LITHIA MOTORS INC Form SC 13G/A September 10, 2007

> OMB APPROVAL OMB Number: 3235-0145 Expires: February 28, 2009 Estimated average burden hours per response.....10.4

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No.1)*

LITHIA MOTORS INC

(Name of Issuer)

Common Stock

(Title of Class of Securities)

536797103

(CUSIP Number)

AUGUST 31, 2007

(Date Of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- [x] Rule 13d-1(b)
- [] Rule 13d-1(c)
- [] Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1745 (3-06)

13G Page 2 of 5 Pages CUSIP No.536797103 _____ _____ _____ 1. NAME OF REPORTING PERSON: I.R.S. IDENTIFICATION NO. OF ABOVE PERSON: Morgan Stanley I.R.S. #36-3145972 _____ 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) [] (b) [] _____ 3. SEC USE ONLY: _____ 4. CITIZENSHIP OR PLACE OF ORGANIZATION: The state of organization is Delaware. _____ NUMBER OF 5. SOLE VOTING POWER: 209 SHARES _____ BENEFICIALLY OWNED BY 6. SHARED VOTING POWER: 0 EACH REPORTING _____ 7. SOLE DISPOSITIVE POWER: PERSON WITH: 209 _____ 8. SHARED DISPOSITIVE POWER: 0 9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 209 10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES: [] _____ 11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9): 08 _____ 12. TYPE OF REPORTING PERSON: HC, CO _____ CUSIP No.536797103 13G Page 3 of 5 Pages

Item 1. (a) Name of Issuer:

		LITHIA MOTORS INC			
	(b)	Address of Issuer's Principal Executive Offices:			
			0 E JACKSON ST DFORD, OR 97501		
Item 2.	(a)	Nai	Name of Person Filing:		
		Morgan Stanley			
	(b)	Ad	dress of Principal Business Office, or if None, Residence:		
		Ne	85 Broadway w York, NY 10036		
	(c)		Citizenship:		
		The state of organization is Delaware.			
	(d)	Ti	tle of Class of Securities:		
		Coi	mmon Stock		
	(e)	CU	SIP Number:		
		53	6797103		
Item 3.			statement is filed pursuant to Sections 240.13d-1(b) or 2(b) or (c), check whether the person filing is a:		
	(a) []	Broker or dealer registered under Section 15 of the Act (15 U.S.C. 780).		
	(b) []	Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).		
	(c) []	Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).		
	(d) []	Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).		
	(e) []	An investment adviser in accordance with Sections 240.13d-1(b)(1)(ii)(E);		
	(f) []	An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F);		
	(g) [x]	A parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G);		
	(h) []	A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);		
	(i) []	A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);		
	(j) []	Group, in accordance with Section 240.13d-1(b)(1)(ii)(J).		

CUSIP No.	536797103	13-G	Page 4 of 5 Pages			
Item 4.	Ownership	o as of AUGUST 31, 2007.*				
		nt beneficially owned: response(s) to Item 9 on the attached cov	ver page(s).			
	. ,	ent of Class: response(s) to Item 11 on the attached co	over page(s).			
	(c) Number of shares as to which such person has:					
	(i)	Sole power to vote or to direct the vote See the response(s) to Item 5 on the att				
	(ii)	Shared power to vote or to direct the vo See the response(s) to Item 6 on the att				
	(iii)	Sole power to dispose or to direct the d See the response(s) to Item 7 on the att	-			
	(iv)	Shared power to dispose or to direct the See the response(s) to Item 8 on the att	_			
Item 5.	Ownership of Five Percent or Less of a Class.					
	As of the date hereof, Morgan Stanley has ceased to be the beneficial owner of more than five percent of the class of securities.					
Item 6.	Ownership of More Than Five Percent on Behalf of Another Person.					
	Not Applicable					
Item 7.	Identification and Classification of the Subsidiary which Acquired the Security Being Reported on By the Parent Holding Company.					
	Not Applicable					
Item 8.	Identification and Classification of Members of the Group.					
	Not Applicable					
Item 9.	Notice of Dissolution of Group.					
	Not Applicable					
Item 10.	Certification.					
	By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or					

*In Accordance with the Securities and Exchange Commission Release No. 34-39538
(January 12, 1998)(the "Release"), this filing reflects the securities
beneficially owned by certain operating units (collectively, the "MS Reporting
Units") of Morgan Stanley and its subsidiaries and affiliates (collectively,
"MS"). This filing does not reflect securities, if any, beneficially owned by
any operating units of MS whose ownership of securities is disaggregated from
that of the MS Reporting Units in accordance with the Release.

 CUSIP No.536797103
 13-G
 Page 5 of 5 Pages

Signature.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: SEPTEMBER 10, 2007

Signature: /s/ Dennine Bullard

Name/Title: Dennine Bullard/Executive Director, Morgan Stanley & Co.

Incorporated

MORGAN STANLEY

* Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).