETHANY H, INC.

SONIC - BUENA PARK H, INC.
SONIC - CAPITAL CHEVROLET, INC.
SONIC - CARSON F, INC.

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SONIC - CARSON LM, INC.
SONIC - CLASSIC DODGE, INC.

SONIC - COAST CADILLAC, INC.

SONIC - DOWNEY CADILLAC, INC.
SONIC - ENGLEWOOD M, INC.
SONIC ESTORE, INC.
SONIC - FORT MILL CHRYSLER JEEP, INC.
SONIC - FORT MILL DODGE, INC.
SONIC - GLOVER, INC.
SONIC - HARBOR CITY H, INC.
SONIC - LONE TREE CADILLAC, INC.
SONIC - MANHATTAN FAIRFAX, INC.
SONIC - MANHATTAN WALDORF, INC.
SONIC - MASSEY CHEVROLET, INC.
SONIC - MASSEY PONTIAC BUICK GMC, INC.
SONIC - MONTGOMERY FLM, INC.

SONIC - NEWSOME CHEVROLET WORLD, INC.

SONIC - NEWSOME OF FLORENCE, INC.
SONIC - NORTH CHARLESTON, INC.
SONIC - NORTH CHARLESTON DODGE, INC.
SONIC - RIVERSIDE, INC.
SONIC - RIVERSIDE AUTO FACTORY, INC.
SONIC - ROCKVILLE IMPORTS, INC.
SONIC - ROCKVILLE MOTORS, INC.
SONIC - STEVENS CREEK B, INC.
SONIC - WEST COVINA T, INC.
SONIC - WEST RENO CHEVROLET, INC.
SONIC - WILLIAMS BUICK, INC.
SONIC - WILLIAMS CADILLAC, INC.
SONIC - WILLIAMS IMPORTS, INC.
SPEEDWAY CHEVROLET, INC.
STEVENS CREEK CADILLAC, INC.
TOWN AND COUNTRY FORD, INCORPORATED
TRANSCAR LEASING, INC.
VILLAGE IMPORTED CARS, INC.
WINDWARD, INC.

By: /s/ THEODORE M. WRIGHT
--
Theodore M. Wright
Vice President

II-8

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Name	Title	Date
----	-----	----

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* President and Director (principal June 7, 2002
----- executive officer)
O. Bruton Smith

* Vice President and Director June 7, 2002

B. Scott Smith

/s/ THEODORE M. WRIGHT Vice President, Treasurer, and Director June 7, 2002

Theodore M. Wright

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrants' Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-9

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

FIRSTAMERICA AUTOMOTIVE, INC.

By: /s/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Name	Title	Date
----	-----	----
* Chairman, Chief Executive Officer and		June 7, 2002

Edgar Filing: SRE TEXAS 8 LP - Form S-3/A

----- Director (principal executive officer)
O. Bruton Smith

* President and Director June 7, 2002

B. Scott Smith

/s/ THEODORE M. WRIGHT Vice President, Treasurer, and Director June 7, 2002

Theodore M. Wright

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrant's Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-10

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

- FREEDOM FORD, INC.
- SONIC AUTOMOTIVE - BONDESEN, INC.
- SONIC AUTOMOTIVE - CLEARWATER, INC.
- SONIC AUTOMOTIVE COLLISION CENTER OF CLEARWATER, INC.
- SONIC AUTOMOTIVE - 1307 N. DIXIE HWY., NSB, INC.
- SONIC AUTOMOTIVE - 1720 MASON AVE., DB, INC.
- SONIC AUTOMOTIVE - 1919 N. DIXIE HWY., NSB, INC.
- SONIC AUTOMOTIVE - 21699 U.S. HWY 19 N., INC.
- SONIC AUTOMOTIVE - 241 RIDGEWOOD AVE., HH, INC.
- SONIC AUTOMOTIVE - 6008 N. DALE MABRY, FL, INC.
- SONIC - FM, INC.
- SONIC - FM VW, INC.
- SONIC - FREELAND, INC.
- SONIC - LLOYD NISSAN, INC.

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SONIC - LLOYD PONTIAC - CADILLAC, INC.
SONIC - NORTH CADILLAC, INC.
SONIC - SANFORD CADILLAC, INC.
SONIC - SHOTTENKIRK, INC.

By: /s/ THEODORE M. WRIGHT

Theodore M. Wright

Vice President

II-11

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature -----	Title -----	Date ----
* ----- O. Bruton Smith	Director	June 7, 2002
* ----- B. Scott Smith	President and Director (principal executive officer)	June 7, 2002
/s/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer, and Director	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrants' Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-12

SIGNATURES

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Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC AUTOMOTIVE - 9103 E. INDEPENDENCE,
NC, LLC
SONIC DEVELOPMENT, LLC

SONIC - LAKE NORMAN CHRYSLER JEEP, LLC

SONIC - LAKE NORMAN DODGE, LLC
SONIC - WILLIAMS MOTORS, LLC
SRE HOLDING, LLC
SRE ALABAMA-2, LLC
SRE ALABAMA-3, LLC
SREALESTATE ARIZONA-1, LLC
SREALESTATE ARIZONA-2, LLC
SREALESTATE ARIZONA-3, LLC
SREALESTATE ARIZONA-4, LLC
SRE SOUTH CAROLINA-2, LLC
SRE SOUTH CAROLINA-3, LC
SRE SOUTH CAROLINA-4, LLC
SRE TENNESSEE-1, LLC
SRE TENNESSEE-2, LLC
SRE TENNESSEE-3, LLC
SRE VIRGINIA-1, LLC

By: /s/ THEODORE M. WRIGHT

Theodore M. Wright

Vice President

II-13

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature -----	Title -----	Date ----
* ----- O. Bruton Smith	President and Manager (principal executive officer)	June 7, 2002
* ----- B. Scott Smith	Vice President and Manager	June 7, 2002

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/s/ THEODORE M. WRIGHT Vice President, Treasurer, and Manager June 7, 2002

Theodore M. Wright

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrants' Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-14

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

- SONIC AUTOMOTIVE - 1720 MASON AVE.,
DB, LLC
- SONIC - FM AUTOMOTIVE, LLC
- SRE FLORIDA-1, LLC
- SRE FLORIDA-2, LLC
- SRE FLORIDA-3, LLC
- SRE NEVADA-1, LLC
- SRE NEVADA-2, LLC
- SRE NEVADA-3, LLC
- SRE NEVADA-4, LLC
- SRE NEVADA-5, LLC

By: /s/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

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Signature -----	Title -----	Date ----
* ----- O. Bruton Smith	Manager	June 7, 2002
* ----- B. Scott Smith	President and Manager (principal executive officer)	June 7, 2002
/s/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer, and Manager	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrants' Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-15

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC AUTOMOTIVE OF GEORGIA, INC.
On behalf of itself and the
following entities as General
Partner:
SONIC - GLOBAL IMPORTS, L.P.
SONIC PEACHTREE INDUSTRIAL
BLVD., L.P.
SRE GEORGIA-1, L.P.
SRE GEORGIA-2, L.P.
SRE GEORGIA-3, L.P.

By: /s/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

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Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature -----	Title -----	Date ----
* ----- O. Bruton Smith	President (principal executive officer)	June 7, 2002
* ----- B. Scott Smith	Vice President and Director	June 7, 2002
/s/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer, and Director	June 7, 2002
* ----- Peggy McFarland	Assistant Secretary, Assistant Treasurer and Director	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrants' Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-16

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

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SONIC OF TEXAS, INC.

On behalf of itself and the following entities as General Partner:

PHILPOTT MOTORS, LTD
SONIC AUTOMOTIVE OF TEXAS, L.P.
SONIC AUTOMOTIVE - 3401 N.
MAIN, TX, L.P.
SONIC AUTOMOTIVE - 4701 I-10
EAST, TX, L.P.
SONIC AUTOMOTIVE - 5221 I-10
EAST, TX, L.P.
SONIC - CADILLAC D, L.P.
SONIC - CAMP FORD, L.P.
SONIC - CARROLLTON V, L.P.
SONIC - FORT WORTH T, L.P.
SONIC - HOUSTON V, L.P.
SONIC - LUTE RILEY, L.P.
SONIC - MASSEY CADILLAC, L.P.
SONIC - READING, L.P.
SONIC - RICHARDSON F, L.P.
SONIC - SAM WHITE NISSAN, L.P.
SONIC - UNIVERSITY PARK A, L.P.
SRE TEXAS-1, L.P.
SRE TEXAS-2, L.P.
SRE TEXAS-3, L.P.
SRE TEXAS-4, L.P.
SRE TEXAS-5, L.P.
SRE TEXAS-6, L.P.
SRE TEXAS-7, L.P.
SRE TEXAS-8, L.P.

By: /s/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

II-17

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature -----	Title -----	Date ----
* ----- O. Bruton Smith	President (principal executive officer)	June 7, 2002
* ----- B. Scott Smith	Vice President and Director	June 7, 2002

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/s/ THEODORE M. WRIGHT Vice President, Treasurer, and Director June 7, 2002

Theodore M. Wright

* Assistant Secretary, Assistant Treasurer and Director June 7, 2002

Roger A. Elswick

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrants' Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-18

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC - VOLVO LV, LLC

By: /s/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature

Title

Date

* Chief Executive Officer June 7, 2002
----- (principal executive officer)
O. Bruton Smith

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*	President and Manager	June 7, 2002

B. Scott Smith		
/S/ THEODORE M. WRIGHT	Vice President, Treasurer and Manager	June 7, 2002

Theodore M. Wright		
*	Manager	June 7, 2002

Jeffrey C. Rachor		

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrant's Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-19

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC - INTEGRITY DODGE LV, LLC
SONIC - LAS VEGAS C EAST, LLC
SONIC - LAS VEGAS C WEST, LLC

By: /S/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature	Title	Date
-----	-----	-----

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* ----- O. Bruton Smith	Chief Executive Officer (principal executive officer)	June 7, 2002
* ----- B. Scott Smith	President and Manager	June 7, 2002
/S/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer and Manager	June 7, 2002
* ----- Jeffrey C. Rachor	Manager	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrants' Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-20

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC AUTOMOTIVE OF TENNESSEE,
INC.

By: /S/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

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Signature -----	Title -----	Date ----
* ----- B. Scott Smith	President, Chief Executive Officer and Director (principal executive officer)	June 7, 2002
/S/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer and Director	June 7, 2002
* ----- Jeffrey C. Rachor	Director	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrant's Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-21

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC AUTOMOTIVE - 3741 S. NOVA
RD., PO, INC.

By: /S/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the

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capacities and on the date indicated:

Signature -----	Title -----	Date -----
* ----- B. Scott Smith	President and Director (principal executive officer)	June 7, 2002
/S/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer and Director	June 7, 2002
* ----- Jeffrey C. Rachor	Director	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrant's Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-22

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

FAA CAPITOL N, INC.
FAA CONCORD T, INC.
FAA POWAY T, INC.
FAA SAN BRUNO, INC.
FAA SERRAMONTE L, INC.

By: /S/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Edgar Filing: SRE TEXAS 8 LP - Form S-3/A

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature -----	Title -----	Date -----
* ----- O. Bruton Smith	President and Director (principal executive officer)	June 7, 2002
* ----- B. Scott Smith	Vice President and Director	June 7, 2002
/s/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer, and Director	June 7, 2002
* ----- Thomas A. Price	Vice President and Director	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrants' Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-23

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

FAA LAS VEGAS H, INC.

By: /s/ THEODORE M. WRIGHT

Edgar Filing: SRE TEXAS 8 LP - Form S-3/A

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature -----	Title -----	Date -----
* ----- O. Bruton Smith	Chairman, Chief Executive Officer and Director (principal executive officer)	June 7, 2002
/S/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer, and Director	June 7, 2002
* ----- David Plummer	Assistant Secretary and Director	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrant's Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-24

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC AUTOMOTIVE OF NEVADA, INC.

By: /S/ THEODORE M. WRIGHT

Theodore M. Wright

Edgar Filing: SRE TEXAS 8 LP - Form S-3/A

Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature -----	Title -----	Date -----
* ----- O. Bruton Smith	Chief Executive Officer and Director (principal executive officer)	June 7, 2002
* ----- Theodore M. Wright	Vice President and Director	June 7, 2002
* ----- David Plummer	Assistant Secretary, Treasurer and Director	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrant's Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-25

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC RESOURCES, INC.

By: /s/ THEODORE M. WRIGHT

Edgar Filing: SRE TEXAS 8 LP - Form S-3/A

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature -----	Title -----	Date ----
* ----- B. Scott Smith	President and Director (principal executive officer)	June 7, 2002
/S/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer, and Director	June 7, 2002
* ----- David Plummer	Assistant Secretary, Assistant Treasurer and Director	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrant's Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-26

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC AUTOMOTIVE F&I, LLC
SONIC AUTOMOTIVE WEST, LLC

By: /S/ THEODORE M. WRIGHT

Edgar Filing: SRE TEXAS 8 LP - Form S-3/A

 Theodore M. Wright
 Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature -----	Title -----	Date ----
* ----- O. Bruton Smith	Chairman and Chief Executive Officer (principal executive officer)	June 7, 2002
/S/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer, and Manager	June 7, 2002
* ----- Gail M. Syfert	Assistant Secretary, Assistant Treasurer and Manager	June 7, 2002
* ----- David Plummer	Assistant Secretary, Assistant Treasurer and Manager	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrants' Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-27

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

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MASSEY CADILLAC, INC.
SONIC - CAPITOL CADILLAC, INC.
SONIC - PLYMOUTH CADILLAC, INC.

By: /S/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature -----	Title -----	Date -----
* ----- B. Scott Smith	President and Director (principal executive officer)	June 7, 2002
/S/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer, and Director	June 7, 2002
* ----- David Plummer	Assistant Secretary and Director	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrants' Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-28

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

Edgar Filing: SRE TEXAS 8 LP - Form S-3/A

MASSEY CADILLAC, INC.

By: /S/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature	Title	Date
-----	-----	-----
* ----- B. Scott Smith	President and Director (principal executive officer)	June 7, 2002
/S/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer, and Director	June 7, 2002
* ----- Roger Elswick	Director	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrant's Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-29

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

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SRE CALIFORNIA-1, LLC
SRE CALIFORNIA-2, LLC
SRE CALIFORNIA-3, LLC
SRE CALIFORNIA-4, LLC
SRE CALIFORNIA-5, LLC
SRE CALIFORNIA-6, LLC
SRE MICHIGAN-1, LLC
SRE MICHIGAN-2, LLC
SRE MICHIGAN-3, LLC
SRE SOUTH CAROLINA-3, LLC
SRE SOUTH CAROLINA-4, LLC

By: /S/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature -----	Title -----	Date ----
* ----- O. Bruton Smith	Chief Executive Officer and Manager (principal executive officer)	June 7, 2002
* ----- B. Scott Smith	President and Manager	June 7, 2002
/S/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer and Manager	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrants' Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

Edgar Filing: SRE TEXAS 8 LP - Form S-3/A

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC AUTOMOTIVE OF CHATTANOOGA,
 LLC
 SONIC AUTOMOTIVE OF NASHVILLE, LLC
 SONIC AUTOMOTIVE - 2490 SOUTH LEE
 HIGHWAY, LLC
 SONIC AUTOMOTIVE - 6025
 INTERNATIONAL DRIVE, LLC
 SONIC - 2185 CHAPMAN ROAD,
 CHATTANOOGA, LLC
 SONIC - CREST CADILLAC, LLC
 SONIC - CREST H, LLC
 SONIC - SUPERIOR OLDSMOBILE, LLC
 TOWN AND COUNTRY FORD OF
 CLEVELAND, LLC
 TOWN AND COUNTRY JAGUAR, LLC

By: /s/ THEODORE M. WRIGHT

 Theodore M. Wright
 Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Name -----	Title -----	Date -----
* ----- Jeffrey C. Rachor	Chief Manager and Governor	June 7, 2002
* ----- O. Bruton Smith	President	June 7, 2002
* ----- B. Scott Smith	Vice President and Governor	June 7, 2002
/s/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer and Governor	June 7, 2002

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Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrants' Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-31

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC - LS, LLC

On behalf of itself and the following entity as General Partner

SONIC - LS CHEVROLET, L.P.

SRE SOUTH CAROLINA-2, LLC

SRE TENNESSEE-1, LLC

SRE TENNESSEE-2, LLC

SRE TENNESSEE-3, LLC

SRE VIRGINIA-1, LLC

By: /s/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Name

Title

Date

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* President and Manager (principal June 7, 2002
----- executive officer)
O. Bruton Smith

* Vice President and Manager June 7, 2002

B. Scott Smith

/s/ THEODORE M. WRIGHT Vice President, Treasurer and June 7, 2002
----- Manager
Theodore M. Wright

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrants' Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-32

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC AUTOMOTIVE 5260
PEACHTREEINDUSTRIAL BLVD., LLC

By: /s/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Name Title Date

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* President and Governor June 7, 2002

(principal executive officer)
O. Bruton Smith

* Vice President and Governor June 7, 2002

B. Scott Smith

/s/ THEODORE M. WRIGHT Vice President, Treasurer and June 7, 2002

Governor
Theodore M. Wright

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrant's Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-33

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC AUTOMOTIVE - 5585
PEACHTREEINDUSTRIAL BLVD., LLC

By: /s/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Name Title Date

Edgar Filing: SRE TEXAS 8 LP - Form S-3/A

* President (principal executive June 7, 2002
----- officer)
O. Bruton Smith

* Vice President and Governor June 7, 2002

B. Scott Smith

/s/ THEODORE M. WRIGHT Vice President, Treasurer and June 7, 2002
----- Governor
Theodore M. Wright

* Assistant Secretary, Assistant June 7, 2002
----- Treasurer and Governor
Peggy McFarland

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrant's Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-34

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Charlotte, state of North Carolina, on June 7, 2002.

SONIC AUTOMOTIVE
SERVICINGCOMPANY, LLC

By: /s/ THEODORE M. WRIGHT

Theodore M. Wright
Vice President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities and on the date indicated:

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Name -----	Title -----	Date -----
* ----- O. Bruton Smith	Chairman and Chief Executive Officer (principal executive officer)	June 7, 2002
* ----- B. Scott Smith	President	June 7, 2002
/s/ THEODORE M. WRIGHT ----- Theodore M. Wright	Vice President, Treasurer and Manager	June 7, 2002
* ----- Gail M. Syfert	Assistant Secretary, Assistant Treasurer and Manager	June 7, 2002
* ----- David Plummer	Assistant Secretary, Assistant Treasurer and Manager	June 7, 2002

Theodore M. Wright, by signing his name below, signs this document on behalf of each of the above-named persons specified with an asterisk (*), pursuant to a power of attorney duly executed by such persons, filed with the Securities and Exchange Commission in the Registrant's Registration Statement on Form S-3 on April 19, 2002.

/s/ THEODORE M. WRIGHT

Attorney-in-fact

II-35

EXHIBIT INDEX

Exhibit No. -----	Description -----
1.1(1)	Form of Underwriting Agreement (for equity securities).
1.2(1)	Form of Underwriting Agreement (for debt securities).
1.3(1)	Form of Selling Agency Agreement.
2.1(2)	Asset Purchase Agreement dated as of January 11, 2002 by and among Sonic and The Dona

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Massey Revocable Trust (the "Trust") (incorporated by reference to Exhibit 2.1 to S Current Report on Form 8-K dated April 15, 2002 (the "Form 8-K")).

- 2.2(2) Stock Purchase Agreement dated as of January 11, 2002 by and among Sonic and the Trust (incorporated by reference to Exhibit 2.2 to the Form 8-K).
- 2.3(2) Stock Purchase Agreement dated as of January 11, 2002 by and among Sonic and the Trust (incorporated by reference to Exhibit 2.3 to the Form 8-K).
- 4.1 Amended and Restated Certificate of Incorporation of Sonic (incorporated by reference to Exhibit 3.1 to Sonic's Registration Statement on Form S-1 (Reg. No. 333-33295) (the "Form S-1")).
- 4.2 Certificate of Amendment to Sonic's Amended and Restated Certificate of Incorporation dated June 18, 1999 (incorporated by reference to Exhibit 3.2 to Sonic's Annual Report on Form 10-K for the year ended December 31, 1999).
- 4.3 Bylaws of Sonic (incorporated by reference to Exhibit 3.4 to Sonic's Annual Report on Form 10-K for the year ended December 31, 2001).
- 4.4 Specimen Certificate representing Class A common stock (incorporated by reference to Exhibit 4.1 to the Form S-1)).
- 4.5 Form of Senior Indenture (incorporated by reference to Exhibit 4.6 to Sonic's Registration Statement on Form S-3 (Reg. No. 333-50430 and Reg. Nos. 333-50430-01 through 333-50430-G7) (the "Form S-3")).
- 4.6 Form of Subordinated Indenture (incorporated by reference to Exhibit 4.7 to the Form S-3).
- 4.7 Form of Senior Debt Securities (incorporated by reference to Exhibit 4.8 to the Form S-3).
- 4.8 Form of Subordinated Debt Securities (incorporated by reference to Exhibit 4.9 to the Form S-3).
- 5.1 Opinion of Moore & Van Allen PLLC regarding the legality of the securities being registered.
- 12.1* Computation of Ratio of Earnings to Fixed Charges.
- 23.1 Consent of Deloitte & Touche LLP.
- 23.3 Consent of Moore & Van Allen PLLC (included in Exhibit 5.1).
- 24.1* Powers of Attorney (included in Signature Pages of Registration Statement).
- 25.1(3) Form T-1 Statement of Eligibility and Qualification Under Trust Indenture Act of 1939

* Previously filed.

- (1) To be filed as an exhibit to a Current Report on Form 8-K filed by Sonic, from time to time as an underwritten issuance of such securities is contemplated.
- (2) Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Commission.
- (3) To be filed in accordance with the requirements of Section 305(b)(2) of the Trust Indenture Act and Rule 5b-3 promulgated thereunder.