

SONIC CORP  
Form DEFA14A  
September 25, 2018

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

SCHEDULE 14A  
(Rule 14A-101)

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No.     )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

SONIC CORP.  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth  
(3) the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:
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Good morning,

I am reaching out to share that this morning we announced that Sonic Corp. has entered into an agreement to be acquired by Inspire Brands, Inc. Following the completion of the transaction, Sonic will operate as a separate business unit within Inspire and will continue to be based in Oklahoma City and led by our management team. While the Company's ownership structure will change, our franchise structure, leadership, branding, operations, and commitment to exceeding the expectations of our guests will remain the same.

Our agreement with Inspire validates the actions we have taken over the last year to increase traffic and improve sales while delivering differentiated offerings and superior guest service. As you know, we hit a milestone this year with 3,606 drive-ins in operation in 45 states. In a challenging market with heightened competition and changing consumer needs, we have successfully implemented a number of key strategic initiatives, including mobile order ahead, operational simplification, and a more streamlined go-to-market strategy, to deliver the most personalized guest experience in the QSR industry, support our franchisees and drive growth. Your hard work and dedication to Sonic makes today's announcement possible – thank you.

This letter is a follow up to our town hall meeting this morning where we discussed the announcement. Your senior leader and VPs will host team meetings today to allow for smaller group conversation.

#### Joining a Leading Restaurant Group

Inspire is a multi-brand restaurant company whose portfolio includes more than 4,700 Arby's, Buffalo Wild Wings, and Rusty Taco locations worldwide. It is majority-owned by Roark Capital Group, an Atlanta-based private equity firm that specializes in consumer, multi-unit and franchise brands.

We have much to gain by joining forces with this powerful group of distinct restaurants. We have long recognized the advantages certain competitors have as private companies. As a privately held-company, we expect to have increased operational flexibility, and being part of a larger organization enables outsized investments in long-term growth initiatives and the ability to leverage scale to drive efficiencies. Working closely with Inspire, we will continue to provide made-to-order American classics, distinctive flavors and the most personalized guest experience in our industry.

It is important to reiterate that Sonic will continue to be operated as an independent brand and our branding, leadership team, operations, and commitment to achieving our new vision of delivering a lifetime of delightful and delicious moments for our guests will remain the same. As we unveiled our new strategic framework this summer, one of our key competitive advantages is our strong, supportive family, of which you are a critical part. The Inspire team has great respect for our company and confidence in our future, and recognizes the important role that our employees play in driving our Company's success.

#### Next Steps

There is much to do before the transaction is completed, which is expected to occur by the end of the year. Until then, day-to-day operations and implementation of strategic initiatives will continue as usual. During this time, we know you will continue to focus on your daily responsibilities.

A big part of the efforts between now and closing will be planning for Sonic's future as a private company, owned by Inspire. We will continue to keep you informed as we move forward with this planning process.

Today's announcement will of course bring increased attention on our company. As a reminder, it is important that we continue to speak with one voice. Should you receive any inquiries from the media, please follow our media protocol

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and contact Christi Woodworth, VP of Public Relations, at 405-627-1260 or [christi.woodworth@sonicdrivein.com](mailto:christi.woodworth@sonicdrivein.com).  
Inquiries from shareholders or financial analysts should be referred to Corey Horsch, Chief Financial Officer at 404-225-4800 or [corey.horsch@sonicdrivein.com](mailto:corey.horsch@sonicdrivein.com).

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As we begin this next chapter in our company's history, I thank each of you for your commitment and exceptional efforts in making Sonic a great American success story.

Sincerely,

Cliff Hudson  
Chairman and CEO

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This communication contains “forward-looking statements” within the meaning of the U.S. federal securities laws. Such statements include statements concerning anticipated future events and expectations that are not historical facts. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Actual results may vary materially from those expressed or implied by forward-looking statements based on a number of factors, including, without limitation: (1) risks related to the consummation of the merger, including the risks that (a) the merger may not be consummated within the anticipated time period, or at all, (b) the parties may fail to obtain shareholder approval of the merger agreement, (c) the parties may fail to secure the termination or expiration of any waiting period applicable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (d) other conditions to the consummation of the merger under the merger agreement may not be satisfied, and (e) the significant limitations on remedies contained in the merger agreement may limit or entirely prevent Sonic Corp. from specifically enforcing Inspire Brands, Inc.'s obligations under the merger agreement or recovering damages for any breach by Inspire Brands, Inc.; (2) the effects that any termination of the merger agreement may have on Sonic Corp. or its business, including the risks that (a) Sonic Corp.'s stock price may decline significantly if the merger is not completed, (b) the merger agreement may be terminated in circumstances requiring Sonic Corp. to pay Inspire Brands, Inc. a termination fee, or (c) the circumstances of the termination, including the possible imposition of a 12-month tail period during which the termination fee could be payable upon certain subsequent transactions, may have a chilling effect on alternatives to the merger; (3) the effects that the announcement or pendency of the merger may have on Sonic Corp. and its business, including the risks that as a result (a) Sonic Corp.'s business, operating results or stock price may suffer, (b) Sonic Corp.'s current plans and operations may be disrupted, (c) Sonic Corp.'s ability to retain or recruit key employees may be adversely affected, (d) Sonic Corp.'s business relationships (including, customers, franchisees and suppliers) may be adversely affected, or (e) Sonic Corp.'s management's or employees' attention may be diverted from other important matters; (4) the effect of limitations that the merger agreement places on Sonic Corp.'s ability to operate its business, return capital to shareholders or engage in alternative transactions; (5) the nature, cost and outcome of pending and future litigation and other legal proceedings, including any such proceedings related to the merger and instituted against Sonic Corp. and others; (6) the risk that the merger and related transactions may involve unexpected costs, liabilities or delays; (7) other economic, business, competitive, legal, regulatory, and/or tax factors; and (8) other factors described under the heading “Risk Factors” in Part I, Item 1A of Sonic Corp.'s Annual Report on Form 10-K for the fiscal year ended August 31, 2017, as updated or supplemented by subsequent reports that Sonic Corp. has filed or files with the SEC. Potential investors, shareholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. Neither Inspire Brands, Inc. nor Sonic Corp. assumes any obligation to publicly update any forward-looking statement after it is made, whether as a result of new information, future events or otherwise, except as required by law.

#### ADDITIONAL INFORMATION AND WHERE TO FIND IT

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. This communication may be deemed to be solicitation material in respect of the proposed merger between Inspire Brands, Inc. and Sonic Corp. In connection with the proposed transaction, Sonic Corp. plans to file a proxy statement with the Securities and Exchange Commission (“SEC”). SHAREHOLDERS OF

SONIC CORP. ARE URGED TO READ THE PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO AND ANY DOCUMENTS INCORPORATED BY REFERENCE THEREIN) AND OTHER RELEVANT DOCUMENTS IN CONNECTION WITH THE PROPOSED TRANSACTION THAT SONIC CORP. WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION. Shareholders and investors will be able to obtain free copies of the proxy statement and other relevant materials (when they become available) and other documents filed by Sonic Corp. at the SEC's web site at [www.sec.gov](http://www.sec.gov). Copies of the proxy statement (when they become available) and the filings that will be incorporated by reference therein may also be obtained, without charge, at <https://ir.sonicdrivein.com/> or by contacting Sonic Corp.'s Investor Relations at (405) 225-5000.

#### PARTICIPANTS IN SOLICITATION

Sonic Corp. and its directors, executive officers and certain employees may be deemed, under SEC rules, to be participants in the solicitation of proxies in respect of the proposed merger. Information regarding Sonic Corp.'s directors and executive officers is available in its proxy statement filed with the SEC on December 18, 2017. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement and other relevant materials to be filed with the SEC (when they become available). These documents can be obtained free of charge from the sources indicated above.

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