

LITHIA MOTORS INC  
 Form 4  
 March 27, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
**GRAY R BRADFORD**

(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)  
**Executive Vice President**

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)
Class A Common				(A) or (D) Price	45,712	D	

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

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SEC 1474 (9-02)

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

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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 of 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	278,978
Stock Option (1999) (ISO) (right to buy)	\$ 16.5					01/01/2004	01/01/2009	Class A Common	6,060
Stock Option (1999b) (ISO) (right to buy)	\$ 16.5					01/01/2005	01/01/2009	Class A Common	1,940
Stock Option (2000) (NQ) (right to buy)	\$ 16.75					01/06/2005	01/06/2010	Class A Common	3,941
Stock Option (2000b) (ISO) (right to buy)	\$ 16.75					<u>(2)</u>	01/06/2010	Class A Common	15,949
Stock Option (2000c) (NQ) (right to buy)	\$ 16.75					<u>(3)</u>	01/06/2010	Class A Common	8,110

Stock Option (2001iso) (right to buy)	\$ 19.24	12/26/2006	12/26/2011	Class A Common	5,197
Stock Option (2002iso) (right to buy)	\$ 15.13	12/26/2007	12/26/2012	Class A Common	6,609
Stock Option (2002nq) (right to buy)	\$ 15.13	12/26/2007	12/26/2012	Class A Common	5,391
Stock Option (right to buy)	\$ 29.42	03/11/2009	03/11/2010	Class A Common	12,000
Stock Option (right to buy)	\$ 27.58	02/09/2010	02/09/2011	Class A Common	14,001
Stock Option (2001) (NQ) (right to buy)	\$ 1	12/26/2005	12/26/2010	Class A Common	12,000
Stock Option (2001nq) (right to buy)	\$ 19.24	12/26/2006	12/26/2011	Class A Common	6,803
Stock Option (right to buy)	\$ 31.67	03/10/2011	03/10/2012	Class A Common	14,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GRAY R BRADFORD 360 E. JACKSON ST.	X		Executive Vice President	

MEDFORD, OR 97501

## 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).
- (1) Class B Common converts to Class A Common on a 1:1 ratio at holder's discretion.
- (2) The options vest as follows: 3,498 on 12/31/00; 3,498 on 1/6/01; and 4,894 on 1/6/02.
- (3) The options vest as to 50% of total grant on 3rd anniversary of grant date and remaining 50% on 4th anniversary date.

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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