

HEIMANN M L DICK
 Form 4
 December 23, 2005

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 *
HEIMANN M L DICK

(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)
12/23/2005

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)
President & COO

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)
			Code	V	Amount	(A) or (D)	Price
Class A Common	12/23/2005		M		7,494	A	\$ 12.99
Class A Common	12/23/2005		M		3,636	A	\$ 1
Class A Common							26,175
Class A Common							15,964
						I	By 401(k)
						I	By Spouse

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 (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)	
					V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (1997sd) (NQ) (right to buy)	\$ 1	12/23/2005		M		3,636		(1)	12/31/2005	Class A Common	3,636
Stock Option (2001) (ISO) (right to purchase)	\$ 12.99	12/23/2005		M		7,494		12/26/2000	12/26/2005	Class A Common	7,494
Class B Common	\$ 0							(2)	(2)	Class A Common	1,390,18
Stock Option (2000sd) (NQ) (right to buy)	\$ 16.75							(4)	01/06/2010	Class A Common	22,010
Stock Option (2002nq) (right to buy)	\$ 15.13							12/26/2007	12/26/2012	Class A Common	16,000
Stock Option (right to	\$ 29.42							03/11/2009	03/11/2010	Class A Common	16,002

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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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