

PRECISION AUTO CARE INC
Form 8-K
August 10, 2004

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

August 9, 2004

Date of report (Date of Earliest Event Reported)

PRECISION AUTO CARE, INC.

(Exact name of Registrant as specified in Its Charter)

VIRGINIA

(State or other jurisdiction of
incorporation)

0-29478

(Commission File Number)

54-1847851

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

748 Miller Drive, S.E., Leesburg, Virginia 20175
(Address of principal executive offices and zip code)

(703) 777-9095

Registrant's telephone number, including area code

ITEM 5. OTHER EVENTS.

Precision Auto Care, Inc. (PACI) announced today that through its subsidiary, Precision Franchising LLC, it had signed an area development agreement with North Pacific Precision, Inc. (NPPI) for the area rights for the Seattle market. Under the agreement, NPPI paid \$500,000 for the area developer rights for the Seattle market, and PACI will receive 50% of the income from the sale of franchises and from royalties from franchisees in the area. An affiliate of NPPI had previously acquired the area developer rights to parts of California and Oregon, and for Clark County, Washington.

As of June 30, 2003, Precision Franchising LLC had 428 operating centers.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

a) Financial statements of businesses acquired:

Not applicable

b) Pro forma financial information:

Not applicable

c) Exhibits

| Exhibit No. | Description |
|--------------------|------------------------------------|
| 99.1 | Press Release Dated August 9, 2004 |

Cautionary Statement: The statements in this Form 8-K contain forward-looking statements within the meaning of the Securities Act of 1933 or the Securities Exchange Act of 1934. These statements are based on the Company's current expectations, estimates and projections. Statements that are not historical facts are forward-looking statements and typically are identified by words like believe, anticipate, could, estimate, expect, intend, plan, project, will and similar terms. These statements are not guarantees of future performance, events or results and involve potential risks and uncertainties. Accordingly, actual results may differ from current expectations, estimates and projections. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Important factors that may impact the Company's actual results include: (i) business conditions and the general economy; (ii) the federal, state and local regulatory environment; (iii) increased competitive pressure in the automotive after-market services business; (iv) significant automotive technology advances; (v) management's ability to execute the Company's business plan; and (vi) the Company's ability to sell franchises in each state. Additional information concerning risks and uncertainties that could cause actual results to differ materially from those projected or suggested in the forward-looking statements in the Company's filings with the Securities and Exchange Commission and in its Annual Report on

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Form 10-K for the year ended June 30, 2003. The forward-looking statements contained in this Form 8-K represent the Company's judgment as of the date of this Form 8-K, and you should not unduly rely on these statements.

SIGNATURE

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.

PRECISION AUTO CARE, INC.

Date: August 9, 2004

By: /s/ ROBERT R. FALCONI
Name: Robert R. Falconi
Title: President and
Chief Operating Officer