

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
AMENDMENT NO. 1

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date to earliest event reported): July 9, 1998

SONIC AUTOMOTIVE, INC.

(Exact name of registrant as Specified in Charter)

Delaware	1-13395	56-2010790
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5401 East Independence Boulevard
P.O. Box 18747
Charlotte, North Carolina

28026

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (704) 532-3320

(Former Name or Former Address, if Changed Since Last Report)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(A) FINANCIAL STATEMENTS OF BUSINESS ACQUIRED. Incorporated by reference to exhibit 99.2 to the Company's Form 8-K filed July 9, 1998 (the "July 9, 1998 Form 8-K").

(B) PRO FORMA FINANCIAL INFORMATION. Attached as an exhibit to this report on Form 8-K are the following:

UNAUDITED PRO FORMA FINANCIAL STATEMENTS REFLECTING THE BUSINESS COMBINATION OF SONIC AUTOMOTIVE, INC. AND HATFIELD DEALERSHIPS

Pro Forma Statement of Income for the Year Ended December 31, 1997
(Unaudited) and Notes thereto.

Pro Forma Statement of Income for the Three Months Ended March 31, 1998
(Unaudited) and Notes thereto.

Pro Forma Balance Sheet at March 31, 1998 (Unaudited) and Notes thereto.

(C) EXHIBITS

Exhibit Number	Description
99.1*	Asset Purchase Agreement dated as of February 4, 1998 between Sonic Automotive, Inc., as buyer, Hatfield Jeep Eagle, Inc., Hatfield Lincoln Mercury, Inc., Trader Bud's Westside Dodge, Inc., Toyota West, Inc., and Hatfield Hyundai, Inc. as sellers, and Bud C. Hatfield, Dan E. Hatfield and Dan E. Hatfield, as trustee of The Bud C. Hatfield, Sr. Special Irrevocable Trust, as shareholders of the sellers

(incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998 (the "March 31, 1998 Form 10-Q")).

- 99.2* Amendment No. 1 and Supplement to Asset Purchase Agreement dated as of May 28, 1998 between Sonic Automotive, Inc., Hatfield Jeep Eagle, Inc., Hatfield Lincoln Mercury, Inc., Trader Bud's Westside Dodge, Inc., Toyota West, Inc., and Hatfield Hyundai, Inc., Bud C. Hatfield, Dan E. Hatfield and Dan E. Hatfield, as trustee of The Bud C. Hatfield, Sr. Special Irrevocable Trust (incorporated by reference to Exhibit 99.6 to the July 9, 1998 Form 8-K).
- 99.3* Amendment No. 2 and Supplement to Asset Purchase Agreement dated as of July 8, 1998 between Sonic Automotive, Inc., Hatfield Jeep Eagle, Inc., Hatfield Lincoln Mercury, Inc., and Hatfield Hyundai, Inc., Bud C. Hatfield, Dan E. Hatfield and Dan E. Hatfield, as trustee of The Bud C. Hatfield, Sr. Special Irrevocable Trust (incorporated by reference to Exhibit 99.9 to the Company's Form 8-K filed July 24, 1998 (the "July 24, 1998 Form 8-K")).
- 99.4* Combined Financial Statements of the Hatfield Automotive Group as of December 31, 1996 and 1997 and for each of the three years in the period ending December 31, 1997 (Audited) and as of March 31, 1998 and for the three months then ended (Unaudited) (incorporated by reference to Exhibit 99.2 to the July 9, 1998 Form 8-K).

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- 99.5 Unaudited Pro Forma Financial Statements Reflecting the Business Combination of Sonic Automotive, Inc. and Hatfield Dealerships for the year ended December 31, 1997 and as of March 31, 1998 and for the three months then ended.
- 99.6* Press Release dated July 9, 1998 (incorporated by reference to Exhibit 99.6 to the July 24, 1998 Form 8-K).
- 99.7* Strategic Alliance Agreement and Agreement for the Mutual Referral of Acquisition Opportunities dated July 9, 1998, between Sonic Automotive, Inc. and Mar Mar Realty, L.P. (incorporate by reference to Exhibit 99.7 to the July 24, 1998 Form 8-K).

*Filed Previously

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SIGNATURES

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

SONIC AUTOMOTIVE, INC.

Date: August 20, 1998

By: /s/ Theodore M. Wright

Theodore M. Wright
Chief Financial
Officer, Vice
President-Finance,
Treasurer, Secretary
and Director

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UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL DATA

The following unaudited pro forma consolidated statement of operations for the year ended December 31, 1997 reflects the historical accounts of the Company for that period, adjusted giving effect to the acquisitions of Lake Norman Dodge, Inc. and Affiliated Companies, Ken Marks Ford, Inc., Dyer & Dyer, Inc. and the Bowers Dealerships and Affiliated Companies in 1997 (the "1997 Acquisitions"), the acquisitions of Clearwater Dealerships and Affiliated Companies effective January 1, 1998 (the "Clearwater Acquisition" and, together with the 1997 Acquisitions, the "Completed Acquisitions"), and the Hatfield Acquisition (collectively, the "Acquisitions"), as if such acquisitions had occurred on the first day of the period presented. The following unaudited pro forma consolidated statement of operations for the three months ended March 31, 1998 reflects the historical accounts of the Company for that period, adjusted to give effect to the Hatfield Acquisition, as if such acquisition had occurred on the first day of the period presented. The following unaudited pro forma consolidated balance sheet as of March 31, 1998 reflects the historical accounts of the Company as of that date as adjusted to give effect to the Hatfield Acquisition as if such acquisition had occurred on March 31, 1998.

The unaudited pro forma consolidated financial data and accompanying notes should be read in conjunction with the Consolidated Financial Statements and related notes of the Company as included in its Annual Report on Form 10-K dated March 31, 1998 and its Quarterly Report on Form 10-Q dated May 14, 1998, the financial statements and related notes of the Bowers Dealerships and Affiliated Companies, Lake Norman Dodge, Inc. and Affiliated Companies, Ken Marks Ford, Inc. and Dyer and Dyer, Inc. as included in the Company's Prospectus dated November 10, 1997, as well as the financial statements and related notes of the Hatfield Automotive Group as included herein by exhibit 99.3 and as incorporated by reference to exhibit 99.2 to the Company's Form 8-K dated July 9, 1998. The Company believes that the assumptions used in the following statements provide a reasonable basis on which to present the unaudited pro forma financial data. The unaudited pro forma consolidated financial data are provided for informational purposes only and should not be construed to be indicative of the Company's financial condition or results of operations had the transactions described above been consummated on the dates assumed, and are not intended to project the Company's financial condition on any future date or its results of operations for any future period.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 1997
(IN THOUSANDS EXCEPT PER SHARE DATA)

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	COMPLETED ACQUISITIONS				
	ACTUAL (A)	1997 ACQUISITIONS (B)	CLEARWATER ACQUISITION	PRO-FORMA ADJUSTMENTS FOR THE COMPLETED ACQUISITIONS	PRO-FORMA FOR THE COMPLETED ACQUISITIONS
Revenues:					
Vehicle sales	\$ 467,858	\$ 364,756	\$ 108,812	\$ -	\$ 941,426
Parts, service, and collision repair	57,537	42,164	10,500		110,201
Finance and insurance	10,606	7,723	2,587	346 (c)	21,262
Total Revenues	536,001	414,643	121,899	346	1,072,889
Cost of Sales	471,253	360,794	105,786	(371) (d)	937,462
Gross Profit	64,748	53,849	16,113	717	135,427
Selling, general & administrative expenses	48,520	41,909	12,226	(4,093) (e) 1,183 (f)	99,745
Management bonus					-
Depreciation and amortization	1,322	914	390	(179) (f) (303) (g) 1,581 (h)	3,725
Operating income	14,906	11,026	3,497	2,528	31,957
Interest expense, floorplan	8,007	4,722	779	(1,864) (i)	11,644
Interest expense, other	1,199	234	721	(690) (f) 3,949 (j) 267 (k) (286) (l)	5,394
Other income	298	180	194		672

Income (loss) before income taxes and minority interest	5,998	6,250	2,191	1,152	15,591
Provision for income taxes	2,249	178	-	627 (m)	5,979
				2,925 (n)	
Income (loss) before minority interest	3,749	6,072	2,191	(2,400)	9,612
Minority interest in earnings of subsidiary	47	-	-		47
Net Income (Loss)	\$ 3,702	\$ 6,072	\$ 2,191	\$ (2,400)	\$ 9,565
Basic net income per share (o)	\$ 0.53				
Weighted average shares outstanding (o)	6,949				
Diluted net income per share (o)	\$ 0.53				
Weighted average shares outstanding (o)	6,949				

HATFIELD ACQUISITION

	HATFIELD DEALERSHIPS	PRO-FORMA ADJUSTMENTS FOR THE HATFIELD ACQUISITION	PRO FORMA FOR THE ACQUISITIONS
Revenues:			
Vehicle sales	\$ 251,981	\$ -	\$ 1,193,407
Parts, service, and collision repair	16,400		126,601
Finance and insurance	6,899		28,161
Total Revenues	275,280	-	1,348,169
Cost of Sales	243,370		1,180,832
Gross Profit	31,910	-	167,337
Selling, general & administrative expenses	21,153	104 (e)	121,002
Management bonus	7,121	(7,121) (e)	-
Depreciation and amortization	221	(25) (g) 944 (h)	4,865
Operating income	3,415	6,098	41,470
Interest expense, floorplan	3,663	(414) (i) 630 (j)	15,523
Interest expense, other	-		7,625
		2,231 (j)	
Other income	224		896
Income (loss) before income taxes and minority interest	(24)	3,651	19,218
Provision for income taxes	-	1,583 (m) (10) (n)	7,552
Income (loss) before minority interest	(24)	2,078	11,666
Minority interest in earnings of subsidiary	-		47
Net Income (Loss)	\$ (24)	\$ 2,078	\$ 11,619
Basic net income per share (o)			\$ 1.03
Weighted average shares outstanding (o)			11,250
Diluted net income per share (o)			\$ 0.91
Weighted average shares outstanding (o)			12,749

</TABLE>

Operations)

Unaudited Pro Forma Consolidated Statement of Operations
 Three Months Ended March 31, 1998
 (in thousands except per share data)

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PRO FORMA FOR THE ACQUISITION	ACTUAL (A)	PRO FORMA		THE
		HATFIELD DEALERSHIPS	ADJUSTMENTS FOR THE ACQUISITION	
-----	-----	-----	-----	-----
Revenues:				
Vehicle sales	\$ 228,569	\$ 57,661	\$ -	
\$ 286,230				
Parts, service, and collision repair	28,965	4,255	-	
33,220				
Finance and insurance	6,247	1,747	-	
7,994				
-----	-----	-----	-----	-----
Total Revenues	263,781	63,663	-	
327,444				
Cost of Sales	228,600	56,297	-	
284,897				
-----	-----	-----	-----	-----
Gross Profit	35,181	7,366	-	
42,547				
Selling, general & administrative expenses	26,640	5,053	20 (e)	
31,713				
Management bonus	-	1,700	(1,700) (e)	
-				
Depreciation and amortization	815	67	(6) (g)	
1,112			236 (h)	
-----	-----	-----	-----	-----
Operating income	7,726	546	1,450	
9,722				
Interest expense, floorplan	3,235	556	(59) (i)	
3,889			157 (j)	
Interest expense, other	1,061	-	593 (j)	
1,654				
Other income	44	41		
85				
-----	-----	-----	-----	-----
Income before income taxes and minority interest	3,474	31	759	
4,264				
Provision for income taxes	1,338	-	335 (m)	
1,686			13 (n)	
-----	-----	-----	-----	-----
Income before minority interest	2,136	31	411	
2,578				
Minority interest in earnings of subsidiary	-	-	-	
-				
-----	-----	-----	-----	-----
Net Income	\$ 2,136	\$ 31	\$ 411	
\$ 2,578				
=====	=====	=====	=====	=====
Basic net income per share	\$ 0.19			
\$ 0.23				
=====	=====	=====	=====	=====
Weighted average shares outstanding	11,250			
11,250				
=====	=====	=====	=====	=====

Diluted net income per share (o) \$ 0.19
\$ 0.20

=====
Weighted average shares outstanding (o) 11,374
12,843
=====

</TABLE>

(SEE ACCOMPANYING NOTES TO UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS)

NOTES TO UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
DECEMBER 31, 1997 AND MARCH 31, 1998

(a) The actual consolidated statement of operations data for the Company for the year ended December 31, 1997 includes the results of operations of the following dealerships and dealership groups acquired during the year ended December 31, 1997 from their respective dates of acquisition:

DEALERSHIP ACQUIRED	DATE OF ACQUISITION
Fort Mill	
Chrysler-Plymouth-Dodge	June 3, 1997
Lake Norman Dealerships	September 1, 1997
Ken Marks Ford	October 1, 1997
Williams Motors	October 10, 1997
Dyer Volvo	November 1, 1997
Bowers Dealerships	November 1, 1997

The actual consolidated statement of operations data for the Company for the three months ended March 31, 1998 includes the results of operations of the Clearwater Dealerships and Affiliated Companies from January 1, 1998, the date of the Clearwater Acquisition.

- (b) Reflects the results of operations of the 1997 Acquisitions for the period from January 1, 1997 to their respective dates of acquisition. Pro forma adjustments have not been presented to include the results of (i) Fort Mill Chrysler-Plymouth-Dodge for the period from January 1, 1997 to June 3, 1997, the date of the acquisition or (ii) Williams Motors for the period from January 1, 1997 to October 10, 1997, the date of acquisition, because management believes such results are not material.
- (c) Reflects finance and insurance revenues generated by the 1997 Acquisitions and the Clearwater Acquisition in the amounts of \$252,000 and \$94,000, respectively, for the year ended December 31, 1997 that were paid directly to the dealership owners or wholly-owned management companies and excluded from revenue in the historical financial statements of the acquired dealerships.
- (d) Adjustment reflects the conversion from the LIFO Method of inventory accounting to the FIFO Method of inventory accounting for the 1997 Acquisitions in the amount of \$371,000 for the year ended December 31, 1997 to conform to the Company's method of accounting for vehicle inventories.
- (e) Reflects the net decrease in selling, general, and administrative expenses related to the net reduction in salaries, bonuses, and fringe benefits and related expenses of owners and officers of the acquired dealerships who have become or will become employees, consistent with reduced salaries pursuant to employment agreements with the Company, or whose positions have been or will be eliminated as part of the acquisitions.
- (f) Reflects the increase in rent expense related to lease agreements entered into with the sellers of certain dealerships acquired in the 1997 Acquisitions and the Clearwater Acquisition for such dealerships' real property that were not acquired by the Company, and the decreases in depreciation expense and interest expense related to mortgage indebtedness encumbering such property of approximately \$1.8 million bearing interest at 9% and \$5.9 million bearing interest at rates from 9% to 9.5% associated with the 1997 Acquisitions and the Clearwater Acquisition, respectively.
- (g) Reflects the elimination of amortization expense related to goodwill that arose in previous acquisitions in certain of the acquired dealerships from the date of the acquisitions.
- (h) Reflects the amortization over an assumed useful life of 40 years of intangible assets, consisting primarily of goodwill, resulting from the Acquisitions which were assumed to occur on January 1, 1997. In accordance with the purchase agreement associated with the Clearwater Acquisition, the Company will be required to make an additional payment, not to exceed \$1.8 million, equal to 50% of the combined 1998 pre-tax earnings of the entities acquired. Amount includes amortization of the additional goodwill associated with this contingent purchase price, which has been estimated at approximately \$1.7 million based on the estimated 1998 pre-tax earnings of

the entities acquired. The amount of the contingent purchase price, and the corresponding goodwill, may actually be different from the amounts estimated here depending on the actual combined 1998 pre-tax earnings of the entities acquired.

- (i) Reflects the net decrease in interest expense, floor plan, resulting from the refinancing of the notes payable, floor plan arrangements of the Company and the dealerships being acquired, under a standardized floor plan credit facility with Ford Motor Credit which requires placement of acquired dealerships floor plan financing with Ford Motor Credit (the "Floor Plan Facility") as if such refinancing had occurred at the beginning of the period presented. The average interest rate under the Floor Plan Facility is approximately 7.6% compared to historical interest rates ranging from 8.1% to 9.5%.
- (j) Reflects the increase in interest expense associated with borrowings made under the Company's revolving credit facility with Ford Motor Credit bearing interest at 8.5% of \$33.4 million, \$11.4 million and \$26.2 million used to finance the 1997 Acquisitions, the Clearwater Acquisition and the Hatfield Acquisition, respectively, and borrowings made under the Company's Floor Plan Facility bearing interest at 7.6% of approximately \$8.3 million used to finance the Hatfield Acquisition. Amount includes estimated additional borrowings to be made under the Company's revolving facility of approximately \$1.7 million used to finance the estimated contingent purchase price associated with the Clearwater Acquisition (see note (h)).
- (k) In connection with the acquisition of the Bowers Dealerships, the Company issued a promissory note to the former owner in the amount of \$4.0 million bearing interest at NationsBank's prime rate less 0.5%. This adjustment reflects an increase in interest expense related to the promissory note assuming a prime rate of 8.5% as if the note was issued at the beginning of the period presented.
- (l) Reflects the decrease in interest expense related to debt, other than mortgage indebtedness, associated with the 1997 Acquisitions and the Clearwater Acquisition of approximately \$1.6 million bearing interest at 8.5% and \$1.8 million bearing interest at rates ranging from 9% to 10%, respectively, which has not been assumed.
- (m) Reflects the net increase in provision for income taxes resulting from pro forma adjustments above, computed using a combined statutory income tax rate of approximately 39%.
- (n) Certain of the acquired dealerships were not subject to federal and state income taxes because they were either S corporations, partnerships, or limited liability companies during the period indicated. Upon completion of these acquisitions, these dealerships will be subject to federal and state income tax as C corporations. This adjustment reflects the resulting increase in the federal and state income tax provision as if these entities had been taxable at the combined statutory income tax rate of approximately 39%.
- (o) Pro forma basic and diluted net income per share and the related weighted average shares outstanding for the year ended December 31, 1997 have been adjusted to reflect the issuance of 5 million shares of the Company's Class A Common Stock in connection with its initial public offering ("IPO") in November 1997 as if such shares had been issued on January 1, 1997. Pro forma diluted net income per share and the related weighted average shares outstanding for the year ended December 31, 1997 includes the dilutive effect of the issuance of 3,960 and 14,025 shares of the Company's Class A Preferred Stock in connection with the Clearwater Acquisition and the Hatfield Acquisitions, respectively. Warrants to purchase 44,391 shares of the Company's Class A Common Stock issued in January 1998 in connection with the consummation of the 1997 Acquisitions were not included in the reported amounts because they were anti-dilutive. Pro forma net income per share and the related weighted average shares outstanding for the three months ended March 31, 1998 includes the dilutive effect of the issuance of 3,960 and 14,025 share of the Company's Class A Preferred Stock in connection with the Clearwater Acquisitions and the Hatfield Acquisitions, respectively. The following is a reconciliation of the pro forma weighted average shares for the year ended December 31, 1998 and the three months ended March 31, 1998:

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	YEAR ENDED DECEMBER 31, 1997	THREE MONTHS ENDED MARCH 31, 1998
	-----	-----
Weighted Average Shares - Basic (actual)	6,949	11,250
Issuance of Common Stock in connection with IPO	4,301	-
	-----	-----
Weighted Average Shares - Basic (pro forma)	11,250	11,250

Weighted Average Shares - Diluted (actual)	6,949	11,374
Issuance of Common Stock in connection with IPO	4,301	-
Class A Convertible Preferred Stock	1,499	1,469
Warrants	-	-
	-----	-----
Weighted Average Shares - Diluted (pro forma)	12,749	12,843
	=====	=====

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UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 1998
(IN THOUSANDS)

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	ACTUAL	HATFIELD DEALERSHIPS	PRO FORMA ADJUSTMENTS FOR THE HATFIELD ACQUISITION	PRO FORMA FOR THE THE
	-----	-----	-----	-----
ACQUISITION				
--				
ASSETS				
Current Assets:				
Cash & cash equivalents	\$ 23,391	\$ 14,990	\$ - (a) (b) (12,307) (c)	\$ 26,074
Marketable equity securities	247			247
Receivables	22,128	3,360		25,488
Inventories	150,819	34,395		185,214
Deferred Income Taxes	405			405
Due from affiliates	1,014			1,014
Other current assets	1,969	6,610		8,579
	-----	-----	-----	-----
--				
Total current assets	199,973	59,355	(12,307)	247,021
Property & equipment, net	19,796	1,003		20,799
Goodwill, net	86,072	977	39,406 (a) (977) (d)	125,478
Other assets	651			651
	-----	-----	-----	-----
--				
Total assets	\$ 306,492	\$ 61,335	\$ 26,122	\$ 393,949
	=====	=====	=====	=====
LIABILITIES & STOCKHOLDERS' EQUITY				
Current Liabilities:				
Notes payable-floor plan	\$ 128,152	\$ 33,456	\$ 8,283 (b)	\$ 169,891
Trade accounts payable	7,554	2,660		10,214
Accrued interest	1,445			1,445
Other accrued liabilities	12,893	1,132		14,025
Payable to affiliates	445	7,196	(7,196) (c)	445
Current maturities of long-term debt	584			584
	-----	-----	-----	-----
--				
Total current liabilities	151,073	44,444	1,087	196,604
Long-term debt	49,982		27,901 (b)	77,883
Payable to the Company's Chairman	5,500			5,500
Payable to affiliates	4,192	10,569	(10,569) (c)	4,192
Deferred income taxes	1,079			1,079
Income tax payable	4,822			4,822
Stockholders' equity				
Common stock of combined companies		2,825	(2,825) (a)	-
Preferred Stock	3,366		14,025 (a)	17,391
Class A Common Stock	50			50
Class B Common Stock	63			63
Paid-in capital	68,045	1,744	(1,744) (a)	68,045
Retained earnings	18,322	1,753	(6,234) (a) 5,458 (c) (977) (d)	18,322
Unrealized loss on marketable equity securities	(2)			
(2)	-----	-----	-----	-----
--				
Total stockholders' equity	89,844	6,322	7,703	103,869
	=====	=====	=====	=====
Total liabilities & stockholders' equity	\$ 306,492	\$ 61,335	\$ 26,122	\$ 393,949
	=====	=====	=====	=====

</TABLE>

NOTES TO UNAUDITED PRO FORMA BALANCE SHEET
MARCH 31, 1998

(a) Reflects the preliminary allocation of the purchase price of the Hatfield Acquisition based on the estimated fair value of net assets acquired. Amount also reflects the allocation of the estimated contingent purchase price associated with the Clearwater Acquisition (see note (h) to the Notes to Unaudited Consolidated Statement of Operations). Because the carrying amount of the net assets acquired, which primarily consist of accounts receivable, inventory, equipment, and floor plan indebtedness, approximates their fair value, management believes the application of purchase accounting will not result in a significant adjustment to the carrying amount of those net assets. The amount of goodwill and the corresponding amortization actually recorded may ultimately be different from amounts estimated here, depending on the actual fair value of tangible net assets acquired, changes in the estimated fair value of the preferred stock issued as determined by an independent appraisal which has not yet been finalized, and the actual contingent purchase price associated with the Clearwater Acquisition. The estimated purchase price allocation consists of the following:

	HATFIELD DEALERSHIPS	CLEARWATER ACQUISITION	TOTAL
	-----	-----	-----
Estimated total consideration:			
Cash	\$34,525	\$1,659	\$36,184
Preferred Stock	14,025		14,025
	-----	-----	-----
Total	48,550	1,659	50,209
Less: Estimated fair value of tangible			
Net assets acquired	10,803	-	10,803
	-----	-----	-----
Excess of purchase price over fair value			
Of net tangible assets acquired	\$37,747	\$1,659	\$39,406
	=====	=====	=====

(b) Reflects borrowings made under the Company's Floor Plan Facility at 7.6% and the Company's revolving credit facility with Ford Motor Credit at 8.5% used to finance the Hatfield Acquisition.

(c) Reflects the elimination of cash in the amount of \$12.3 million that was not acquired in the Hatfield Acquisition and the elimination of the current and long term portions of payables to affiliates amounting to \$7.2 million and \$10.6 million, respectively, which were not assumed in the Hatfield Acquisition.

(d) Reflects the elimination of goodwill that arose in previous acquisitions of the Hatfield dealerships.