
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 12, 2020

SONIC AUTOMOTIVE, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13395
(Commission
File Number)

56-2010790
(IRS Employer
Identification No.)

4401 Colwick Road
Charlotte, North Carolina
(Address of principal executive offices)

28211
(Zip Code)

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

Not Applicable
(Former name or former address, if changed since last report.)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, par value \$0.01 per share	SAH	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

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

On February 12, 2020, the Compensation Committee of the Board of Directors (the “Compensation Committee”) of Sonic Automotive, Inc. (the “Company”) established the parameters for determining performance-based cash bonuses for the performance period of January 1, 2020 through December 31, 2020 (the “Performance Period”) for the following executive officers of the Company (the “Executive Officers”): Mr. O. Bruton Smith, Executive Chairman; Mr. David Bruton Smith, Chief Executive Officer; Mr. Jeff Dyke, President; and, Mr. Heath R. Byrd, Executive Vice President and Chief Financial Officer. The Compensation Committee established performance requirements consisting of achievement levels related to (1) adjusted earnings per share goals and (2) customer satisfaction performance goals based on the percentage of the Company’s dealerships that meet or exceed specified objectives, as reported by the respective manufacturers for such brands. Following completion of the Performance Period, the Compensation Committee will evaluate the Company’s achievement of the pre-established performance goals and will determine actual bonus amounts to be paid to the Executive Officers by no later than March 15, 2021.

Also on February 12, 2020, the Compensation Committee approved grants of performance-based restricted stock units under the Sonic Automotive, Inc. 2012 Stock Incentive Plan to the following Executive Officers in the following amounts: Mr. O. Bruton Smith, 71,257 units; Mr. David Bruton Smith, 96,716 units; Mr. Jeff Dyke, 54,955 units; and Mr. Heath R. Byrd, 42,832 units. These restricted stock unit awards will not be eligible for dividend equivalents or voting rights. As provided by the Compensation Committee, these restricted stock unit awards generally remain subject to forfeiture for up to three years from the date of grant based on continuation of employment and violation of any restrictive covenants or confidentiality provisions contained in any agreement between the Company and the respective officer. The awards of restricted stock units are also subject to forfeiture, in whole or in part, based on achievement of specified measures of the Company’s defined adjusted earnings per share performance for the 2020 calendar year. Subject to the performance condition, these awards vest in three annual installments, with 25% of the restricted stock units vesting on March 31, 2021, 30% of the restricted stock units vesting on February 12, 2022 and 45% of the restricted stock units vesting on February 12, 2023. Following vesting, the restricted stock units will be converted to, and paid in the form of, an equivalent number of shares of the Company’s Class A common stock.

Finally on February 12, 2020, the Compensation Committee approved base salaries to be effective as of March 1, 2020 for the Executive Officers in the following amounts: Mr. O. Bruton Smith, from \$100,000 to \$200,000; Mr. David Bruton Smith, from \$1,113,638 to \$1,113,638 (no change in current base salary level previously approved by the Compensation Committee); Mr. Jeff Dyke, from \$994,358 to \$994,358 (no change in current base salary level previously approved by the Compensation Committee); and Mr. Heath R. Byrd, from \$775,000 to \$775,000 (no change in current base salary level previously approved by the Compensation Committee). The Compensation Committee also approved changes in the compensation paid to the Company’s non-employee directors. Effective April 1, 2020, each non-employee director will receive an annual cash retainer of \$85,000, increased from \$70,000. The Compensation Committee also approved an amendment to the Company’s 2012 Formula Restricted Stock and Deferral Plan for Non-Employee Directors to increase the value of the annual grant of restricted stock made pursuant to the plan from \$130,000 to \$145,000. This amendment will be subject to stockholder approval at the Company’s upcoming annual meeting.

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.

February 14, 2020

SONIC AUTOMOTIVE, INC.

By: /s/ STEPHEN K. COSS

Stephen K. Coss

Senior Vice President and General Counsel