

MOTORCAR PARTS AMERICA INC

Form S-3

September 14, 2011

As filed with the Securities and Exchange Commission on September 13, 2011

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

MOTORCAR PARTS OF AMERICA, INC.
(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of incorporation or
organization)

11-2153962
(I.R.S. Employer Identification No.)

2929 California Street
Torrance, California 90503
(310) 212-7910
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Michael M. Umansky
General Counsel
Motorcar Parts of America, Inc.
2929 California Street
Torrance, California 90503
(310) 212-7910
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Los Angeles, California 90071-1560
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(Approximate date of commencement of proposed sale to the public: From time to time after this 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:

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 this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered (1)(2)	Proposed maximum aggregate offering price (1)(3)	Amount of registration fee (4)
Common Stock, \$0.01 par value per share		
Debt Securities		
Total	\$150,000,000	\$17,415

- (1) Not specified as to each class of securities to be registered hereunder pursuant to General Instruction II.D. to Form S-3 under the Securities Act of 1933, as amended.
- (2) Includes an indeterminate number of securities that may be issued in primary offerings or upon conversion or exchange of any securities registered hereunder that provide for conversion or exchange.
- (3) With respect to debt securities, excluding accrued interest and accrued amortization of discount, if any, to the date of delivery.
- (4) Calculated pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant 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 Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated September 13, 2011

PROSPECTUS

MOTORCAR PARTS OF AMERICA, INC.

\$150,000,000

of Common Stock
and/or Debt Securities

We may from time to time offer to sell, in one or more offerings, any combination of common stock and debt securities described in this prospectus up to an aggregate initial offering price not to exceed \$150,000,000.

This prospectus provides a general description of the securities we may offer. Each time we sell securities, we will provide specific terms of the securities offered in a supplement to this prospectus. The prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest in any securities. This prospectus may not be used to consummate a sale of securities unless accompanied by the applicable prospectus supplement.

We will sell these securities directly to one or more purchasers, through agents on our behalf or through underwriters or dealers as designated from time to time. If any agents or underwriters are involved in the sale of any of these securities, the applicable prospectus supplement will provide the names of the agents or underwriters and any applicable fees, commissions or discounts.

Our common stock is traded on the Nasdaq Global Market under the symbol "MPAA." On September 8, 2011, the closing price of our common stock was \$9.85.

Investing in our securities involves risks. Risks associated with an investment in our securities will be described in the applicable prospectus supplement and certain of our filings with the Securities and Exchange Commission, as described under "Risk Factors" on page 3.

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

The date of this prospectus is _____, 2011

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ABOUT THIS PROSPECTUS

This prospectus is a part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, utilizing a “shelf” registration process. Under this shelf registration process, we may offer to sell any combination of the securities described in this prospectus in one or more offerings, from time to time, up to a total dollar amount of \$150,000,000. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities under this shelf registration, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. To the extent any statement made in a prospectus supplement is inconsistent with statements made in this prospectus, the statements made in this prospectus will be deemed modified or superseded by those made in the prospectus supplement. You should read both this prospectus and any prospectus supplement, including all documents incorporated herein or therein by reference, together with additional information described under “Where You Can Find More Information” and “Information Incorporated by Reference.”

We may only use this prospectus to sell the securities if it is accompanied by a prospectus supplement. We have not authorized anyone to give any information or to make any representation other than those contained or incorporated by reference in this prospectus and any accompanying prospectus supplement. You must rely only on the information and representations contained or incorporated by reference in this prospectus or any accompanying prospectus supplement. This prospectus and any accompanying prospectus supplement do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor do this prospectus and any accompanying prospectus supplement constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. You should not assume that the information contained in this prospectus and any accompanying prospectus supplement is accurate on any date subsequent to the date set forth on the front of the document or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus and any accompanying prospectus supplement is delivered or securities are sold on a later date. Our business, financial condition, results of operations and prospects may have changed since the respective dates of this prospectus, any accompanying prospectus supplement or any information we have incorporated by reference.

Unless the context requires otherwise, the words “we,” “us,” “our” and “Company” refer to Motorcar Parts of America, Inc. and its subsidiaries taken as a whole. For purposes of this prospectus, the term “stockholders” shall refer to the holders of our common stock.

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SUMMARY

This summary does not contain all of the information you should consider before investing in any securities offered pursuant to this prospectus. You should carefully read this entire prospectus and any applicable prospectus supplement, including each of the documents incorporated herein or therein by reference, before making an investment decision. For instructions on how to find copies of these documents, see “Where You Can Find More Information.” Our principal executive offices are located at 2929 California Street, Torrance, California 90503, telephone (310) 212-7910.

About Motorcar Parts of America, Inc.

We remanufacture and produce new alternators and starters for import and domestic cars, light trucks, heavy duty, agricultural and industrial applications. These products are distributed predominantly throughout the United States and Canada. Our products are sold to the largest auto parts retail chains in the United States and Canada, including Advance, AutoZone, Genuine Parts (NAPA), O’Reilly Automotive and Pep Boys. In addition, our products are sold to various traditional warehouses for professional installers and to major automobile manufacturers for both their aftermarket programs and their warranty replacement programs.

We have coverage for almost every alternator and starter used by any automobile, light and heavy duty truck as well as most industrial and agricultural vehicles or equipment. We have warehousing strategically located around North America and in Mexico to allow us to be able to complete distribution to almost any customer in North America.

While we continually seek to diversify our customer base, we currently derive, and have historically derived, a substantial portion of our sales from a small number of large customers. To mitigate the risk associated with this concentration of sales, we seek to enter into longer-term customer agreements with our major customers. These longer-term agreements typically require us to commit a significant amount of our working capital to build inventory and increase production. In addition, they typically include marketing and other allowances that adversely impact near-term revenue. Such agreements with new customers may also require us to incur certain changeover expenses.

In May 2011, pursuant to a purchase agreement with FAPL Holdings Inc., the parent company of Fenwick Automotive Products Limited, or Fenco, a privately-owned Toronto-based manufacturer, remanufacturer and distributor of new and remanufactured aftermarket auto parts, and certain other individuals, we acquired (i) all of the outstanding equity of Fenco, (ii) all of the outstanding equity of Introcan Inc., a Delaware corporation, and (iii) 1% of the outstanding equity of Fapco S.A. de C.V., a Mexican variable capital company, or Fapco. Since Fenco owned 99% of Fapco prior to these transactions, we now own 100% of Fapco. We believe this transaction provides us opportunities to expand beyond our existing product lines of alternators and starters and further enhance our market presence in North America. As a result of this acquisition, we now manufacture, remanufacture and distribute new and remanufactured aftermarket auto parts through our newly acquired subsidiaries, including steering components, brake calipers, master cylinders, hub assembly and bearings, clutches and clutch hydraulics, constant velocity drive shafts, water pumps, control arms and loaded struts for the full range of passenger and truck vehicles.

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RISK FACTORS

Investment in any securities offered pursuant to this prospectus involves risks. You should carefully consider the specific risks set forth under “Risk Factors” in the applicable prospectus supplement, under “Risk Factors” under Item 1A of Part I of our most recent Annual Report on Form 10-K, as amended, and under “Risk Factors” under Item 1A of Part II of our most recent Quarterly Report on Form 10-Q, each as updated by our subsequent filings under the Securities Exchange Act of 1934, as amended, or the Exchange Act, incorporated by reference herein, before making an investment decision. For more information, see “Information Incorporated by Reference.”

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information set forth in this prospectus and any accompanying prospectus supplement and the information they incorporate by reference may contain various “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, Section 21 of the Exchange Act and pursuant to the Private Securities Litigation Reform Act of 1995. Such statements are based upon current expectations that involve risks and uncertainties. For example, words such as “may,” “will,” “should,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “sees,” “estimates” and similar expressions or variations of such words are intended to identify forward-looking statements. Various factors could cause actual results to differ materially from those projected in such statements. These factors include, but are not limited to:

- concentration of sales to certain customers;
- changes in our relationship with any of our major customers;
- the increasing customer pressure for lower prices and more favorable payment and other terms;
- the increasing demands on our working capital;
- the significant strain on working capital associated with large remanufactured core inventory purchases from customers;
- our ability to integrate the acquisition of Fenco;
- our ability to obtain any additional financing we may seek or require;
- our ability to achieve positive cash flows from operations;
- potential future changes in our previously reported results as a result of the identification and correction of errors in our accounting policies or procedures or the potential material weaknesses in our internal controls over financial reporting;
- lower revenues than anticipated from new and existing contracts;
- our failure to meet the financial covenants or the other obligations set forth in our bank credit agreement and the bank’s refusal to waive any such defaults;
- any meaningful difference between projected production needs and ultimate sales to our customers;
- increases in interest rates;

- changes in the financial condition of any of our major customers;
- the impact of higher gasoline prices;

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- the potential for changes in consumer spending, consumer preferences and general economic conditions;
- increased competition in the automotive parts industry, including increased competition from Chinese and other offshore manufacturers;
 - difficulty in obtaining used cores and component parts or increases in the costs of those parts;
- political, criminal or economic instability in any of the foreign countries where we conduct operations;
 - currency exchange fluctuations;
 - unforeseen increases in operating costs; and
- other factors discussed in this prospectus and any accompanying prospectus supplement and the information they incorporate by reference.

Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date such forward-looking statements are made. You should read carefully this prospectus, any accompanying prospectus supplement and any related free writing prospectuses that we have authorized for use in connection with a specific offering, together with the information incorporated herein or therein by reference as described under the heading "Information Incorporated by Reference," completely and with the understanding that our actual future performance may be materially different from what we expect. We hereby qualify all of our forward-looking statements by these cautionary statements. Except as required by law, we assume no obligation to update these forward-looking statements publicly or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our historical ratio of earnings to fixed charges for the periods indicated. This information should be read in conjunction with the consolidated financial statements and the accompanying notes incorporated by reference in this prospectus.

	Three Months Ended June 30, 2011	2011	2010	Year Ended March 31,		
				2009	2008	2007
Ratio of earnings to fixed charges (1)	$\frac{3}{4}$	4.40	3.92	2.36	2.19	$\frac{3}{4}$
Deficiency of earnings available to cover fixed charges	\$534,000	$\frac{3}{4}$	$\frac{3}{4}$	$\frac{3}{4}$	$\frac{3}{4}$	\$8,388,000

(1) In computing the ratio of earnings to fixed charges: (i) earnings were calculated from income, before income taxes and fixed charges; and (ii) fixed charges were computed from interest expense and the estimated interest included in rental expense.

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USE OF PROCEEDS

Except as described in the applicable prospectus supplement, we anticipate using the net proceeds from the sale of the securities for general corporate purposes, including capital expenditures, working capital, acquisitions and other business opportunities.

PLAN OF DISTRIBUTION

We may sell the securities from time to time pursuant to underwritten public offerings, negotiated transactions, block trades or a combination of these methods. We may sell the securities separately or together:

- § through one or more underwriters or dealers in a public offering and sale by them;
- § through agents; and/or
- § directly to one or more purchasers.

We may distribute the securities from time to time in one or more transactions:

- § at a fixed price or prices, which may be changed;
- § at market prices prevailing at the time of sale;
- § at prices related to such prevailing market prices; or
- § at negotiated prices.

We may solicit directly offers to purchase the securities being offered by this prospectus. We may also designate agents to solicit offers to purchase the securities from time to time. We will name in a prospectus supplement any agent involved in the offer or sale of our securities.

If we utilize a dealer in the sale of the securities being offered by this prospectus, we will sell the securities to the dealer, as principal. The dealer may then resell the securities to the public at varying prices to be determined by the dealer at the time of resale.

If we utilize an underwriter in the sale of the securities being offered by this prospectus, we will execute an underwriting agreement with the underwriter at the time of sale and we will provide the name of any underwriter in the prospectus supplement that the underwriter will use to make resales of the securities to the public. In connection with the sale of the securities, we or the purchasers of securities for whom the underwriter may act as agent may compensate the underwriter in the form of underwriting discounts or commissions. The underwriter may sell the securities to or through dealers, and the underwriter may compensate those dealers in the form of discounts, concessions or commissions.

We will provide in the applicable prospectus supplement any compensation we will pay to underwriters, dealers or agents in connection with the offering of the securities, and any discounts, concessions or commissions allowed by underwriters to participating dealers. In compliance with guidelines of the Financial Industry Regulatory Authority, or FINRA, the maximum compensation to be paid to underwriters participating in any offering made pursuant to this prospectus and any applicable prospectus supplement will not exceed 8% of the gross proceeds from that offering. The underwriters, dealers and agents participating in the distribution of the securities may be deemed to be

underwriters within the meaning of the Securities Act, and any discounts and commissions received by them and any profit realized by them on resale of the securities may be deemed to be underwriting discounts and commissions. We may enter into agreements to indemnify underwriters, dealers and agents against civil liabilities, including liabilities under the Securities Act, or to contribute to payments they may be required to make in respect thereof. In the event that FINRA Rule 5121 applies to any such offering due to the presence of a “conflict of interest” (as that term is defined in FINRA Rule 5121), the prospectus supplement for that offering will contain prominent disclosure with respect to such conflict of interest as required by that rule.

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Unless otherwise specified in the applicable prospectus supplement, each class or series of securities will be a new issue with no established trading market, other than the common stock, shares of which are listed on the Nasdaq Global Market. We may elect to list any other class or series of securities on any exchange, but we are not obligated to do so. To facilitate the offering of securities, certain persons participating in the offering may engage in transactions that stabilize, maintain or otherwise affect the price of the securities. This may include over-allotments or short sales of the securities, which involves the sale by persons participating in the offering of more securities than we sold to them. In these circumstances, these persons would cover such over-allotments or short positions by making purchases in the open market or by exercising their over-allotment option. In addition, these persons may stabilize or maintain the price of the securities by bidding for or purchasing securities in the open market or by imposing penalty bids, whereby selling concessions allowed to dealers participating in the offering may be reclaimed if securities sold by them are repurchased in connection with stabilization transactions. The effect of these transactions may be to stabilize or maintain the market price of the securities at a level above that which might otherwise prevail in the open market. These transactions may be discontinued at any time.

We may authorize underwriters, dealers or agents to solicit offers by certain purchasers to purchase the securities from us at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. The contracts will be subject only to those conditions set forth in the prospectus supplement, and the prospectus supplement will set forth any commissions we pay for solicitation of these contracts.

We may enter into derivative transactions with third parties or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with any derivative transaction, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us in settlement of those derivatives to close out any related open borrowings of stock. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement or a post-effective amendment to the registration statement of which this prospectus is a part. In addition, we may otherwise loan or pledge securities to a financial institution or other third party that in turn may sell the securities short using this prospectus. Such financial institution or other third party may transfer its economic short position to investors in our securities or in connection with a concurrent offering of other securities.

The underwriters, dealers and agents may engage in transactions with us, or perform services for us, in the ordinary course of business.

To the extent required, this prospectus may be amended and/or supplemented from time to time to describe a specific plan of distribution.

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DESCRIPTION OF COMMON STOCK

The following summary of the terms of our common stock does not purport to be complete and is subject to and qualified in its entirety by reference to our Certificate of Incorporation, as amended, or certificate of incorporation, and Amended and Restated By-Laws, as amended, or bylaws, which are incorporated by reference herein as well as applicable provisions of New York law.

General

We have authority to issue 20,000,000 shares of common stock, \$0.01 par value per share. As of June 30, 2011, we had 12,427,571 shares of common stock outstanding, held of record by 30 stockholders. As of June 30, 2011, we had an aggregate of 1,593,384 shares of common stock reserved for issuance upon exercise of outstanding stock options granted under our 1994 Employee Stock Option Plan, 1996 Employee Stock Option Plan, 1994 Non-Employee Director Stock Option Plan, 2003 Long-Term Incentive Plan, 2004 Non-Employee Director Stock Option Plan and 2010 Incentive Award Plan, and an aggregate of 546,283 shares of common stock reserved for issuance upon exercise of outstanding warrants with an exercise price of \$15.00 per share.

Voting Rights

The holders of our common stock are entitled to one vote for each share held of record on each matter submitted to a vote of stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, the holders of a majority of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they so choose.

Dividends

Subject to preferences that may be applicable to any other class or series of securities then outstanding, holders of common stock are entitled to receive dividends when, as, and if declared by our board of directors out of legally available funds.

Liquidation

Subject to preferences that may be applicable to any other class or series of securities then outstanding, the holders of common stock will be entitled to receive, on a pro rata basis, all our remaining assets available for distribution to stockholders in the event of our liquidation (whether voluntary or involuntary), dissolution or winding up.

Rights and Preferences

Holders of our common stock have no preemptive or conversion rights or other subscription rights and there are no redemption or sinking funds provisions applicable to the common stock.

Fully Paid and Nonassessable

All outstanding shares of our common stock are fully paid and nonassessable and the shares of common stock offered hereby will be fully paid and nonassessable.

Certificate of Incorporation and Bylaw Provisions

See “Certain Provisions of New York Law and Our Charter and Bylaws” for a description of provisions of our certificate of incorporation and bylaws which may have the effect of delaying changes in our control or management.

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Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Continental Stock Transfer & Trust Company, 17 Battery Place, 8th Floor, New York, New York 10004, and can be reached at (212) 509-4000. Our shares of common stock are listed on The NASDAQ Global Market under the symbol “MPAA.”

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DESCRIPTION OF DEBT SECURITIES

The debt securities covered by this prospectus will be issued under an indenture to be entered into between us and a trustee to be identified in the applicable prospectus supplement. This prospectus, together with its prospectus supplement, will describe all the material terms of a particular series of debt securities.

The following is a summary of the most important provisions and definitions of the indenture. For additional information, you should look at the indenture that is filed as an exhibit to the registration statement which includes the prospectus.

General

Debt securities may be issued in separate series without limitation as to aggregate principal amount. We may specify a maximum aggregate principal amount for the debt securities of any series.

We are not limited as to the amount of debt securities we may issue under the indenture, though such amount shall be limited by the aggregate principal amount of securities that we may sell under this prospectus. The prospectus supplement will set forth:

§ the title and ranking of the debt securities (including the terms of any subordination provisions);

§ the price or prices (expressed as a percentage of the principal amount) at which we will sell the debt securities;

§ any limit on the aggregate principal amount of the debt securities;