

LITHIA MOTORS INC
Form 8-K
January 05, 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934

Date of Report: 12-31-09
(Date of earliest event reported)

Lithia Motors, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Oregon
(State or Other Jurisdiction of
Incorporation or Organization)

0-21789
(Commission File
Number)

93 - 0572810
(IRS Employer
Identification No.)

360 E. Jackson Street
Medford, Oregon 97501
(address of Principal Executive Offices) (Zip Code)

541- 776-6591

Registrant's Telephone Number, Including Area Code

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On December 31, 2009, the Company entered into an Option Agreement with its Vice Chairman, M.L. Dick Heimann, giving Mr. Heimann the option to purchase the Nissan and the Volkswagen stores in Medford, Oregon, through and including December 31, 2012. A copy of the Option Agreement is attached as an exhibit to this filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.

Also on December 31, 2009, Mr. Heimann elected to defer any cash bonuses he might earn through such date, under a newly adopted Executive Nonqualified Deferred Compensation Plan. A copy of his agreement which reflects the operative terms of the plan is also attached as an exhibit to this filing. The deferred compensation plan for executives is substantially identical to an earlier plan adopted for outside directors.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.
 - 99.1 Option Agreement
 - 99.2 Deferred Compensation Plan

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LITHIA MOTORS, INC.
(Registrant)

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Date: 01-05-10

By: /s/ Kenneth E. Roberts

Kenneth E. Roberts
Assistant Secretary
