

LITHIA MOTORS INC
 Form 4
 March 14, 2006

FORM 4

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

OMB APPROVAL

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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 *
JONES DON H

(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)
03/10/2006

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)
Sr. Vice President, Retail

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 | | | | | 35,047 | D | |
| Class A Common | | | | | 11,381 | I | By 401(k) |

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

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SEC 1474 (9-02)

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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) | \$ 31.67 | 03/10/2006 | | A | | 14,000 | | 03/10/2011 | 03/10/2012 | Class A Common | 14,000 |
| Stock Option (2000) (ISO) (right to buy) | \$ 16.75 | | | | | | | 01/06/2005 | 01/06/2010 | Class A Common | 4,000 |
| Stock Option (2000a) (ISO) (right to buy) | \$ 16.75 | | | | | | | <u>(1)</u> | 01/06/2010 | Class A Common | 14,446 |
| Stock Option (2000c) (NQ) (right to buy) | \$ 16.75 | | | | | | | <u>(2)</u> | 01/06/2010 | Class A Common | 5,554 |
| 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 | \$ 15.13 | | | | | | | 12/26/2007 | 12/26/2012 | Class A Common | 1,391 |

(2002nq)
(right to
buy)

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
(2001)
(NQ)
(right to
buy)

\$ 1

12/26/2005 12/26/2010

Class A
Common

8,000

Stock

Option
(2001nq)
(right to
buy)

\$ 19.24

12/26/2006 12/26/2011

Class A
Common

2,803

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| JONES DON H 360 E. JACKSON ST. MEDFORD, OR 97501 | | | Sr. Vice President, Retail | |

Signatures

By: Cliff E. Spencer, Attorney in
Fact for 03/13/2006

__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) The option vests as follows: 4,000 on 1/6/01; 4,000 on 1/6/02; 2,447 on 1/6/03; 2,029 on 1/6/04 and 1,970 on 1/6/05
- (2) The options vest as follows: 1,553 on 1/6/03; 1,971 on 1/6/04; and 2,030 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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