

December 21, 2012

Technical Director
File Reference No. 2012-250
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Technical Director,

Asbury Automotive Group, Inc, AutoNation, Inc., Group 1 Automotive Inc., Lithia Motors Inc., Penske Automotive Group, Inc., and Sonic Automotive Inc. (collectively the “Group”) are leading operators in the automotive retailing industry, marketing and selling an extensive range of automotive products and services, including new and used vehicles and assistance with related financing, vehicle maintenance and repair services, replacement parts, and warranty, insurance and extended service contracts. Members of the Group are registrants with the Securities and Exchange Commission of the United States.

We appreciate this opportunity to comment on the revised scope of Accounting Standards Update (“ASU”) 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities recently proposed by the Financial Accounting Standards Board (the “Board”) in exposure draft file reference number 2012-250, which potentially impacts the Group’s accounting practices and systems.

In its assessment of financial instruments within the scope of ASU 2011-11, the Group has identified trade receivables and payables with the Group’s various manufacturing partners (“OEMs”). In the normal course of business, the Group transacts with its OEMs to purchase parts inventory and perform warranty and recall work on vehicles, and the Group earns various amounts of assistance and incentives from the OEMs, which are generally related to new vehicle sales. There are numerous individual transactions between the Group’s dealerships and its OEMs during any particular reporting period. Based upon the individual franchise agreements with the OEMs, the rights exist between the Group’s dealerships and the OEMs to offset these trade receivables and payables into one net weekly or monthly settlement. In practice, for many of the transactions with the OEMs, the Group settles these trade receivables and payables by OEM on a net basis by dealership.

The Group supports the Board's efforts to improve the usefulness of registrants' financial statements, but, due to the nature of these trade receivables and payables, the Group believes that the voluminous number of transactions would require significant revamping of the Group's systems and processes, which would ultimately not prove to be cost-beneficial. Additionally, the Group does not believe that the disclosure requirements contemplated in ASU 2011-11 would provide users of its financial statements with any additional, relevant information regarding the Group's respective credit risk, since these trade receivables and payables are settled on a net basis on either a weekly or monthly basis.

In summary, the Group does not believe that any financial instruments other than derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and lending transactions subject to master netting arrangements or similar agreements should be included in the scope of ASU 2011-11. Therefore, the Group supports the Board's proposal to limit the scope of ASU 2011-11 to apply only to these types of financial instruments and to exclude trade receivables and payables.

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Thank you for this opportunity to present our views on this matter. Please feel free to contact Lance Parker at (713) 647-5743 if you would like to discuss this letter in more detail.

Sincerely,

/s/ Michael Sawicki

Michael Sawicki
Asbury Automotive Group, Inc. - Controller and Chief Accounting Officer

/s/ Michael J. Stephan

Michael J. Stephan
AutoNation, Inc. – Vice President-Corporate Controller

/s/ Lance A. Parker

Lance A. Parker
Group 1 Automotive, Inc. - Vice President and Corporate Controller

/s/ John North

John North
Lithia Motors Inc. – Vice President Finance and Corporate Controller

/s/ J.D. Carlson

J.D. Carlson
Penske Automotive Group, Inc. – Senior Vice President – Finance and
Corporate Controller

/s/ C.G. Saffer

C.G. Saffer
Sonic Automotive Inc. – Vice President and Chief Accounting Officer