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UNITED AUTO GROUP INC
Form SC 13G
March 01, 2002

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

OMB APPROVAL
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SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934

(RULE 13D-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED
PURSUANT TO RULE 13D-1(B), (C) AND (D) AND AMENDMENTS THERETO
FILED PURSUANT TO RULE 13D-2(B)

United Auto Group, Inc.

(Name of Issuer)

Common Stock par value \$0.0001 per share

(Title of Class of Securities)

909440109

(CUSIP Number)

February 22, 2002

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

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The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

POTENTIAL PERSONS WHO ARE TO RESPOND TO THE COLLECTION OF INFORMATION CONTAINED IN THIS FORM ARE NOT REQUIRED TO RESPOND UNLESS THE FORM DISPLAYS A CURRENTLY VALID OMB CONTROL NUMBER.

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ISSUER: United Auto Group, Inc.

CUSIP NO.: 909440109

- 1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

J.P. Morgan Partners (BHCA), L.P. (formerly known as Chase Equity Associates, L.P.)
13-3371826
.....
- 2. Check the Appropriate Box if a Member of a Group (See Instructions)
 - (a)
 - (b) x
.....
- 3. SEC Use Only
- 4. Citizenship or Place of Organization Delaware
.....
- 5. Sole Voting Power 0
.....
- Number of Shares Beneficially Owned by Each Reporting Person With:
 - 6. Shared Voting Power 0
.....
 - 7. Sole Dispositive Power 0
.....
 - 8. Shared Dispositive Power 5,925,196
.....
- 9. Aggregate Amount Beneficially Owned by Each Reporting Person 5,925,196
.....
- 10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See

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Instructions)

11. Percent of Class Represented by Amount in Row (9) 18.2%
.....

12. Type of Reporting Person (See Instructions) PN

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SCHEDULE 13G

ISSUER: United Auto Group, Inc. CUSIP NO.: 909440109

PRELIMINARY NOTE:

On February 22, 2002, International Motor Cars Group I, L.L.C. ("IMCG I") and J.P. Morgan Partners (BHCA), L.P. ("JPMP"), Virginia Surety Company, Inc. ("AON"), Penske Corporation, and Penske Capital Partners, L.L.C. (the "Managing Member", and each of JPMP, AON and Penske Corporation, an "IMCG I Member"), being all the members of IMCG I, entered into a letter agreement (the "IMCG I Letter Agreement"). Under the terms of the IMCG I Letter Agreement each IMCG I Member may, in connection with its execution of a cash sale of shares of Series A preferred stock or common stock of United Auto Group, Inc. (the "Issuer") attributable to its membership interest in IMCG I, require that IMCG I distribute such shares to that IMCG I Member, subject to certain conditions (an "IMCG I Member Distribution"). Such conditions are as follows: (i) until February 22, 2003, no IMCG I Member may require IMCG I to distribute any of the shares of Common Stock obtained by IMCG I pursuant to its exercise of warrants of the Issuer on February 1, 2002, unless immediately after giving effect to such distribution, no other shares of Series A preferred stock, Series B preferred stock or common stock of the Issuer are attributable to such IMCG I Member's membership interest in IMCG I or, with respect to JPMP, IMCG II (as defined below) and (ii) other than distributions permitted by the IMCG I Letter Agreement or in connection with reallocation of shares to the Managing Member permitted under IMCG I's operating agreement, IMCG I will not sell or otherwise transfer to a third party any shares of the Issuer attributable to an IMCG I Member's membership interest, without the prior written consent of such IMCG I Member. Moreover, neither IMCG I nor any IMCG I Member can cause the conversion of any shares of Series A preferred stock attributable to its membership interest, except in connection with an IMCG I Member Distribution and upon

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receipt by IMCG I of notice of redemption by the Issuer. Notwithstanding the foregoing, the Managing Member shall have the right at any time to cause IMCG I to distribute to an IMCG I Member all or a portion of the shares of Series A preferred stock and/or common stock of the Issuer (or any proceeds of such shares) attributable to such IMCG I Member's membership interest.

On February 22, 2002, International Motor Cars Group II, L.L.C. ("IMCG II") and JPMP and the Managing Member (each of JPMP and the Managing Member, an "IMCG II Member"), being all the members of IMCG II, entered into a letter agreement (the "IMCG II Letter Agreement"). Under the terms of the IMCG II Letter Agreement each IMCG II Member may, in connection with its execution of a cash sale of shares of Series A preferred stock, Series B preferred stock or common stock of the Issuer attributable to its membership interest in IMCG II, require that IMCG II distribute such shares to that IMCG II Member, subject to certain conditions (an "IMCG II Member Distribution"). Such conditions are as follows: (i) until February 22, 2003, no IMCG II Member may require IMCG II to distribute any of the shares of Common Stock obtained by IMCG II pursuant to its exercise of warrants of the Issuer on February 1, 2002, unless immediately after giving effect to such distribution, no other shares of Series A preferred stock, Series B preferred stock or common stock of the Issuer are attributable to such IMCG II Member's membership interest in IMCG I or IMCG II and (ii) other than distributions permitted by the IMCG II Letter Agreement or in connection with reallocation of shares to the Managing Member permitted under IMCG II's operating agreement, IMCG II will not sell or otherwise transfer to a third party any shares of the Issuer attributable to an IMCG II Member's membership interest, without the prior written consent of such IMCG II Member. Moreover, neither IMCG II nor any IMCG II Member can cause the conversion of any shares of Series A preferred stock or Series B preferred stock of the Issuer attributable to its membership interest, except in connection with an IMCG II Member Distribution and upon receipt by IMCG II of notice of redemption by the Issuer. Notwithstanding the foregoing, the Managing Member shall have the right at any time to cause IMCG II to distribute to an IMCG II Member all or a portion of the shares of Series A preferred stock, Series B preferred stock and/or common stock of the Issuer (or any proceeds of such shares) attributable to such IMCG II Member's membership interest.

The number of shares reported as beneficially owned by JPMP in this Schedule 13G represent the shares of the Issuer attributable as of February 22, 2002 to JPMP's membership interests in IMCG I and IMCG II. However, pursuant to the respective operating agreements of each of IMCG I and IMCG II, the number of shares of the Issuer attributable to JPMP's membership interests in IMCG I and IMCG II shall be reduced at the time of each IMCG I or IMCG II Member Distribution to JPMP by the number of shares actually distributed to JPMP and by the number of shares representing the carried interest payable to the Managing Member pursuant to the respective operating agreements of each of IMCG I and IMCG II with respect to the shares so distributed to JPMP.

ITEM 1.

(A) NAME OF ISSUER:

United Auto Group, Inc.

(B) ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

13400 Outer Drive West, Suite B-36
Detroit, Michigan 48239

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SCHEDULE 13G

ISSUER: United Auto Group, Inc.

CUSIP NO.: 909440109

ITEM 2.

(A) NAME OF PERSON FILING:

J.P. Morgan Partners (BHCA), L.P.

Supplemental information relating to the ownership and control of the person filing this statement is included in Exhibit 2(a) attached hereto.

(B) ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE:

1221 Avenue of the Americas
New York, New York 10020

(C) CITIZENSHIP:

Delaware

(D) TITLE OF CLASS OF SECURITIES (OF ISSUER):

Common Stock, par value \$0.0001 per share

(E) CUSIP NUMBER:

909440109

ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO SS.SS. 240. 13D-1(B) OR 240. 13D-2(B) OR (C), CHECK WHETHER THE PERSON FILING IS A:

Not applicable.

ITEM 4. OWNERSHIP

(A) AMOUNT BENEFICIALLY OWNED:

5,925,196

(B) PERCENT OF CLASS:

18.2% as of 2/22/02

(C) NUMBER OF SHARES AS TO WHICH SUCH PERSON HAS:

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- (i) Sole power to vote or to direct the vote: 0.
- (ii) Shared power to vote or to direct the vote: 0.
- (iii) Sole power to dispose or to direct the disposition of: 0.
- (iv) Shared power to dispose or to direct the disposition of:
5,925,196.

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS

Not applicable.

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON

Not applicable.

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ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY

Not applicable.

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP

Not applicable.

ITEM 9. NOTICE OF DISSOLUTION OF GROUP

Not applicable.

ITEM 10. CERTIFICATION

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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ISSUER: United Auto Group, Inc.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: March 1, 2002

J.P. MORGAN PARTNERS (BHCA), L.P.

By: JPMP Master Fund Manager, L.P.,
its General Partner

By: JPMP Capital Corp.,
its General Partner

By: /s/ Donald J. Hofmann, Jr.

Name: Donald J. Hofmann, Jr.
Title: Managing Director

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EXHIBIT 2(A)

This statement is being filed by J.P. Morgan Partners (BHCA), L.P. (formerly known as Chase Equity Associates, L.P.), a Delaware limited partnership (hereinafter referred to as "JPMP (BHCA)"), whose principal business office is located at 1221 Avenue of the Americas, New York, New York 10020. JPMP (BHCA) is engaged in the venture capital and leveraged buyout business. The general partner of JPMP (BHCA) is JPMP Master Fund Manager, L.P. (formerly known as Chase Capital Partners, a New York general partnership), a Delaware limited partnership (hereinafter referred to as "JPMP Master Fund"), whose principal business office is located at the same address as JPMP (BHCA), and is also directly or indirectly (through affiliates) engaged in the venture capital and leveraged buyout business. The general partner of JPMP Master Fund is JPMP Capital Corp. (formerly known as Chase Capital Corporation), a New York corporation (hereinafter referred to as "JPMP Capital Corp."), whose principal business office is located at the same address as JPMP (BHCA), and is also engaged in the venture capital and leveraged buyout business. Set forth in Schedule A hereto and incorporated herein by reference are the names, business addresses, principal occupations and employments of each executive officer and director of JPMP Capital Corp.

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Managing Director	Susan L. Segal*
Managing Director	Kelly Shackelford*
Managing Director	Shahan D. Soghikian*
Managing Director	Patrick J. Sullivan*
Managing Director	Timothy J. Walsh*
Managing Director	Richard D. Waters, Jr. *
Managing Director	Damion E. Wicker, M.D.*
Managing Director	Eric R. Wilkinson*
Senior Vice President	Marcia Bateson*
Senior Vice President and Assistant Secretary	Mounir Nahas*
Senior Vice President and Assistant Secretary	Stephen Skoczylas*
Senior Vice President, Treasurer and Assistant Secretary	Elisa R. Stein*
Vice President and Assistant Secretary	Jeffrey Glatt*
Vice President and Assistant Secretary	Puneet Gulati*
Vice President and Assistant Secretary	Sandra King*
Vice President and Assistant Secretary	Scott Kraemer*
Secretary	Anthony J. Horan**
Assistant Secretary	Robert C. Carroll**
Assistant Secretary	Denise G. Connors**

(1) Each of whom is a United States citizen except for Messrs. Britts, Irigoin, and Soghikian.

* Principal occupation is employee and/or officer of J.P. Morgan Partners, LLC. Business address is c/o J.P. Morgan Partners, LLC, 1221 Avenue of the Americas, New York, New York 10020.

** Principal occupation is employee or officer of J.P. Morgan Chase & Co. Business address is c/o J.P. Morgan Chase & Co., 270 Park Avenue, New York, New York 10017.

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SCHEDULE 13G

ISSUER: United Auto Group, Inc.

CUSIP NO.: 909440109

DIRECTORS (1)

William B. Harrison**
Jeffrey C. Walker*

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(1) Each of whom is a United States citizen.

* Principal occupation is employee and/or officer of J.P. Morgan Partners, LLC. Business address is c/o J.P. Morgan Partners, LLC, 1221 Avenue of the Americas, New York, New York 10020.

** Principal occupation is employee or officer of J.P. Morgan Chase & Co. Business address is c/o J.P. Morgan Chase & Co., 270 Park Avenue, New York, New York 10017.

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SCHEDULE B

J.P. MORGAN CHASE & CO.

EXECUTIVE OFFICERS(1)

Chairman of the Board and Chief Executive Officer
Vice Chairman; Co-Chief Executive Officer, Investment Bank
Vice Chairman; Head of Retail and Middle Market, Financial Services and
Management and Private Banking
Director of Human Resources
Vice Chairman; Chairman, Investment Bank
Vice Chairman
Director of Corporate Marketing and Communications
Vice Chairman; Co-Chief Executive Officer, Investment Bank
Vice Chairman
General Counsel
Vice Chairman; Head of Finance, Risk Management and Administration
Vice Chairman
Executive Vice President; General Auditor
Chief Financial Officer
Executive Vice President; Head of Market Risk Management
Managing Director; Corporate Treasurer
Managing Director; Head of Credit Risk Policy
Corporate Secretary
Senior Vice President; Chief Compliance Officer
Controller
Assistant Corporate Secretary

William B. Harrison Jr
Geoffrey T. Boisi *
David A. Coulter*

John J. Farrell*
Walter A. Gubert*
Thomas B. Ketchum*
Frederick W. Hill*
Donald H. Layton*
James B. Lee Jr. *
William H. McDavid*
Marc J. Shapiro*
Jeffrey C. Walker**
William J. Moran*
Dina Dublon*
Lesley Daniels Webster
David B. Edelson*
Suzanne Hammett*
Anthony James Horan*
Gregory S. Meredith*
Joseph L. Scalfani*
James C. Berry*

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DIRECTORS (1)

NAME	PRINCIPAL OCCUPATION OR EMPLOYMENT; BUSINESS OR RESIDENCE ADDRESS
Hans W. Becherer	Retired Chairman of the Board and Chief Executive Officer Deere & Company One John Deere Place Moline, IL 61265
Riley P. Bechtel	Chairman and Chief Executive Officer Bechtel Group, Inc. P.O. Box 193965 San Francisco, CA 94119-3965
Frank A. Bennack, Jr.	President and Chief Executive Officer The Hearst Corporation 959 Eighth Avenue New York, New York 10019

(1) Each of whom is a United States citizen.

* Principal occupation is employee and/or officer of J.P. Morgan Chase & Co. Business address is c/o J.P. Morgan Chase & Co., 270 Park Avenue, New York, New York 10017.

** Principal occupation is employee or officer of J.P. Morgan Partners, LLC. Business address is c/o J.P. Morgan Partners, LLC, 1221 Avenue of the Americas, New York, New York 10020.

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NAME	PRINCIPAL OCCUPATION OR EMPLOYMENT; BUSINESS OR RESIDENCE ADDRESS
Lawrence A. Bossidy	Chairman of the Board Honeywell International P.O. Box 3000 Morristown, NJ 07962-2245
M. Anthony Burns	Chairman of the Board Ryder System, Inc. 3600 N.W. 82nd Avenue Miami, Florida 33166
H. Laurence Fuller	Retired Co-Chairman BP Amoco p.l.c.

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1111 Warrenville Road, Suite 25
Chicago, Illinois 60563

Ellen V. Futter

President and Trustee
American Museum of Natural History
Central Park West at 79th Street
New York, NY 10024

William H. Gray, III

President and Chief Executive Officer
The College Fund/UNCF
9860 Willow Oaks Corporate Drive
P.O. Box 10444
Fairfax, Virginia 22031

William B. Harrison, Jr.

Chairman of the Board and Chief Executive Officer
J.P. Morgan Chase & Co.
270 Park Avenue, 8th Floor
New York, New York 10017-2070

Helene L. Kaplan

Of Counsel
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036

Lee R. Raymond

Chairman of the Board and Chief Executive Officer
Exxon Mobil Corporation
5959 Las Colinas Boulevard
Irving, TX 75039-2298

John R. Stafford

Chairman of the Board
American Home Products Corporation
5 Giralda Farms
Madison, New Jersey 07940

Lloyd D. Ward

Chief Executive Officer
U.S. Olympic Committee
One Olympic Plaza
Colorado Springs, CO 80909

Marina v.N. Whitman

Professor of Business Administration and Public Policy
The University of Michigan
School of Public Policy
411 Lorch Hall, 611 Tappan Street
Ann Arbor, MI 48109-1220