

GROUP 1 AUTOMOTIVE INC  
Form 8-K  
June 22, 2009

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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):

June 22, 2009

Group 1 Automotive, Inc.

(Exact name of registrant as specified in its charter)

Delaware

1-13461

76-0506313

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

800 Gessner, Suite 500, Houston, Texas

77024

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

713-647-5700

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))

**Top of the Form**

**Item 1.01 Entry into a Material Definitive Agreement.**

On June 22, 2009, Group 1 Automotive, Inc. (the "Company") announced that it voluntarily reduced the borrowing capacity under its credit arrangement with Ford Motor Credit Company (the "FMCC Facility") from \$300 million to \$150 million in vehicle inventory financing. There were no changes to the terms or pricing of the FMCC Facility, which provides financing for our new vehicle inventory manufactured by Ford Motor Company and its affiliates. The terms of the FMCC Facility are subject to review annually.

All of our Ford and Lincoln Mercury dealership subsidiaries are obligors under the FMCC Facility. The Company and each of our Ford and Lincoln Mercury dealership subsidiaries guarantees the obligations of each other subsidiary party thereto. Our obligations under the FMCC Facility are secured by liens on all motor vehicle inventory financed under the FMCC Facility, as well as proceeds from the sale thereof. The FMCC Facility also contains events of default, including non-payment of obligations. The individual loan agreements to which each subsidiary borrower is a party are cross-defaulted to each other and our Revolving Credit Facility. Upon the occurrence of an event of default, we could be required to immediately repay the amount outstanding under the FMCC Facility.

A copy of the press release is attached as Exhibit 99.1 to this Current Report.

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information provided in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

99.1 Press Release of Group 1 Automotive, Inc., dated as of June 22, 2009.

**Top of the Form**

**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.

Group 1 Automotive, Inc.

*June 22, 2009*

By: *Darryl M. Burman*

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*Name: Darryl M. Burman*

*Title: Vice President*

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**Top of the Form**

Exhibit Index

| <b>Exhibit No.</b> | <b>Description</b>  |
|--------------------|---|
| 99.1               | Press release of Group 1 Automotive, Inc., dated as of June 22, 2009. |