
**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 11, 2015

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

(d) On February 11, 2015, the Board of Directors of Sonic Automotive, Inc. (the “Company”) elected R. Eugene Taylor, Chairman and Chief Executive Officer of Capital Bank Financial Corp., to the Company’s Board as a director, effective that day, with a term expiring at the Company’s 2015 annual meeting of stockholders. Mr. Taylor is expected to be appointed to the Compensation Committee and the Nominating and Corporate Governance Committee of the Company’s Board of Directors. There are no arrangements or understandings between Mr. Taylor and any other persons pursuant to which he was selected as a director. There are no transactions involving the Company and Mr. Taylor that the Company would be required to report pursuant to Item 404(a) of Regulation S-K. Mr. Taylor will be entitled to receive compensation for his Board and committee service in accordance with the Company’s Director Compensation Policy.

(e) On February 12, 2015, the Compensation Committee of the Board of Directors (the “Compensation Committee”) of the Company approved base salary increases to be effective as of March 1, 2015 for the following executive officers in the following amounts: Mr. O. Bruton Smith, from \$1,202,000 to \$1,226,040; Mr. B. Scott Smith, from \$1,038,200 to \$1,058,964; Mr. David B. Smith, from \$706,100 to \$720,222; Mr. Jeff Dyke, from \$927,000 to \$945,540; and Mr. Heath R. Byrd, from \$647,850 to \$660,807.

On February 12, 2015, the Compensation Committee also established the parameters for determining performance-based cash bonuses under the Sonic Automotive, Inc. Incentive Compensation Plan (the “Incentive Compensation Plan”) for the performance period January 1, 2015 through December 31, 2015 (the “Performance Period”) for Messrs. O. Bruton Smith, B. Scott Smith, David B. Smith, Jeff Dyke and Heath R. Byrd (the “Executive Officers”) that are intended to meet the requirements for deductibility under Section 162(m) of the Internal Revenue Code.

The Compensation Committee established a two-tiered approach to determine incentive cash bonus awards for the Performance Period. The first tier is an objective threshold achievement level of defined adjusted earnings per share for the Company for the Performance Period. No bonuses are payable under the Incentive Compensation Plan for the Performance Period if the threshold goal is not achieved. If the threshold adjusted earnings per share goal is achieved, then each Executive Officer is eligible for a bonus of \$3,000,000 (the “maximum bonus amount”). However, the second tier of the bonus program establishes additional performance requirements that the Compensation Committee will use to determine actual bonus amounts payable to the Executive Officers. These performance requirements include additional achievement levels related to adjusted earnings per share goals and 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. If the first tier performance requirement has been achieved, the Compensation Committee may, in its determination, exercise negative discretion to reduce the dollar amount of an Executive Officer’s actual bonus to less than the maximum bonus amount based upon achievement of the adjusted earnings per share and customer satisfaction goals along with other factors the Compensation Committee determines relevant, such as its subjective assessment of financial, operational, strategic, corporate and individual performance, and unanticipated contingencies and events. An Executive Officer’s bonus amount under the Incentive Compensation Plan may be less than (but not more than) the maximum bonus amount.

On February 12, 2015, the Compensation Committee also approved grants of performance-based restricted stock units under the Sonic Automotive, Inc. 2012 Stock Incentive Plan to Messrs. O. Bruton Smith, B. Scott Smith, David B. Smith, Jeff Dyke and Heath R. Byrd for 70,482 units, 60,878 units, 41,404 units, 54,357 units and 37,989 units, respectively. 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 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 2015 calendar year. 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 following vesting. Subject to the performance conditions, these awards vest in three annual installments, with 25% of the shares vesting on March 31, 2016, 30% of the shares vesting on February 12, 2017 and 45% of the shares vesting on February 12, 2018. These unit awards will not be eligible for dividend equivalents or voting rights.

On February 12, 2015, the Compensation Committee also approved an amendment to the Sonic Automotive, Inc. Supplemental Executive Retirement Plan (the "SERP"). The Company previously adopted the SERP as an additional means to attract and retain key employees by providing a retirement benefit in addition to the benefits offered by the Company's tax-qualified and other nonqualified deferred compensation plans.

The SERP generally provides for 15 annual payments equal to a specified percentage of the participant's final average salary (as defined in the SERP) if the participant retires after reaching age 65 or age 55 with at least 10 years of employment with the Company. If a participant leaves the Company before qualifying for normal retirement, the participant's SERP benefit generally is reduced for early retirement (in addition to any reduction that may apply under the SERP's vesting provisions). The benefit is reduced by 10% for each year the participant's payment commencement date precedes the earliest date the participant would have been eligible for normal retirement. The amendment to the SERP adopted by the Compensation Committee provides that this early retirement reduction does not apply to SERP participants who were employees of the Company immediately prior to a change in control (as defined in the SERP), regardless of whether or not such participants remain employees upon or following the change in control.

The foregoing summary of the amendment to the SERP is qualified in its entirety by reference to the Third Amendment to the Sonic Automotive, Inc. Supplemental Executive Retirement Plan, which is attached as Exhibit 10.1 to this Form 8-K and incorporated by reference to this Item 5.02.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

10.1 Third Amendment to Sonic Automotive, Inc. Supplemental Executive Retirement Plan

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: February 13, 2015

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

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
10.1	Third Amendment to Sonic Automotive, Inc. Supplemental Executive Retirement Plan

THIRD AMENDMENT
TO THE
SONIC AUTOMOTIVE, INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
("SERP")

THIS AMENDMENT IS ADOPTED AS OF THE 12th DAY OF February, 2015, by Sonic Automotive, Inc. (the "Company") to be effective as of the date hereof;

W I T N E S S E T H:

WHEREAS, the Company adopted the Sonic Automotive, Inc. Supplemental Executive Retirement Plan (the "SERP") effective January 1, 2010;

WHEREAS, Article VII of the SERP permits the Company, by action taken by the Compensation Committee of the Board of Directors of the Company, to amend the SERP at any time and for any reason, provided that any such amendment shall not reduce the vested accrued benefits of any participant accrued as of the date of any such amendment without the written consent of the participant; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company wishes to amend the SERP in order to provide that the SERP's reduction of a participant's accrued benefit for early separation from service with the Company shall not apply to currently employed participants whose separation from service occurs upon or following a change in control of the Company;

NOW, THEREFORE, the SERP is hereby amended effective as of the date hereof as follows:

1. Section 3 of Schedule A to the SERP, as previously amended and restated, is amended to add the following sentence to the end thereof to read as follows:
"Notwithstanding the foregoing, in the event of a Change in Control, this Section 3 shall not apply to Participants at such time who were Employees immediately prior to the Change in Control, regardless of whether or not such Participants remain Employees upon or following the Change in Control."
In this regard, Schedule A to the SERP, as previously amended and restated, is deleted in its entirety, to be replaced by the amended and restated Schedule A attached hereto as Appendix A.
2. For the avoidance of doubt, Schedule A-1 to the SERP, as previously amended and restated, remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the Company, pursuant to approval by the Compensation Committee of the Board of Directors, has caused this Amendment to be properly executed as of the day and year first above written.

SONIC AUTOMOTIVE, INC.

By: /s/ B. Scott Smith
Title: President

Amended and Restated

Schedule A

1. Accrued Benefit.
 - (a) The Accrued Benefit for a Tier 1 Participant shall be fifty percent (50%) of such Participant’s Final Average Salary, determined in the sole discretion of the Committee.
 - (b) The Accrued Benefit for a Tier 2 Participant shall be forty percent (40%) of such Participant’s Final Average Salary, determined in the sole discretion of the Committee.
 - (c) The Accrued Benefit for a Tier 3 Participant shall be thirty-five percent (35%) of such Participant’s Final Average Salary, determined in the sole discretion of the Committee.
2. Payment Schedule for Benefits other than Death Benefit The Payment Schedule for the Retirement Benefit, Termination Benefit and Disability Benefit shall be annual installment payments in substantially equal amounts to the Participant and/or (if applicable) to the Participant’s spouse for the duration of the “benefit payment period.” The “benefit payment period” is fifteen (15) years. Payments are made to the Participant unless the Participant dies during the “benefit payment period” leaving a spouse surviving him or her, in which case payments continue to be made to the surviving spouse for the remainder of the benefit payment period.
3. Reduction of Accrued Benefit for Early Separation from Service Except as provided in Schedule A-1, the Accrued Benefit for purposes of determining the Termination Benefit shall be calculated by beginning with the amount of the vested Retirement Benefit and then reducing that amount by ten percent (10%) for each year the Participant’s payment commencement date precedes the earliest date that such Participant would have qualified for Normal Retirement (e.g., the earlier of attainment of age 65 or age 55 with at least ten Years of Service). Notwithstanding the foregoing, in the event of a Change in Control, this Section 3 shall not apply to Participants at such time who were Employees immediately prior to the Change in Control, regardless of whether or not such Participants remain Employees upon or following the Change in Control.
4. Vesting. Except as provided in Schedule A-1, Participants will vest in their Accrued Benefit according to the applicable schedule as follows:

<u>Years of Plan Service</u>	<u>Percent Vested</u>
Less than 1	0%
At least 1 but less than 2	20%
At least 2 but less than 3	40%
At least 3 but less than 4	60%
At least 4 but less than 5	80%
5 or more	100%

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5. Accelerated Vesting. The foregoing notwithstanding, Participants will become 100% vested in their Accrued Benefit upon death prior to Separation from Service, Disability prior to Separation from Service, or upon a Change in Control prior to Separation from Service.
 6. Benefit Accrual. A Participant earns his or her Retirement Benefit over a period from the later of age 45 or the Participant's effective date of participation in the Plan to the later of the Participant's Normal Retirement or the date the Participant becomes 100% vested in his or her Retirement Benefit.