

LITHIA MOTORS INC  
 Form 4  
 March 27, 2007

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**DEBOER JEFFREY B**

(Last) (First) (Middle)  
 360 E. JACKSON ST.  
 (Street)

MEDFORD, OR 97501

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**LITHIA MOTORS INC [LAD]**

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 03/09/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Senior Vice President, CFO

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D) Price  |   |  |                                   |
| Class A Common                  |                                      |  |                                |   | 1,711   | D  |                                   |
| Class A Common                  |                                      |  |                                |   | 2,853   | I  | By 401(k)                         |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) |     | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |                 |                |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|---|-----------------|----------------|----------------------------|
|  |  |                                      |  | Code                           | V   | (A)  | (D) | Date Exercisable  | Expiration Date | Title          | Amount or Number of Shares |
| Stock Option (right to buy)                | \$ 28.34   | 03/09/2007                           |  | A                              |   | 14,000   |     | 03/09/2012  | 03/09/2013      | Class A Common | 14,000                     |
| Class B Common                             | \$ 0   |                                      |  |                                |   |  |     | <u>(1)</u>  | <u>(1)</u>      | Class A Common | 1,871                      |
| Class B Common                             | \$ 0   |                                      |  |                                |   |  |     | <u>(1)</u>  | <u>(1)</u>      | Class A Common | 66,348                     |
| Stock Option (2000a) (NQ) (right to buy)   | \$ 16.75   |                                      |  |                                |   |  |     | <u>(3)</u>  | 01/06/2010      | Class A Common | 6,750                      |
| Stock Option (2002nq) (right to buy)       | \$ 15.13   |                                      |  |                                |   |  |     | 12/26/2007  | 12/26/2012      | Class A Common | 8,000                      |
| Stock Option (right to buy)                | \$ 29.42   |                                      |  |                                |   |  |     | 03/11/2009  | 03/11/2010      | Class A Common | 8,001                      |
| Stock Option (right to buy)                | \$ 27.58   |                                      |  |                                |   |  |     | 02/09/2010  | 02/09/2011      | Class A Common | 12,000                     |
| Stock Option (1999bj) (NQ) (right to       | \$ 16.5  |                                      |  |                                |   |  |     | 01/01/2004  | 01/01/2009      | Class A Common | 4,000                      |

|  |          |     |                       |                   |        |  |
|--|----------|-----|-----------------------|-------------------|--------|--|
| buy)   |          |     |                       |                   |        |  |
| Stock<br>Option<br>(2000aj)<br>(NQ)<br>(right to<br>buy) | \$ 16.75 | (4) | 01/06/2010            | Class A<br>Common | 13,250 |  |
| Stock<br>Option<br>(2000bj)<br>(NQ)<br>(right to<br>buy) | \$ 16.75 |     | 01/06/2005 01/06/2010 | Class A<br>Common | 4,000  |  |
| Stock<br>Option<br>(2001)<br>(NQ)<br>(right to<br>buy)   | \$ 1     |     | 12/26/2005 12/26/2010 | Class A<br>Common | 8,000  |  |
| Stock<br>Option<br>(2001nq)<br>(right to<br>buy)         | \$ 19.24 |     | 12/26/2006 12/26/2011 | Class A<br>Common | 8,000  |  |
| Stock<br>Option<br>(right to<br>buy)                     | \$ 31.67 |     | 03/10/2011 03/10/2012 | Class A<br>Common | 14,000 |  |

## Reporting Owners

| Reporting Owner Name / Address                              | Relationships |           |                            |       |
|---|---------------|-----------|----------------------------|-------|
|   | Director      | 10% Owner | Officer                    | Other |
| DEBOER JEFFREY B<br>360 E. JACKSON ST.<br>MEDFORD, OR 97501 |               |           | Senior Vice President, CFO |       |

## Signatures

By: Cliff E. Spencer, Attorney in  
Fact for 03/27/2007

\*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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- (1) Class B Common converts to Class A Common on a 1:1 ratio at holder's discretion.
- (2) Mr. DeBoer is a member in the DeBoer Insurance, LLC which is a member of Lithia Holding Company, LLC, the owner of all of the Class B Common stock of Lithia Motors.
- (3) Beginning on the 1st anniversary of the grant date, the options vest as to 20% of the total grant on each of the 1st through the 5th anniversaries.
- (4) The options vest as follows: 3,402 on 1/6/01; 3,402 on 1/6/02; 2,447 on 1/6/03; 2,029 on 1/6/04; and 1,970 on 1/6/05.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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