

MOTORCAR PARTS AMERICA INC

Form S-1/A

November 12, 2013

As filed with the Securities and Exchange Commission on November 12, 2013

Registration No. 333-190966

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2 to

FORM S-1

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)

3714

(Primary Standard Industrial Classification
Code Number)

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)

Copies of all correspondence to:

Steven B. Stokdyk

Latham & Watkins LLP

355 South Grand Avenue

Los Angeles, California 90071-1560

(213) 485-1234

Approximate date of commencement of proposed sale to the public: From time to time on or after the effective date of this registration statement.

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, 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, 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 post-effective amendment filed pursuant to Rule 462(d) 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.

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

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. The selling securityholders 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 November 12, 2013

PROSPECTUS

MOTORCAR PARTS OF AMERICA, INC.

516,129 Shares
of Common Stock

This prospectus relates to the potential resale from time to time by Wanxiang American Corporation, or the selling securityholder, of some or all of 516,129 shares of our common stock, \$0.01 par value per share, or the securities, which underlie common stock warrants pursuant to the Warrant to Purchase Common Stock, dated August 22, 2012, issued by us to the selling securityholder, or the Warrant. The registration of the securities covered by this prospectus does not necessarily mean that any of the securities will be offered or sold by the selling securityholder.

We will receive no proceeds from any resale of the shares of common stock, but we have agreed to pay certain registration expenses.

The selling securityholder and its successors, including transferees, which we collectively refer to as the selling securityholders, may offer the securities from time to time directly or through underwriters, broker-dealers or agents and in one or more public or private transactions and at fixed prices, prevailing market prices, at prices related to prevailing market prices or at negotiated prices. If these securities are sold through underwriters, broker-dealers or agents, the selling securityholders will be responsible for underwriting discounts or commissions or agents' commissions. See the sections entitled "Plan of Distribution" and "About this Prospectus" for more information.

Our common stock is traded on the Nasdaq Global Market under the symbol "MPAA." On November 11, 2013, the closing price of our common stock was \$13.21 per share.

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 4.

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 _____, 2013.

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ABOUT THIS PROSPECTUS

This prospectus is a part of a “shelf” registration statement on Form S-1 that we filed with the Securities and Exchange Commission, or the SEC, utilizing a continuous registration process. Under this continuous registration process, the selling securityholder and its successors, including transferees, which we collectively refer to as the selling securityholders, may, from time to time, sell the offered securities described in this prospectus in one or more offerings. Additionally, under this shelf registration process, in certain circumstances, we may provide a prospectus supplement that will contain specific information about the terms of a particular offering by the selling securityholders. We may also provide a prospectus supplement to add information to, or update or change information contained in, this prospectus. 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.”

The selling securityholders may only use this prospectus to sell the securities if it is accompanied by a prospectus supplement. Neither we nor the selling securityholders have 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 “securityholders” 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 and our telephone number is (310) 212-7910.

About Motorcar Parts of America, Inc.

We are a leading manufacturer, remanufacturer, and distributor of aftermarket automobile parts. After the Bankruptcy, as defined below, we have one reportable segment. Within this segment, we manufacture and remanufacture alternators and starters for import and domestic cars, light trucks, heavy duty, agricultural and industrial applications. On June 10, 2013, certain of Motorcar Parts of America, Inc.’s subsidiaries, Fenwick Automotive Products Limited, or FAPL, Introcan, Inc., or Introcan, and Introcan’s direct and indirect subsidiaries, Flo-Pro Inc., LH Distribution Inc., Rafko Logistics Inc., Rafko Holdings Inc. and Rafko Enterprises Inc., or collectively the Debtors, each filed a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code in the U.S. Bankruptcy Court for the District of Delaware, or the Bankruptcy. George L. Miller has been appointed as the Chapter 7 Trustee of the Bankruptcy and is in the process of liquidating the Debtors’ assets.

The aftermarket for automobile parts is divided into two markets. The first market is the do-it-yourself, or DIY, market, which is generally serviced by the large retail chain outlets. Consumers who purchase parts from the DIY channel generally install parts into their vehicles themselves. In most cases, this is a less expensive alternative than having the repair performed by a professional installer. The second market is the professional installer market, commonly known as the do-it-for-me, or DIFM, market. This market is serviced by the traditional warehouse distributors, the dealer networks, and the commercial divisions of retail chains. Generally, the consumer in this channel is a professional parts installer. Our products are distributed to both the DIY and DIFM markets and are distributed predominantly throughout North America. We sell our products to the largest auto parts retail and traditional warehouse chains and to major automobile manufacturers for both their aftermarket programs and their warranty replacement programs. Demand and replacement rates for aftermarket remanufactured automobile parts generally increase with the age of vehicles and increases in miles driven.

Historically, the largest share of our business was in the DIY market. While that is still the case, our DIFM business is now a significant part of our business. In difficult economic times, we believe consumers are more likely to purchase lower cost replacement parts in both the DIY and DIFM markets. We focus on supplying both these channels with the most cost efficient replacement parts for the consumer to purchase.

The DIFM market is an attractive opportunity for growth. We are positioned to benefit from this market opportunity in two ways: (1) our auto parts retail customers are expanding their efforts to target the DIFM market and (2) we sell our products under private label and our own brand names directly to suppliers that focus on professional installers. In addition, we sell our products to original equipment manufacturers for distribution to the professional installer both for warranty replacement and their general aftermarket channels. We have been successful in growing sales in our rotating electrical segment to this market.

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 have or are renegotiating long-term agreements with many of our major customers. The increased demand for product as a result of entering into these longer-term agreements often requires that we increase our inventories, accounts payable and personnel. Customer demands that we purchase their remanufactured core

inventory have also been a significant and an additional strain on our available working capital. The marketing and other allowances we typically grant our customers in connection with our new or expanded customer relationships adversely impact the near-term revenues, profitability and associated cash flows from these arrangements. However, we believe the investment we make in these new or expanded customer relationships will improve our overall liquidity and cash flow from operations over time.

For our fiscal year ended March 31, 2013, we reported a net loss of \$91,511,000. For our most recent fiscal quarter ended June 30, 2013, we reported a net income of \$100,980,000.

We are party to a financing agreement, or the Financing Agreement, dated as of January 18, 2012 and as amended to date, with a syndicate of lenders, Cerberus Business Finance, LLC, or Cerberus, as collateral agent, and PNC Bank, National Association, as administrative agent. The loans under the Financing Agreement consist of: (i) term loans aggregating \$105,000,000, collectively, the Term Loans, and (ii) revolving loans of up to \$20,000,000, subject to borrowing base restrictions and a \$10,000,000 sublimit for letters of credit, collectively, the Revolving Loans and together with the Term Loans, the Loans, in each case maturing on January 17, 2017. Since the execution of the Financing Agreement, we have entered into the following material amendments and waivers:

First Amendment to Financing Agreement, dated as of March 18, 2012, which extended (a) our deadline for transferring deposit accounts to PNC Bank, National Association, or PNC, and to deliver related cash management agreements and (b) extended the time that accounts payable due to Wanxiang America Corporation, or Wanxiang, would not count as indebtedness for purposes of the financial covenants.

Second Amendment to Financing Agreement, dated as of May 24, 2012, pursuant to which we (a) borrowed an additional \$10,000,000 in term loans, (b) modified the interest rates applicable to all term loans to either LIBOR plus 8.5% or base rate plus 7.5% (at the Company's option), (c) modified the quarterly amortization payments for all term loans to commence on October 1, 2012 at a rate of \$250,000 per quarter with an increase to \$600,000 per quarter on April 1, 2013 and \$1.35 million on October 1, 2013 until maturity, (d) adjusted the Applicable EBITDA Multiple numbers and financial covenants, (e) added a requirement that we maintain cash and cash equivalents of up to \$10,000,000 in the aggregate until our obligations with respect to Wanxiang have ceased and (f) issued a warrant to Cerberus for 100,000 shares of our common stock for an initial exercise price of \$17.00 per share for a period of five years, subject to certain adjustments.

Third Amendment and Waiver to Financing Agreement, dated as of August 22, 2012, pursuant to which (a) our existing subordinated indebtedness and general unsecured indebtedness baskets were replaced with baskets permitting our additional investment in FAPL, and its guaranty of \$22,000,000 of FAPL's obligations to Wanxiang pursuant to the Revolving Credit/Strategic Cooperation Agreement, referred to herein as the Guaranty, (b) our general lien basket was removed, (c) additional reporting requirements regarding financial reports of auditors and material notices were added, (d) certain defaults arising as a result of our failure to comply with certain reporting requirements were waived and (e) certain other consequential amendments were made.

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Fourth Amendment to Financing Agreement, dated as of December 3, 2012, which permitted us to repurchase up to \$300,000 of our common stock held by Melmarks Enterprises LLLP.

Fifth Amendment to Financing Agreement, dated as of January 16, 2013, which permitted us to repurchase up to \$454,675 of our shares held by Selwyn Joffe.

Sixth Amendment and Waiver to Financing Agreement, dated as of June 14, 2013, pursuant to which (a) the agents and lenders agreed to waive any event of default that would otherwise arise under the Financing Agreement due to the qualification in the opinion by our certified public accountants with respect to the financial statements for the fiscal year ended March 31, 2013, (b) a reporting requirement with respect to our liquidity levels and certain inventory purchases were added, and (c) a financial covenant under which we must maintain the following levels of liquidity on the following dates unless otherwise consented to by the lenders was added: on June 28, 2013, an aggregate amount of at least \$25,000,000; on July 31, 2013, an aggregate amount of at least \$26,000,000; and on August 30, 2013, an aggregate amount of at least \$27,000,000, in each case subject to certain adjustments.

Seventh Amendment to Financing Agreement, dated as of August 26, 2013, pursuant to which (a) we borrowed an additional \$20,000,000 in term loans, (b) the Senior Leverage Ratio and Fixed Charge Coverage Ratio covenants were reset, (c) certain carveouts related to transaction fees and restructuring costs to the definitions of Consolidated EBITDA and Excess Cash Flow and the calculation of liquidity were added and (d) the agents and lenders consented to our payment of certain subordinated debt with respect to the Guaranty.

Eighth Amendment to Financing Agreement, dated as of October 9, 2013, which permitted us to repurchase up to \$626,500 of our shares held by Selwyn Joffe.

Ninth Amendment and Waiver to Financing Agreement (the "Ninth Amendment"), dated as of November 6, 2013, pursuant to which (a) the agents and lenders waived a requirement for the Company to pay down loans with its receipt of certain state tax refunds, (b) the Revolving Credit Commitment (as defined therein) was increased by \$10,000,000 to \$30,000,000 (the "Amended Revolving Loans"), (c) the Term Loan Commitment was decreased by \$10,000,000 to \$95,000,000 (the "Amended Term Loans"), (iv) the final maturity date was extended to November 6, 2018, (d) the interest rates for the Amended Term Loans were lowered to bear interest at rates equal to, at the Company's option, either LIBOR (subject to a 1.50% LIBOR floor) plus 5.25% or a reference rate plus 4.25%, (e) the interest rates for the Amended Revolving Loans were lowered to bear interest at rates equal to, at the Company's option, either LIBOR plus 2.50% or a reference rate plus 1.00%, and are subject to borrowing base restrictions, and (f) certain other amendments and modifications were made to the Financing Agreement, in the form of an amended and restated financing agreement in the form attached to the Ninth Amendment.

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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 Annual Report on Form 10-K, as amended by our Annual Report on Form 10-K/A, for the fiscal year ended March 31, 2013 and under “Risk Factors” under Item 1A of Part II of our Quarterly Report on Form 10-Q for the three months ended September 30, 2013, incorporated by reference herein, and all of the other information contained or incorporated by reference in this prospectus before making an investment decision. For more information, see “Information Incorporated by Reference.” Although we are currently compliant with the covenants under the Financing Agreement, we have obtained amendments and waivers from time to time in the past as described under “Summary” and cannot assure you that we will not seek or obtain any amendments or waivers in the future.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information set forth in this prospectus and the information incorporated by reference herein 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,” “seeks,” “estimates” and similar expressions 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 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 relationships;
- our failure to meet the financial covenants or the other obligations set forth in our bank credit agreements and the banks’ 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;
- 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;

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- 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 the information incorporated by reference herein.

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 and the information incorporated herein 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.

ABOUT THIS OFFERING

The securities offered in this prospectus relate to the potential resale of up to 516,129 shares of our common stock, which are issuable by us to Wanxiang America Corporation, or the selling securityholder, upon the exercise by the selling securityholder of common stock warrants pursuant to the Warrant to Purchase Common Stock, dated August 22, 2012, issued by us to the selling securityholder, or the Warrant.

Revolving Credit/Strategic Cooperation Agreement

On August 22, 2012, we entered into a Revolving Credit/Strategic Cooperation Agreement, or the Agreement, with the selling securityholder and FAPL. Pursuant to the terms of the Agreement, the selling securityholder extended to FAPL a revolving credit line in an aggregate principal amount not to exceed \$22,000,000 for purchases of automotive parts and components by FAPL from the selling securityholder, or the Credit Line, provided that \$2,000,000 of the Credit Line would only be available for accrued interest and other amounts payable. Payment for all purchases of automotive parts and components pursuant to the Credit Line, or the Obligations, are due and payable on the date that is 120 days after the date of the bill of lading relating to the shipment of such purchases from port, or the Due Date. Any amounts remaining unpaid following the Due Date bear interest at a rate of 1% per month. The Obligations under the Agreement are guaranteed by five affiliate entities. The Credit Line will mature on July 31, 2017.

Warrant

In connection with the Agreement, we issued the Warrant to the selling securityholder. Pursuant to the terms of the Warrant, the selling securityholder may purchase up to 516,129 shares of our common stock, each such share a Warrant Share and all such shares the Warrant Shares, for an initial exercise price of \$7.75 per share, or the Exercise Price, exercisable at any time from the earlier of two years after August 22, 2012 or the occurrence of any event of default through and including September 30, 2017, provided that if any Obligations remain outstanding under the Credit Line as of August 1, 2017, such end date will be the date that is three months after the date that all Obligations under the Credit Line have been repaid in full. The Exercise Price is subject to adjustments for (i) sales of our common stock or options or other securities exercisable or convertible into our common stock by us at a price below the Exercise Price, (ii) stock dividends and splits and (iii) mergers, consolidations, or the sale of substantially all of

our assets, among other events. Upon any and each adjustment of the Exercise Price, the number of Warrant Shares issuable upon the exercise of the Warrant immediately prior to any such adjustment will be increased to a number of Warrant Shares equal to the quotient obtained by dividing (i) the product of (A) the Exercise Price in effect immediately prior to any such adjustment multiplied by (B) the number of Warrant Shares issuable upon exercise of the Warrant immediately prior to any such adjustment; by (ii) the Exercise Price resulting from such adjustment.

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USE OF PROCEEDS

This prospectus relates to the securities that may be offered and sold from time to time by the selling securityholders who will receive all of the proceeds from any sale of the securities. We will not receive any of the proceeds from any sales of the securities by the selling securityholders. However, we will pay the registration expenses.

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PLAN OF DISTRIBUTION

The selling securityholders, or their pledgees, donees, transferees, or any of their successors in interest selling shares received from a named selling securityholder as a gift, partnership distribution or other non-sale-related transfer after the date of this prospectus (all of whom may be selling securityholders), may sell the securities from time to time on any stock exchange or automated interdealer quotation system on which the securities are traded, in the over-the-counter market, in privately negotiated transactions or otherwise, at fixed prices that may be changed, at market prices prevailing at the time of sale, at prices related to prevailing market prices or at prices otherwise negotiated. The selling securityholders may sell the securities by one or more of the following methods, without limitation:

- (a) block trades in which the broker or dealer so engaged will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- (b) purchases by a broker or dealer as principal and resale by the broker or dealer for its own account pursuant to this prospectus;
- (c) an exchange distribution in accordance with the rules of any stock exchange on which the securities are listed;
- (d) ordinary brokerage transactions and transactions in which the broker solicits purchases;
- (e) privately negotiated transactions;
- (f) short sales;
- (g) through the writing of options on the securities, whether or not the options are listed on an options exchange;
- (h) through the distribution of the securities by any selling securityholder to its partners, members or securityholders;
- (i) one or more underwritten offerings on a firm commitment or best efforts basis; and
- (j) any combination of any of these methods of sale.

The selling securityholders may also transfer the securities by gift. We do not know of any arrangements by the selling securityholders for the sale of any of the securities.

The selling securityholders may engage brokers and dealers, and any brokers or dealers may arrange for other brokers or dealers to participate in effecting sales of the securities. These brokers, dealers or underwriters may act as principals, or as an agent of a selling securityholder. Broker-dealers may agree with a selling securityholder to sell a specified number of the securities at a stipulated price per security. If the broker-dealer is unable to sell securities acting as agent for a selling securityholder, it may purchase as principal any unsold securities at the stipulated price. Broker-dealers who acquire securities as principals may thereafter resell the securities from time to time in transactions in any stock exchange or automated interdealer quotation system on which the securities are then listed, at prices and on terms then prevailing at the time of sale, at prices related to the then-current market price or in negotiated transactions. Broker-dealers may use block transactions and sales to and through broker-dealers, including transactions of the nature described above. The selling securityholders may also sell the securities in accordance with Rule 144 under the Securities Act, rather than pursuant to this prospectus, regardless of whether the securities are covered by this prospectus.

From time to time, one or more of the selling securityholders may pledge, hypothecate or grant a security interest in some or all of the securities owned by them. The pledgees, secured parties or persons to whom the securities have been hypothecated will, upon foreclosure in the event of default, be deemed to be selling securityholders. The number of a selling securityholder's securities offered under this prospectus will decrease as and when it takes such actions.

The plan of distribution for that selling securityholder's securities will otherwise remain unchanged. In addition, a selling securityholder may, from time to time, sell the securities short, and, in those instances, this prospectus may be delivered in connection with the short sales and the securities offered under this prospectus may be used to cover short sales.

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To the extent required under the Securities Act, the aggregate amount of selling securityholders' securities being offered and the terms of the offering, the names of any agents, brokers, dealers or underwriters and any applicable commission with respect to a particular offer will be set forth in an accompanying prospectus supplement. Any underwriters, dealers, brokers or agents participating in the distribution of the securities may receive compensation in the form of underwriting discounts, concessions, commissions or fees from a selling securityholder and/or purchasers of selling securityholders' securities, for whom they may act (which compensation as to a particular broker-dealer might be in excess of customary commissions).

The selling securityholders and any underwriters, brokers, dealers or agents that participate in the distribution of the securities may be deemed to be "underwriters" within the meaning of the Securities Act, and any discounts, concessions, commissions or fees received by them and any profit on the resale of the securities sold by them may be deemed to be underwriting discounts and commissions.

A selling securityholder may enter into hedging transactions with broker-dealers and the broker-dealers may engage in short sales of the securities in the course of hedging the positions they assume with that selling securityholder, including, without limitation, in connection with distributions of the securities by those broker-dealers. A selling securityholder may enter into options or other transactions with broker-dealers that involve the delivery of the securities offered hereby to the broker-dealers, who may then resell or otherwise transfer those securities. A selling securityholder may also loan or pledge the securities offered hereby to a broker-dealer and the broker-dealer may sell the securities offered hereby so loaned or upon a default may sell or otherwise transfer the pledged securities offered hereby.

The selling securityholders and other persons participating in the sale or distribution of the securities will be subject to applicable provisions of the Exchange Act, and the rules and regulations thereunder, including Regulation M. This regulation may limit the timing of purchases and sales of any of the securities by the selling securityholders and any other person. The anti-manipulation rules under the Exchange Act may apply to sales of securities in the market and to the activities of the selling securityholders and their affiliates. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of the securities to engage in market-making activities with respect to the particular securities being distributed for a period of up to five business days before the distribution. These restrictions may affect the marketability of the securities and the ability of any person or entity to engage in market-making activities with respect to the securities.

We have agreed to indemnify in certain circumstances the selling securityholders and any brokers, dealers and agents who may be deemed to be underwriters, if any, of the securities covered by the registration statement, against certain liabilities, including liabilities under the Securities Act. The selling securityholders have agreed to indemnify us in certain circumstances against certain liabilities, including liabilities under the Securities Act.

The securities offered hereby underlie common stock warrants pursuant to the Warrant, which were originally issued by us to the selling securityholder pursuant to an exemption from the registration requirements of the Securities Act.

We have agreed to pay all expenses in connection with this offering, but not including underwriting discounts, concessions, commissions or fees of the selling securityholders or any fees and expenses of counsel or other advisors to the selling securityholders.

We will not receive any proceeds from sales of any securities by the selling securityholders.

We cannot assure you that the selling securityholders will sell all or any portion of the securities offered hereby.

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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 October 9, 2013, we had 14,489,979 shares of common stock outstanding, held of record by 31 securityholders. As of October 9, 2013, we had an aggregate of 2,060,634 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 735,484 shares of common stock reserved for exercise of outstanding warrants at an initial exercise price of \$7.75 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 securityholders, including the election of directors. Our securityholders 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 securityholders 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.

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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SELLING SECURITYHOLDERS

The table below sets forth information regarding beneficial ownership of our common stock by the selling securityholder. When we refer to the “selling securityholders” in this prospectus we mean the selling securityholder listed in the table below and any successors, including transferees thereof. The selling securityholders may from time to time offer and sell any or all of the securities set forth below pursuant to this prospectus. The securities offered hereby underlie common stock warrants pursuant to the Warrant, which were originally issued to the selling securityholder pursuant to the exemption from the registration requirements provided under Section 4(a)(2) of the Securities Act. See “About this Offering” above. The selling securityholders may sell any or all of the shares of our common stock offered under this prospectus.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities.

We have based our calculation of the percentage of beneficial ownership prior to and after the offering on 14,489,979 shares of our common stock outstanding as of October 9, 2013, plus the shares of common stock covered hereby. We do not know when or in what amounts we may issue securities to the selling securityholder pursuant to the Warrant.

Because we may issue all or some of the 516,129 shares of our common stock underlying the warrants pursuant to the Warrant, we cannot estimate the number of securities that will be issued by us to the selling securityholder. Solely for purposes of the table below, we have assumed that the shares of our common stock beneficially owned by the selling securityholder prior to this offering include all 516,129 shares of our common stock underlying the warrants pursuant to Warrant. Additionally, we do not know when or in what amounts the selling securityholder may offer securities for sale, if at all. It is possible that the selling securityholder will not sell any or all of the securities offered under this prospectus. Because the selling securityholder may offer all or some of the securities pursuant to this prospectus and because we have been advised that there are currently no agreements, arrangements or understanding with respect to the sale of any such securities, we cannot estimate the number of securities that will be held by the selling securityholder after the completion of this offering. Solely for purposes of the table below, we have assumed that the selling securityholder will sell all of the 516,129 shares of our common stock underlying the warrants pursuant to the Warrant.

Name	Beneficial Ownership of Our Common Stock Prior to the Offering		Maximum Shares of Our Common Stock Being Offered Hereby	Beneficial Ownership of Our Common Stock After the Offering ⁽¹⁾	
	Shares	Percent		Shares	Percent
Wanxiang America Corporation (1)	516,129	3.56%	516,129	0	0%

(1) Wanxiang America Corporation, or the selling securityholder, is one of our suppliers, with which we have entered into a long-term strategic relationship.

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CERTAIN PROVISIONS OF NEW YORK LAW AND OUR CHARTER AND BYLAWS

The following summarizes certain provisions of our certificate of incorporation and bylaws. The summary does not purport to be complete and is subject to and qualified in its entirety by reference to our certificate of incorporation and bylaws, which are incorporated by reference herein.

General

Some provisions of New York law, our certificate of incorporation and our bylaws contain provisions that could make the following transactions more difficult: acquisition of us by means of a tender offer; acquisition of us by means of a proxy contest or otherwise; or removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that securityholders may otherwise consider to be in their best interests or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Securityholder Meetings

Our bylaws provide that a special meeting of securityholders may be called only by our board of directors, chairman of the board or president.

Requirements for Advance Notification of Securityholder Nomination of Proposals

Our bylaws establish advance notice procedures with respect to securityholder proposals and the nomination of candidates for election as directors.

Securityholder Action by Written Consent

Our bylaws provide that securityholders may act by written consent without a meeting.

Election and Removal of Directors

Our bylaws provide that each of our directors serves until the next annual meeting and until a successor is elected and qualified or until his prior death, resignation or removal. Any vacancy in our board of directors, including any vacancy created by an increase in the number of directors, may be filled by a majority of the directors then in office after the vacancy has occurred. Any director appointed to fill a vacancy will hold office until the next annual meeting and until his successor is elected and qualified. Our bylaws provide that no director will be removed except for cause by the vote of (i) the holders of at least a majority of our outstanding shares of capital stock entitled to vote at an election of directors or (ii) a majority of the entire board of directors.

New York Anti-Takeover Statute

We are subject to Section 912 of New York Business Corporation Law, which prohibits persons deemed “interested shareholders” from engaging in a “business combination” with a New York corporation for five years following the date

these persons become interested shareholders unless the business combination is, or the transaction in which the person became an interested shareholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an “interested shareholder” is a person who, together with affiliates and associates, owns, or within five years prior to the determination of interested securityholder status did own, 20% or more of a corporation’s outstanding voting stock. Generally, a “business combination” includes a merger, consolidation, asset or stock sale, or other transaction resulting in a financial benefit to the interested shareholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors.

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The provisions of New York law, our certificate of incorporation and our bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that securityholders may otherwise deem to be in their best interests.

Limitation on Liability

Our certificate of incorporation provides for indemnification of directors, officers and other persons to the fullest extent allowed by law. It also provides that a director of the Company shall not be personally liable to the Company or its securityholders for damages for any breach of duty as a director, except if (i) a judgment or final adjudication adverse to the director establishes that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, (ii) the director personally gained in fact a financial profit or other advantage to which the director was not legally entitled or (iii) the director's acts violated Section 719 of the New York Business Corporation Law.

Our bylaws require indemnification of an officer or director of the Company who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of the Company; provided, that no indemnification shall be made to or on behalf of any director or officer if a judgment or other final adjudication adverse to such director or officer establishes that (i) his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. The indemnification provided by our certificate of incorporation is not exclusive of any other rights to which those seeking indemnification may be entitled under any statute, bylaw, agreement, vote of uninvolved securityholders, directors or otherwise.

Our bylaws also provide that we may advance expenses incurred by a director or officer in defending any actions in advance of their final dispositions and that we may purchase and maintain insurance covering its directors and officers and any other persons to the maximum extent permitted by law.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, and controlling persons pursuant to the foregoing provisions, or otherwise, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

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LEGAL MATTERS

Latham & Watkins LLP, Los Angeles, California, will provide an opinion with respect to the validity of the securities.

EXPERTS

The consolidated financial statements of Motorcar Parts of America, Inc. appearing in Motorcar Parts of America, Inc.'s Annual Report (Form 10-K) for the year ended March 31, 2013 (including schedule appearing therein), and the effectiveness of Motorcar Parts of America, Inc.'s internal control over financial reporting as of March 31, 2013, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports (which contains an explanatory paragraph describing conditions that raise substantial doubt about the Company's ability to continue as a going concern as described in Note 1 to the consolidated financial statements) thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

BDO Canada LLP, independent registered public accounting firm, has audited the combined financial statements of FAPL and its subsidiaries as of March 31, 2011 and for the year then ended included in our Current Report on Form 8-K dated September 13, 2011, which is incorporated by reference in this prospectus and elsewhere in the registration statement. The combined financial statements of FAPL and its subsidiaries as of March 31, 2011 and for the year then ended are incorporated by reference in reliance on BDO Canada LLP's reports, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the reporting requirements of the Exchange Act, and file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy these reports, proxy statements and other information at the SEC's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the public reference facilities. Our SEC filings are also available at the SEC's website at <http://www.sec.gov>.

This prospectus and any accompanying prospectus supplement are only part of a registration statement on Form S-1 that we have filed with the SEC under the Securities Act, and therefore omit certain information contained in the registration statement. We have also filed exhibits and schedules with the registration statement that are excluded from this prospectus, and you should refer to the applicable exhibit or schedule for a complete description of any statement referring to any contract or other document. You may inspect a copy of the registration statement, including the exhibits and schedules, without charge, at the SEC's public reference facilities or obtain a copy from the SEC upon payment of the fees prescribed by the SEC.

We also maintain a website at www.motorcarparts.com through which you can access our filings with the SEC. The information contained in, or accessible through, our website is not a part of this prospectus.

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INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to “incorporate by r