AUTOBYTEL INC

FORM 10-Q
(Quarterly Report)

Filed 07/24/09 for the Period Ending 06/30/09

Address	18872 MACARTHUR BLVD SUITE 200 IRVINE, CA 92612-1400
Telephone	9492254500
CIK	0001023364
Symbol	ABTL
SIC Code	7370 - Computer Programming, Data Processing, And
Industry	Advertising
Sector	Services
Fiscal Year	12/31

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

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2009

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____to _____.

Commission file number 0-22239

Autobytel Inc.

(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**33-0711569** **(I.R.S. Employer identification number)**
18872 MacArthur Boulevard, Suite 200, Irvine, California **(Address of principal executive offices)**	**92612** **(Zip Code)**

(949) 225-4500
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every interactive data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☒

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes ☐ No ☒

As of July 15, 2009, there were 45,184,679 shares of the Registrant's Common Stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. ***Unaudited Consolidated Condensed Financial Statements***

AUTOBYTEL INC.

UNAUDITED CONSOLIDATED CONDENSED BALANCE SHEETS
(Amounts in thousands, except share and per-share data)

	June 30, 2009	December 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	$ 26,768	$ 27,393
Accounts receivable, net of allowances for bad debts and customer credits of $1,394 and $1,277 at June 30, 2009 and December 31, 2008, respectively	8,184	10,047
Prepaid expenses and other current assets	702	1,378
Total current assets	35,654	38,818
Property and equipment, net	1,694	2,421
Investment and other assets	130	763
Total assets	$ 37,478	$ 42,002
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 3,796	$ 3,579
Accrued expenses and other current liabilities	3,281	6,432
Deferred revenues	940	1,835
Total current liabilities	8,017	11,846
Non-current liabilities	137	181
Total liabilities	8,154	12,027
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 11,445,187 shares authorized; none outstanding	—	—
Common stock, $0.001 par value; 200,000,000 shares authorized and 45,184,679 and 45,219,679 shares issued and outstanding, respectively	45	45
Additional paid-in capital	301,245	300,720
Unrealized gain from investment	—	568
Accumulated deficit	(271,966)	(271,358)
Total stockholders' equity	29,324	29,975
Total liabilities and stockholders' equity	$ 37,478	$ 42,002

See accompanying notes.

AUTOBYTEL INC.

UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Amounts in thousands, except per-share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Net revenues:				
Lead fees	$ 11,583	$ 17,178	$ 23,735	$ 35,339
Advertising	1,786	1,767	3,473	4,266
Other revenues	75	41	107	78
Total net revenues	13,444	18,986	27,315	39,683
Cost of revenues (excludes depreciation of $197 and $279 for the three months ended June 30, 2009 and 2008, respectively and $450 and $598 for the six months ended June 30 2009 and 2008, respectively)	9,022	12,214	17,908	26,039
Gross profit	4,422	6,772	9,407	13,644
Operating expenses:				
Sales and marketing	2,542	4,320	5,182	9,515
Technology support	1,226	3,680	2,687	8,273
General and administrative	3,032	4,386	7,086	10,737
Patent litigation settlement	(179)	—	(2,846)	(2,667)
Goodwill impairment	—	52,074	—	52,074
Total operating expenses	6,621	64,460	12,109	77,932
Operating loss	(2,199)	(57,688)	(2,702)	(64,288)
Interest and other income	675	334	821	846
Provision for income taxes	—	—	—	—
Loss from continuing operations	(1,524)	(57,354)	(1,881)	(63,442)
Discontinued operations, net	1,273	69	1,273	4,205
Net loss	$ (251)	$ (57,285)	$ (608)	$ (59,237)
Basic and diluted loss per common share:				
Loss from continuing operations	$ (0.03)	$ (1.30)	$ (0.04)	$ (1.44)
Discontinued operations, net	0.03	—	0.03	0.09
Basic and diluted loss per common share	$ (0.01)	$ (1.30)	$ (0.01)	$ (1.35)
Comprehensive loss:				
Net loss	$ (251)	$ (57,285)	$ (608)	$ (59,237)
Unrealized loss from investment	—	(72)	—	(39)
Comprehensive loss	$ (251)	$ (57,357)	$ (608)	$ (59,276)

See accompanying notes.

AUTOBYTEL INC.

UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Six Months Ended June 30,	
	2009	**2008**
Cash flows from operating activities:		
Net loss	$ (608)	$ (59,237)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	900	2,338
Provision for bad debts	607	305
Provision for customer credits	567	559
Gain on sale of AVV business	(1,273)	(4,204)
Share-based compensation	525	1,568
Loss on goodwill impairment	—	52,074
Changes in assets and liabilities:		
Accounts receivable	689	(3,183)
Prepaid expenses and other current assets	676	(489)
Investment and other non-current assets	(569)	85
Accounts payable	217	(449)
Accrued expenses and other liabilities	(3,151)	(2,234)
Deferred revenues	(895)	638
Non-current liabilities	(44)	(112)
Net cash used in operating activities	(2,359)	(12,341)
Cash flows from investing activities:		
Maturities of short-term investments	—	14,050
Purchases of short-term investments	—	(14,050)
Purchases of property and equipment	(119)	(1,537)
Proceeds from sale of AVV business	1,273	21,396
Proceeds from sale of available-for-sale investment	580	—
Net cash provided by investing activities	1,734	19,859
Cash flows from financing activities:		
Proceeds from exercise of stock options and awards issued under the employee stock purchase plan	—	601
Net cash provided by financing activities	—	601
Net (decrease) increase in cash and cash equivalents	(625)	8,119
Cash and cash equivalents, beginning of period	27,393	27,601
Cash and cash equivalents, end of period	$ 26,768	$ 35,720

See accompanying notes.

AUTOBYTEL INC.
NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. Organization and Operations of Autobytel

Autobytel Inc. ("Autobytel" or the "Company") is an automotive marketing services company that assists automotive dealers and manufacturers sell cars and light trucks. By connecting consumers to automotive dealers and manufacturers through internet lead referral programs and on-line advertising, the Company provides automotive dealers and manufacturers with opportunities to efficiently market their vehicles to potential customers. The Company purchases from third parties and generates from its own websites consumer internet requests for pricing and availability on new and used cars as well as for vehicle financing ("Leads"). The Company sells the Leads primarily to its automotive dealer and manufacturer customers. Leads are purchased from a network of supplier websites, such as Edmunds, Kelley Blue Book, and Yahoo ("Network Websites"). These Network Websites provide substantially all of the Company's Leads. Additionally, the Company owns and operates consumer-facing automotive websites, including Autobytel.com ®, Autoweb.com ®, AutoSite.com ®, Car.com sm, CarSmart.com ®, CarTV.com ®, and MyRide.com ® that provide consumers with information and tools to aid them with their automotive purchase decisions. The Company's owned websites provide a small percentage of its Leads and a significant portion of its page views for the advertising component of its advertising business. In addition to its websites, the Company provides advertising opportunities for automotive manufacturers and other automotive advertisers through its marketing network, which includes its AutoReach advertising network ("Ad Network") and co-branded websites.

The Company was incorporated in Delaware on May 17, 1996. Its principal corporate offices are located in Irvine, California. The Company's common stock is listed on The NASDAQ Global Market under the symbol ABTL.

The Company experienced negative cash flow in the first six months of 2009 and throughout 2008, and at June 30, 2009, had an accumulated deficit of $272 million. The Company continues to face many risks and uncertainties related to the general economic conditions and the automotive industry in particular, however, the Company believes current cash and cash equivalents are sufficient to meet anticipated cash needs for working capital and capital expenditures for at least the next 12 months.

2. Basis of Presentation, Unaudited Interim Financial Statements

The unaudited consolidated condensed financial statements of Autobytel, presented herein are presented on the same basis as the Company's 2008 Annual Report on Form 10-K. Autobytel has made its disclosures in accordance with accounting principles generally accepted in the United States of America as they apply to interim reporting, but condensed or omitted certain information and disclosures normally included in notes to consolidated financial statements in accordance with the Securities and Exchange Commission's rules and regulations. The unaudited consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and the notes thereto in Autobytel's Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2008.

In the opinion of Autobytel's management, the accompanying unaudited interim consolidated condensed financial statements contain all adjustments (consisting of normal recurring adjustments) to fairly present Autobytel's consolidated condensed financial position as of June 30, 2009 and the consolidated condensed statements of operations and cash flows for the six months ended June 30, 2009 and 2008, as applicable. The statements of operations and cash flows for the periods ended June 30, 2009 and 2008 are not necessarily indicative of the results of operations or cash flows expected for the year or any other period. Autobytel's management has evaluated subsequent events through July 24, 2009, the date the financial statements are issued.

The Company sold certain assets and liabilities of its AVV Inc. ("AVV") business on January 23, 2008 (See Note 7). Accordingly, AVV is presented in the unaudited consolidated condensed financial statements as discontinued operations. As discontinued operations, revenues and expenses are presented on a net basis and stated separately from the respective captions in continuing operations in the Consolidated Condensed Statements of Operations and Comprehensive Loss. Expenses included in discontinued operations are direct costs that will be eliminated from future operations.

Certain reclassifications have been made to prior period information to conform to the current period presentations.

3. Recent Accounting Pronouncements

SFAS 157: In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") 157, "Fair Value Measurements". SFAS 157 establishes a framework for measuring fair value and expands disclosures of fair value measurements. SFAS 157 is effective for financial statements issued for periods beginning after November 15, 2007. In February 2008, the FASB issued FASB Staff Position ("FSP") FAS 157-2 which defers the effective date of SFAS 157 for non-financial assets and liabilities that are not recorded at fair value on a recurring basis until periods beginning after November 15, 2008. The adoption of the non-deferred portion of SFAS 157 on January 1, 2008 and the adoption of the deferred portion of SFAS 157 on January 1, 2009 did not have an impact on the Company's consolidated financial position, results of operations or cash flows.

SFAS 161: In March 2008, the FASB issued SFAS 161, "Disclosures about Derivative Instruments and Hedging Activities – an Amendment of FASB Statement 133." SFAS 161 provides new disclosure requirements for derivative and hedging activities, and is effective for periods beginning after November 15, 2008. The Company adopted SFAS 161 on January 1, 2009 and it did not have a material effect on its consolidated financial statements.

SFAS 160: In December 2007, the FASB issued SFAS 160, "Non-controlling Interests in Consolidated Financial Statements – an amendment of ARB 51." This standard provides new accounting guidance and disclosure requirements for non-controlling interests in a subsidiary. Since the Company does not have non-controlling interests in its subsidiaries, the adoption of SFAS 161 on January 1, 2009 did not have any effect on its consolidated financial statements.

SFAS 141(R): In December 2007, the FASB issued SFAS No. 141R, "Business Combinations." SFAS 141R establishes principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree. The statement also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of financial statements to evaluate the nature and financial effects of the business combination. SFAS No. 141R is effective for business combinations occurring after December 31, 2008. The nature and magnitude of the specific effect the adoption of SFAS 141R will have on the Company's consolidated financial statements will depend on the nature, terms, size of acquisitions, if any, it may consummate subsequent to the effective date of January 1, 2009.

4. Computation of Basic and Diluted Net Loss Per Share

Basic net loss per share is computed using the weighted average number of common shares outstanding during the period, excluding any unvested restricted stock. Diluted net loss per share is computed using the weighted average number of common shares, and if dilutive, potential common shares outstanding, as determined under the treasury stock method, during the period. Potential common shares consist of unvested restricted stock and the common shares issuable upon the exercise of stock options.

The following are the share amounts utilized to compute the basic and diluted net loss per share for the three and six months ended June 30, 2009 and 2008:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Basic and diluted shares:				
Weighted average common shares outstanding	45,184,679	44,079,601	45,184,679	43,948,382
Weighted average unvested restricted stock outstanding	(685,000)	—	(685,000)	—
Basic and dilutive shares	44,499,679	44,079,601	44,499,679	43,948,382

For the three months ended June 30, 2009 and 2008; 7.9 million and 7.7 million, respectively, anti-dilutive potential shares of common stock have been excluded from the calculation of diluted earnings per share. For the six months ended June 30, 2009 and 2008; 7.5 million and 8.2 million, respectively, anti-dilutive potential shares of common stock have been excluded from the calculation of diluted earnings per share.

5. Share-Based Compensation

Share-based compensation expense is included in costs and expenses in the accompanying Consolidated Condensed Statements of Operations and Comprehensive Loss as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(in thousands)			
Cost of revenues	$ 6	$ 27	$ 12	$ 56
Sales and marketing	108	195	192	389
Technology support	2	108	24	250
General and administrative *(a)*	141	328	297	873
Total share-based compensation costs	$ 257	$ 658	$ 525	$ 1,568

(a) Approximately $46,000 of accelerated stock compensation expense is included in the six months ended June 30, 2009 amount. This award accelerated vesting in accordance with the original award agreement.

Stock Options

During the three and six months ended June 30, 2009, the Company granted 1,000,000 and 1,200,000 service-based stock options, with weighted average grant date fair values of $0.14 and $0.16, respectively. During the three and six months ended June 30, 2008, the Company granted 292,500 and 365,000 service-based stock options, with weighted average grant date fair values of $0.82 and $0.89, respectively.

The 1,000,000 service-based stock options granted to the Company's President and Chief Executive Officer during the second quarter of 2009 vest on the first anniversary of the grant date. These options have an exercise price of $0.35, which was higher than the closing price of the Company's common stock on the grant date. The shares that are issuable upon exercise of these options are subject to resale restrictions that lapse over time (as to one-third on the first anniversary of the grant date and thereafter will lapse as to the remaining two-thirds of the shares in equal one-twelfth (1/12) installments of the original number of shares subject to the options each quarter until all resale restrictions have lapsed). The vesting of unvested options and the resale restrictions on shares issued upon exercise will accelerate and lapse upon involuntary termination of employment without cause or for good reason.

During the six months ended June 30, 2008, the Company granted 216,667 performance based stock options, with a weighted average fair value of $0.80. These awards did not vest as the employees who were granted these awards terminated employment with the Company prior to the performance measurement date.

During the six months ended June 30, 2009 the Company granted 1,068,250 stock options to substantially all employees at exercise prices equal to the price of the stock on the grant date of $0.35, with a fair market value per option granted of $0.19. One-third of these options cliff vest on the first anniversary following the grant date and the remaining two-thirds vest ratably over twenty four months thereafter. In addition, the remaining two-thirds of the awards must meet additional conditions in order to be exercisable. One-third of the remaining options must also satisfy the condition that the closing price of Autobytel's common stock over any 30 consecutive trading days is at least two times the option exercise price to be exercisable. The final one-third of the remaining options must also satisfy the condition that the closing price of Autobytel's common stock over any 30 consecutive trading days is at least three times the option exercise price to be exercisable. Certain of these options will accelerate upon a change in control.

There were no stock options exercised during the three and six months ended June 30, 2009. The Company issued 320,000 shares of common stock upon the exercise of stock options for the three months ended June 30, 2008. The weighted average grant date fair value of all options granted in the three and six months ended June 30, 2009 were $0.14 and $0.17, respectively. The weighted average grant date fair value of all options granted in the three and six months ended June 30, 2008 were $0.82 and $0.89, respectively. The grant date fair value of all stock options granted during these periods was estimated using the Black-Scholes option-pricing model using the following weighted average assumptions:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Dividend yield	—	—	—	—
Volatility	75%	62%	73%	62%
Risk-free interest rate	1.6%	2.8%	1.6 %	2.8 %
Expected life (years)	4.1	4.1	4.1	4.1

Employee Stock Purchase Plan

The Company's Employee Stock Purchase Plan ("ESPP") was suspended by the Company's Board of Directors during the third quarter of 2008. The Company provided 62,043 ESPP awards during the three and six months ended June 30, 2008 under the ESPP, with a weighted-average grant date fair value per award of $0.64.

6. Selected Balance Sheet Accounts

Investment

Autobytel had an investment in one publicly traded company's equity securities, acquired as part of an acquisition in 2001, that it categorized as available-for-sale in accordance with SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities." Investments categorized as available-for-sale are measured at fair value with unrealized gains and losses included in accumulated comprehensive income as a separate component of stockholders' equity. In accordance with SFAS 157, "Fair Value Measurements," the Company recorded its investments based on "Level 1" inputs, which were quoted market prices in an active market for identical assets or liabilities. During the second quarter of 2009 Autobytel sold its investment and realized a gain of $0.6 million, which is included in other income on the Consolidated Condensed Statement of Operations and Comprehensive Loss. As of December 31, 2008, the investment was valued at $0.6 million, with $0.6 million recorded in accumulated other comprehensive income.

Property and Equipment

Property and equipment consisted of the following:

	June 30, 2009	December 31, 2008
	(in thousands)	
Computer software and hardware	$ 9,171	$ 9,138
Furniture and equipment	1,439	1,715
Leasehold improvements	949	1,249
Capitalized internal use software	912	912
	12,471	13,014
Less – Accumulated depreciation and amortization	(10,777)	(10,593)
	$ 1,694	$ 2,421

At June 30, 2009 and December 31, 2008, capitalized internal use software, net of amortization, and development in process were $0.3 million and $0.4 million, respectively.

The Company periodically reviews long-lived assets to determine if there is any impairment of these assets in accordance with SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." The Company assesses the impairment of these assets, or the need to accelerate amortization, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The Company's judgments regarding the existence of impairment indicators are based on legal factors, market conditions and operational performance of our long-lived assets. If such indicators exist, the Company evaluates the assets for impairment based on the estimated future undiscounted cash flows expected to result from the use of the assets and their eventual disposition. Should the carrying amount of an asset exceed its estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the asset's carrying amount over its fair value. Fair value is generally determined based on a valuation process that provides an estimate of a fair value of these assets using a discounted cash flow model, which includes assumptions and estimates.

Concentration of Credit Risk and Risks Due to Significant Customers

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, investments and accounts receivable. Cash and cash equivalents are primarily maintained with three financial institutions in the United States. Deposits held by banks may exceed the amount of insurance provided for such deposits. Generally these deposits may be redeemed upon demand. Accounts receivable are primarily derived from fees billed to automotive dealers and automotive manufacturers. The Company generally requires no collateral to support its accounts receivables and maintains an allowance for bad debts for potential credit losses.

The Company has a concentration of credit risk with its automotive industry related accounts receivable balances, and in particular with the three largest U.S. automobile manufacturers (General Motors, Chrysler LLC, and Ford) ("Detroit Three"). During the first six months of 2009 approximately 13% of the Company's total revenues were derived from the Detroit Three, and approximately 17% or $1.6 million of gross accounts receivable relate to the Detroit Three at June 30, 2009. The Company has not established a specific allowance for doubtful accounts related to the Detroit Three accounts receivable at June 30, 2009.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	June 30, 2009	December 31, 2008
	(in thousands)	
Compensation and related costs	$ 1,861	$ 2,892
Accrued severance	87	78
Professional fees	266	277
Other accrued expenses	177	778
Amiounts due to customers	512	1,318
Outstanding checks	187	291
Employee benefits	36	131
State income tax payable	—	397
Other current liabilities	155	270
Total accrued expenses and other current liabilities	$ 3,281	$ 6,432

Goodwill

During the three months ended June 30, 2008, the Company performed its annual impairment test by first comparing the carrying value of the Company to its fair value based on its market capitalization at that date. As the carrying value exceeded the fair value, the second step impairment measurement was performed based on a discounted projection of future cash flows and market methods of determining fair value. As a result of this testing, the entire goodwill balance of $52.1 million was impaired and written-off as an expense in 2008.

7. Discontinued Operations

On January 23, 2008, the Company completed the sale of certain assets and liabilities of its AVV, Inc. data extraction and customer relationship management software business to Dominion Enterprises (“Dominion”) for approximately $22.75 million in cash, plus a working capital payment of approximately $1.0 million. The Company recorded a gain on sale of approximately $4.2 million in connection with the transaction in the three months ended March 31, 2008. The parties also agreed to a $1.9 million escrow in connection with the transaction. During the three months ended June 30, 2009, the Company received approximately $1.3 million of the escrow proceeds, classifying this amount as a gain on sale, discontinued operations. In July 2009, the Company received a further $0.4 million of the escrow amounts, with the remaining $0.2 million subject to certain contingencies. See Note 9 to these Notes to Unaudited Consolidated Condensed Financial Statements-Commitments and Contingencies- *Litigation* .

For the three and six months ended June 30, 2009 and 2008, the results of operations of AVV are reported as discontinued operations, net of taxes, as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(in thousands)			
Total net revenues:	$ —	$ —	$ —	$ 568
Cost of revenues	—	—	—	—
Gross profit				568
Operating expenses:				
Sales and marketing	—	—	—	150
Technology support	—	—	—	114
General and administrative	—	—	—	53
Total operating costs	—	—	—	317
Gain on sale	1,273	—	1,273	4,204
(Benefit)/provision for income taxes	—	(69)	—	250
Discontinued operations, net	$ 1,273	$ 69	$ 1,273	$ 4,205

8. Patent Litigation Settlements

Dealix Patent Litigation Settlement. In 2004, the Company brought a lawsuit for patent infringement against Dealix Corporation ("Dealix"). In December 2006, the Company entered into a settlement agreement with Dealix (the "Settlement Agreement"). The Settlement Agreement provides that Dealix will pay the Company a total of $20.0 million in settlement payments for a mutual release of claims and a license from the Company to Dealix and its parent company the Cobalt Group, of certain of the Company's patent and patent applications. On March 13, 2007, the Company received the initial $12.0 million settlement payment with the remainder to be paid out in installments of $2.7 million on the next three annual anniversary dates of the initial payment. The Company received the first of three installments of $2.7 million in March 2008, and in March 2009, the Company received the second installment $2.7 million pursuant to the Settlement Agreement. The Company records the payments as patent litigation settlement in the period payment is received, as a reduction to operating expenses. The remaining payment is guaranteed by WP Equity Partners, Inc., a Warburg Pincus affiliate. The Company has been unable to assess with reasonable assurance the collectability of the remaining payment under the Settlement Agreement as the Company does not have financial information to support the credit worthiness of the debtor or guarantor. The Company does not have reasonable assurance that it will receive the remaining payment on its due date or at all and therefore has not recorded any amounts receivable related to the Settlement Agreement as of June 30, 2009 or December 31, 2008.

Texas and California Patent Litigation Settlements . As previously reported in our Quarterly Report on Form 10Q for the quarter ended March 31, 2009, on April 23, 2009 the Company announced that it entered into a settlement agreement with Insweb Corporation ("Insweb"), Leadpoint, Inc. ("Leadpoint"), and Internet Brands, Inc. ("Internet Brands") settling and dismissing with prejudice various patent-related and other claims by and against the Company. Under the settlement terms, Autobytel granted to Insweb, Leadpoint and Internet Brands, and Insweb, Leadpoint and Internet Brands each granted to Autobytel, a non-exclusive perpetual license to their respective patents, as well as long-term covenants not to sue any of the parties for infringement of current or future patents, and mutual releases of claims. In connection with the settlement, (i) Autobytel and Autodata Solutions, Inc. ("Autodata"), a wholly owned subsidiary of Internet Brands, entered into a Master License and Services Agreement pursuant to which the Company will have the right to publish certain editorial content, images, shopping tools and vehicle data provided by Autodata for a term of five years; and (ii) shares of Internet Brands' common stock previously issued to one of the Company's subsidiaries but held by Internet Brands was released to the Company. In addition, InsWeb and Autobytel entered into a Content License Agreement pursuant to which Autobytel will receive specific auto insurance editorial content, data and interactive tools from InsWeb. The content and tools will contain links to one of InsWeb's insurance websites, and Autobytel and InsWeb will share the revenue associated with consumer activity generated by the links. LeadPoint agreed to pay Autobytel $200,000, $100,000 of which will be paid in connection with the signing of the settlement, to be followed by $50,000 installments payable on or before March 31, 2010 and September 30, 2010, respectively. In connection with the settlement, all claims brought by Insweb, Internet Brands and Leadpoint against Dominion Enterprises ("Dominion"), the purchaser of the Company's AVV business, and Retention Performance Marketing, Inc. ("RPM") and OneCommand, Inc. ("OneCommand"), the purchaser of the Company's RPM business, were also dismissed with prejudice, with Internet Brands, Leadpoint, and Insweb each providing Dominion, OneCommand and RPM covenants not to sue for infringement of the Insweb patent at issue in the litigation, and Dominion, OneCommand and RPM each granting to Insweb, Internet Brands and Leadpoint, and Insweb, Internet Brands and Leadpoint each granting to Dominion, OneCommand and RPM, long-term mutual releases of claims.

Edmunds Declaratory Relief Action Settlement . On March 13, 2008, Edmunds Holding Company and Edmunds.com filed a lawsuit against the Company in the United States District Court for the District of Delaware relating to the Company's U.S. Patent Number 6,282,517 for lead technology ("517 Patent"). In the lawsuit, Edmunds sought a declaration that its business activities, some of which include generating automotive leads, did not infringe the '517 Patent and that such patent was invalid. On February 20, 2009, this declaratory relief action was dismissed by the court. In March 2009, the Company entered into a settlement resolving the issues presented in Edmunds' declaratory judgment action. Under this settlement, Autobytel granted to Edmunds a limited license to the '517 Patent and other existing Autobytel leads-related patents in exchange for the right to publish on Autobytel's family of websites a select assortment of Edmunds.com's industry-leading multi-media automotive content, including photos, editorial reviews, and articles. The settlement agreement also provided for mutual releases of claims. This settlement did not have a material impact on the Company's financial statements.

9. Commitments and Contingencies

Employment Agreements

The Company has employment agreements and retention agreements with certain key employees. A number of these agreements require severance payments, continuation of certain insurance benefits and acceleration of vesting of stock options and restricted stock units in the event of a termination of employment without cause or for good reason. In addition, these employees were also granted stock options and awarded restricted stock, the agreements for which provide for acceleration of vesting upon a change of control.

Effective April 3, 2009, the Company and Mr. Jeffrey H. Coats, the Company's President and Chief Executive Officer, agreed to amend and restate Mr. Coats' employment agreement to provide Mr. Coats with relocation benefits and severance payments, continuation of certain insurance benefits and acceleration of vesting and lapsing of resale restrictions in the event of Mr. Coats termination of employment without cause or for good reason.

Litigation

In August 2001, a purported class action lawsuit was filed in the United States District Court for the Southern District of New York against Autobytel and certain of the Company's current and former directors and officers (the "Autobytel Individual Defendants") and underwriters involved in the Company's initial public offering. A Consolidated Amended Complaint, which is now the operative complaint, was filed on April 19, 2002. This action purports to allege violations of the Securities Act of 1933 ("Securities Act") and the Securities Exchange Act of 1934 ("Exchange Act"). Plaintiffs allege that the underwriter defendants agreed to allocate stock in the Company's initial public offering to certain investors in exchange for excessive and undisclosed commissions and agreements by those investors to make additional purchases of stock in the aftermarket at pre-determined prices. Plaintiffs allege that the prospectus for the Company's initial public offering was false and misleading in violation of the securities laws because it did not disclose these arrangements. The action seeks damages in an unspecified amount. The action is being coordinated with approximately 300 other nearly identical actions filed against other companies. On October 9, 2002, the District Court dismissed the Autobytel Individual Defendants from the case without prejudice. Plaintiffs selected six "focus" cases, which do not include the Company. The Court indicated that its decisions in the six focus cases are intended to provide strong guidance for the parties in the remaining cases. On August 14, 2007, the plaintiffs filed amended complaints in the six focus cases. On September 27, 2007, the plaintiffs moved to certify a class in these six cases. On November 14, 2007, the defendants in the six focus cases filed motions to dismiss the amended complaints. On March 26, 2008, the District Court dismissed the Securities Act claims of those members of the putative classes in the focus cases who sold their securities for a price in excess of the initial offering price and those who purchased outside the previously certified class period. With respect to all other claims, the motions to dismiss were denied. On October 10, 2008, at the request of plaintiffs, plaintiffs' motion for class certification was withdrawn, without prejudice. On April 3, 2009, the plaintiffs submitted to the Court a motion for preliminary approval of a settlement of the approximately 300 coordinated cases, which includes Autobytel, the underwriter defendants in the Autobytel class action lawsuit, and the plaintiff class in the Autobytel class action lawsuit. The insurers for the issuer defendants in the coordinated cases will make the settlement payment on behalf of the issuers, including Autobytel. On June 11, 2009, the Court issued an order preliminarily approving the proposed stipulation and agreement of settlement among the parties and certifying settlement classes. The settlement is subject to termination by the parties under certain circumstances and final approval by the Court. The hearing on final approval is currently scheduled for September 10, 2009. There is no assurance that the Court will grant final approval. Due to the inherent uncertainties of litigation, the Company cannot accurately predict the ultimate outcome of this matter. If the settlement is not concluded or approved and Autobytel is found liable, it is possible that damages could be greater than Autobytel's insurance coverage and the impact on Autobytel's financial statements could be material.

Between April and September 2001, eight separate purported class actions virtually identical to the one filed against Autobytel were filed against Autoweb.com, Inc. ("Autoweb"), certain of Autoweb's former directors and officers (the "Autoweb Individual Defendants") and underwriters involved in Autoweb's initial public offering. A Consolidated Amended Complaint, which is now the operative complaint, was filed on April 19, 2002. It purports to allege violations of the Securities Act and the Exchange Act. Plaintiffs allege that the underwriter defendants agreed to allocate stock in Autoweb's initial public offering to certain investors in exchange for excessive and undisclosed commissions and agreements by those investors to make additional purchases of stock in the aftermarket at pre-determined prices. Plaintiffs also allege that the prospectus for Autoweb's initial public offering was false and misleading in violation of the securities laws because it did not disclose these arrangements. The action seeks damages in an unspecified amount. The action is being coordinated with approximately 300 other nearly identical actions filed against other companies. On October 9, 2002, the District Court dismissed the Autoweb Individual Defendants from the case without prejudice. At the Court's request, Plaintiffs selected six "focus" cases, which do not include the Company. The Court indicated that its decisions in the six focus cases are intended to provide strong guidance for the parties in the remaining cases. On August 14, 2007, the plaintiffs filed amended complaints in the six focus cases. Defendants in the focus cases filed motions to dismiss the amended complaints against them on November 14, 2007. On September 27, 2007, the plaintiffs moved to certify a class in the six focus cases. On March 26, 2008, the District Court dismissed the Securities Act claims of those members of the putative classes in the focus cases who sold their securities for a price in excess of the initial offering price and those who purchased outside the previously certified class period. With respect to all other claims, the motions to dismiss were denied. On October 10, 2008, at the request of plaintiffs, plaintiff's motion for class certification was withdrawn, without prejudice. On April 3, 2009, the plaintiffs submitted to the Court a motion for preliminary approval of a settlement of the approximately 300 coordinated cases, which includes Autoweb, the underwriter defendants in the Autoweb class action lawsuit, and the plaintiff class in the Autoweb class action lawsuit. The insurers for the issuer defendants in the coordinated cases will make

the settlement payment on behalf of the issuers, including Autoweb. On June 11, 2009, the Court issued an order preliminarily approving the proposed stipulation and agreement of settlement among the parties and certifying settlement classes. The settlement is subject to termination by the parties under certain circumstances, and final approval by the Court. The hearing on final approval is currently scheduled for September 10, 2009. There is no assurance that the Court will grant final approval.

From time to time, the Company is involved in other litigation matters arising from the normal course of its business activities. The actions filed against the Company and other litigation, even if not meritorious, could result in substantial costs and diversion of resources and management attention, and an adverse outcome in litigation could materially adversely affect its business, results of operations, financial condition and cash flows.

10. Related Party Transaction

On April 3, 2009, the Compensation Committee approved the payment of $70,000 to Jeffrey Coats for consulting services rendered prior to him becoming the Company's President and Chief Executive Officer during 2008 in connection with the Company's evaluation of strategic alternatives and development and implementation of cost reduction initiatives.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The Securities and Exchange Commission ("SEC") encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "anticipate," "estimate," "expects," "projects," "intends," "plans," "believes" and words of similar substance used in connection with any discussion of future operations or financial performance identify forward-looking statements. In particular, statements regarding expectations and opportunities, new product expectations and capabilities, and our outlook regarding our performance and growth are forward-looking statements. This Quarterly Report on Form 10-Q also contains statements regarding plans, goals and objectives. There is no assurance that we will be able to carry out our plans or achieve our goals and objectives or that we will be able to do so successfully on a profitable basis. These forward-looking statements are just predictions and involve risks and uncertainties, many of which are beyond our control, and actual results may differ materially from these statements. Factors that could cause actual results to differ materially from those reflected in forward-looking statements include, but are not limited to, those discussed in this Item 2 and under the heading "Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2008 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2009. Investors are urged not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date on which they were made. Except as may be required by law, we do not undertake any obligation, and expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements contained herein are qualified in their entirety by the foregoing cautionary statements.

You should read the following discussion of our results of operations and financial condition in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and our consolidated financial statements and the notes thereto in Autobytel's Annual Report on Form 10-K for the year ended December 31, 2008.

Our corporate website is located at *www.autobytel.com* . Information on our website is not incorporated by reference in this Quarterly Report. At or through the Investor Relations section of our website we make available free of charge our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to these reports as soon as practicable after such material is electronically filed with or furnished to the SEC. Our Code of Conduct and Ethics for Employees, Officers and Directors is available at the Corporate Governance link of the Investor Relations section of our website.

Basis of Presentation

We sold certain assets and liabilities of its AVV Inc. ("AVV") business on January 23, 2008. Accordingly, AVV is presented in the unaudited consolidated condensed financial statements as discontinued operations. As discontinued operations, revenues and expenses are presented on a net basis and stated separately from the respective captions in continuing operations in the Consolidated Condensed Statements of Operations and Comprehensive Loss. Expenses included in discontinued operations are direct costs that will be eliminated from future operations.

Overview

We are an automotive marketing services company that assists automotive dealers and manufacturers sell cars and light trucks. By connecting consumers to automotive dealers and manufacturers through internet lead referral programs and on-line advertising, we provide automotive dealers and manufacturers with opportunities to efficiently market their vehicles to potential customers. We purchase from third parties and generate from our own websites consumer internet requests for pricing and availability on new and used cars as well as for vehicle financing (these consumer internet requests are referred to in this Quarterly Report on Form 10-Q as "Leads"). We sell the Leads primarily to our automotive dealer and manufacturer customers. Leads are purchased from a network of supplier websites, such as Edmunds, Kelley Blue Book, and Yahoo, ("Network Websites"). These Network Websites provide substantially all of our Leads. Additionally, we own and operate consumer-facing automotive websites, including Autobytel.com ®, Autoweb.com ®, AutoSite.com ®, Car.com sm, CarSmart.com ®, CarTV.com ®, and MyRide.com ® that provide consumers with information and tools to aid them with their automotive purchase decisions. Our owned websites provide a small percentage of our Leads but provide a significant portion of our page views for the advertising component of our business. In addition to advertising on our websites, we provide advertising opportunities for automotive manufacturers and other automotive advertisers through our marketing network, which includes our AutoReach advertising network ("Ad Network") and co-branded websites.

For the three and six months ended June 30, 2009 our results of operations were affected and may continue to be affected in the future, by various factors, including, but not limited to, the following:

- General economic conditions and specifically the market conditions in the automotive industry;
- The effects of competition (e.g., the availability and pricing of competing services and products and the resulting effects on sales and pricing of our services and products);
- A decline in Leads delivered to our Dealers;
- Variations in spending by manufacturers and others for our advertising services;
- The amount of visits (traffic) to our websites;
- The cost of acquiring traffic to our websites;
- The rates attainable from our advertisers; and
- The implementation of certain cost reduction initiatives.

The automotive industry is currently experiencing what is considered to be the most challenging environment of the past several decades:

- North American vehicle sales have decreased significantly,
- Dealer consolidations, closings, and bankruptcies have increased significantly,
- General Motors and Chrysler filed and emerged from for bankruptcy in 2009, and
- Auto sales in the United States are expected to continue to remain at low levels throughout 2009 and into 2010.

One of the factors generally believed to be a contributing factor to the sharp decline in automotive sales has been the lack of available consumer credit to finance vehicle purchases. If credit availability does not improve, the recovery in sales may be further postponed. If automobile sales and the industry in general do not recover, then our business, results of operations and financial condition will be materially and adversely affected.

Results of Operations

Three Months Ended June 30, 2009 Compared to the Three Months Ended June 30, 2008

	2009	% of Total net revenues	2008	% of Total net revenues	Change $	Change %
	($ amounts in thousands)					
Net revenues:						
Lead Fees	$ 11,583	86%	$ 17,178	91%	$ (5,595)	(33)%
Advertising	1,786	13	1,767	9	19	1
Other	75	1	41	—	34	83
Total net revenues	13,444	100	18,986	100	(5,542)	(29)
Cost of revenues (excludes depreciation of $197 and $279 for the three months ended June 30, 2009 and 2008, respectively)	9,022	67	12,214	64	(3,192)	(26)
Gross profit	4,422	33	6,772	36	(2,350)	(35)
Operating expenses:						
Sales and marketing	2,542	19	4,320	23	(1,778)	(41)
Technology support	1,226	9	3,680	19	(2,454)	(67)
General and administrative	3,032	23	4,386	23	(1,354)	(31)
Patent litigation settlement	(179)	(1)	—	—	(179)	—
Goodwill impairment	—	—	52,074	274	(52,074)	(100)
Total operating expenses	6,621	50	64,460	339	(57,839)	(90)
Operating loss	$ (2,199)	(17)%	$ (57,688)	(303)%	$ 55,489	(96)%

Lead Fees. Lead fees decreased $5.6 million or 33% in second quarter 2009, compared to second quarter 2008 and was primarily a result of the following:

- a 16% decline in the total volume of new and used car sales Leads delivered, which was due to a 32% net reduction in the number of auto-dealer customers, partially offset by a increase in the number of Leads delivered per customer. The decline in our Lead fees is consistent with the overall decline in U.S. light vehicle sales in second quarter 2009 compared to second quarter 2008 of approximately 32%, and

- a 9% decline in our average sales price per Lead, which was due primarily to sales incentives provided to new and existing auto-dealer customers.

Advertising. Advertising revenues for second quarter 2009 were consistent with the second quarter 2008. The decrease in page views was a result of the reduction in search engine marketing of approximately 68%, and was offset by the recognition of $0.2 million of deferred advertising revenue related to advertising campaigns that were closed out with certain advertisers.

Cost of Revenues. Cost of revenues consists of Lead and traffic acquisition costs, and other cost of revenues. Lead and traffic acquisition costs consist of payments made to our Lead providers, including internet portals and on-line automotive information providers. Other cost of revenues consists of search engine marketing and fees paid to third parties for data and content included on our properties, connectivity costs, technology license fees, development and maintenance costs related to our websites, server equipment depreciation and technology amortization and compensation related expense. Search engine marketing (“SEM”), sometimes referred to as paid search marketing, is the practice of bidding on keywords on search engines to drive traffic to a website.

The $3.2 million or 26% decrease in the cost of revenues in second quarter 2009 compared to second quarter 2008 was primarily due to a decrease of $1.5 million in Lead acquisition costs directly related to the decline in volume of Leads delivered, a decrease in depreciation of $0.7 million, a $0.4 million decrease in SEM, a decrease in hosting and data content of $0.4 million, and a $0.2 million decrease in other net various expense amounts. SEM costs have decreased due to cost containment initiatives and efforts to more efficiently deploy marketing dollars. Depreciation and other website related costs have decreased due to the decision to discontinue the use of the MyRide related software platform in the fourth quarter of 2008. The average cost per purchased Lead overall increased by approximately 1% in 2009. This increase is a result of increased cost per Leads related to Leads delivered to retail dealers, offset by the decrease in the cost of Leads delivered for a major OEM sales program.

Sales and Marketing. Sales and marketing expense includes costs for developing our brand equity, internal personnel costs and other costs associated with dealer sales, website advertising, and dealer support. Sales and marketing expense in second quarter 2009 decreased by $1.8 million or 41% compared to second quarter 2008, due principally to internal cost containment initiatives, which are related to the reductions in force which were initiated in the second half of 2008.

Technology Support. Technology support expense includes personnel costs related to enhancing the features, content and functionality of our Websites and our Internet-based communications platform, costs associated with our telecommunications and computer infrastructure, and costs related to data and technology development. Technology support expense in second quarter 2009 decreased by $2.5 million or 67% compared to second quarter 2008, due to compensation expense savings resulting from internal cost reduction initiatives, which are related to the reductions in force which were initiated in the second half of 2008.

General and Administrative. General and administrative expense consists of executive, financial and legal personnel expenses and costs related to being a public company. General and administrative expense in second quarter 2009 decreased $1.4 million or 31% compared to second quarter 2008 due to a decrease in net personnel and temporary labor expense of $1.2 million (including a $0.2 million decrease of stock compensation) and a decrease in insurance and other expenses of approximately $0.2 million.

Goodwill Impairment. During the three months ended June 30, 2008 we performed our annual impairment test by first comparing the carrying value of Autobytel to its fair value based on market capitalization at that date. As the carrying value exceeded the fair value, the second step impairment measurement was performed based on a discounted projection of future cash flows and market methods of determining fair value. As a result of this testing, a non-cash impairment charge of $52.1 million was recorded during the six months ended June 30, 2008.

Six Months Ended June 30, 2009 Compared to the Six Months Ended June 30, 2008

	2009	% of Total net revenues	2008	% of Total net revenues	Change $	Change %
	($ amounts in thousands)					
Net revenues:						
Lead Fees	$ 23,735	87%	$ 35,339	89%	$ (11,604)	(33)%
Advertising	3,473	13	4,266	11	(793)	(19)
Other	107	—	78	—	29	37
Total net revenues	27,315	100	39,683	100	(12,368)	(31)
Cost of revenues (excludes depreciation of $450 and $598 for the six months ended June 30 2009 and 2008, respectively)	17,908	66	26,039	66	(8,131)	(31)
Gross profit	9,407	34	13,644	34	(4,237)	(31)
Operating expenses:						
Sales and marketing	5,182	19	9,515	24	(4,333)	(46)
Technology support	2,687	10	8,273	21	(5,586)	(68)
General and administrative	7,086	26	10,737	27	(3,651)	(34)
Patent litigation settlement	(2,846)	(10)	(2,667)	(7)	(179)	7
Goodwill impairment	—	—	52,074	131	(52,074)	(100)
Total operating expenses	12,109	45	77,932	196	(65,823)	(84)
Operating loss	$ (2,702)	(11)%	$ (64,288)	(162)%	$ 61,586	(96)%

Lead Fees. Lead fees decreased $11.6 million or 33% in first half 2009, compared to first half 2008 and was primarily a result of the following:

- a 21% decline in the total volume of new and used car sales Leads delivered, which was due to a 32% net reduction in the number of automotive dealer customers, partially offset by a increase in the number of Leads delivered per customer. The decline in our Lead fees roughly correlates with the overall decline in U.S. light vehicle sales in first half 2009 compared to first half 2008 of approximately 35%, and

- an 8% decline in our average sales price per Lead, which was due primarily to sales incentives provided to new and existing auto-dealer customers.

Advertising. The $0.8 million or 19% decrease in advertising revenues for first half 2009, compared to first half 2008 was due primarily due to a decrease in page views as a result of the reduction in search engine marketing of approximately 87%, partially offset by the recognition of $0.4 million of deferred advertising revenue in the first half of 2009 related to advertising campaigns that were closed out with certain advertisers.

Cost of Revenues. The $8.1 million or 31% decrease in the cost of revenues in first half 2009 compared to first half 2008 was primarily due to a decrease of $2.8 million in Lead acquisition costs directly related to the decline in volume of Leads delivered, a $2.6 million decrease in SEM, a decrease in depreciation of $1.3 million, a $0.7 million decrease in other net various expense amounts, and a decrease in hosting and data content of $0.7 million. SEM costs have decreased due to cost containment initiatives and efforts to more efficiently deploy marketing dollars. Depreciation and other website related costs have decreased due to the decision to discontinue the use of the MyRide related software platform in the fourth quarter of 2008. The average cost per purchased Lead increased by approximately 8% in 2009 primarily due to an increase in overall quality of the leads purchased during the period.

Sales and Marketing. Sales and marketing expense in first half 2009 decreased by $4.3 million or 46% compared to first half 2008, due principally to internal cost containment initiatives, which are related to the reductions in force which were initiated in the second half of 2008.

Technology Support. Technology support expense in first half 2009 decreased by $5.6 million or 68% compared to first half 2008, due to compensation expense savings resulting from internal cost reduction initiatives, which are related to the reductions in force which were initiated in the second half of 2008.

General and Administrative. General and administrative expense in first half 2009 decreased $3.7 million or 34% compared to first half 2008 due to the following:

- a decrease in net personnel and temporary labor expense of $2.3 million (including a $0.6 million decrease of stock compensation),

- a decrease in professional fees of $0.9 million, primarily as a result of cost containment initiatives, and

- a decrease in insurance and other expenses of approximately $0.4 million.

Patent Litigation Settlement . In 2004, we brought a lawsuit for patent infringement against Dealix Corporation ("Dealix"). In December 2006, we entered into a settlement agreement with Dealix (the "Settlement Agreement"). The agreement provides that Dealix will pay us a total of $20.0 million in settlement payments for a mutual release of claims and a license from us to Dealix and its parent company the Cobalt Group, of certain of our patent and patent applications. On March 13, 2007, we received the initial $12.0 million settlement payment with the remainder to be paid out in installments of $2.7 million on the next three annual anniversary dates of the initial payment. In March 2009, we received the second of three $2.7 million settlement payments pursuant to the Settlement Agreement. We recorded the payment as patent litigation settlement in the period payment was received, as a reduction to costs and operating expenses. The remaining payment is guaranteed by WP Equity Partners, Inc., a Warburg Pincus affiliate and is expected to be received in March 2010. We have been unable to assess with reasonable assurance the collectability of the remaining payments under the Settlement Agreement as we do not have financial information to support the credit worthiness of the debtor or guarantor. We do not have reasonable assurance that we will receive the remaining payment on its respective due date or at all, and therefore have not recorded any amounts receivable related to the Settlement Agreement as of June 30, 2009.

Goodwill Impairment. During the three months ended June 30, 2008 we performed our annual impairment test by first comparing the carrying value of Autobytel to its fair value based on market capitalization at that date. As the carrying value exceeded the fair value, the second step impairment measurement was performed based on a discounted projection of future cash flows and market methods of determining fair value. As a result of this testing, a non-cash impairment charge of $52.1 million was recorded during the six months ended June 30, 2008.

Employees

As of July 15, 2009, we had 108 employees. We also use independent contractors as required. None of our employees are represented by labor unions. We have not experienced any work stoppages and consider our employee relations to be generally good.

Liquidity and Capital Resources

The table below sets forth a summary of our cash flows for the six months ended June 30, 2009 and 2008:

	Six Months Ended June 30,	
	2009	2008
	(in thousands)	
Net cash used in operating activities	$ (2,359)	$ (12,341)
Net cash (used in) provided by investing activities	1,734	19,859
Net cash provided by financing activities	—	601

Our principal sources of liquidity are our cash and cash equivalents balances and proceeds from dispositions of non-core businesses and the Dealix patent litigation settlement payments. We continue to have no debt. Our cash and cash equivalents totaled $26.8 million as of June 30, 2009 compared to cash and cash equivalents of $27.4 million as of December 31, 2008.

We entered into a Settlement Agreement with Dealix, which among other things, provides for settlement payments. We received settlement payments in 2007, 2008, and 2009. We have been unable to assess with reasonable assurance the collectability of the remaining payment due in March 2010 under the Settlement Agreement, as we do not have financial information to support the credit worthiness of the debtor or guarantor. We do not have reasonable assurance that we will receive the remaining payment on its due date or at all, and therefore, we have not recorded any amounts receivable related to the Settlement Agreement and cannot rely on these payments as a source of future liquidity.

During the first six months of 2009 both General Motors ("GM") and Chrysler LLC ("Chrysler") filed for reorganization bankruptcy. Chrysler emerged from bankruptcy in June 2009 and GM emerged from Bankruptcy in July 2009. For the six months ended June 30, 2009, approximately 9% of our total revenues were derived from GM and Chrysler, and approximately 14% or $1.3 million of the gross accounts receivable relate to GM and Chrysler at June 30, 2009. GM and Chrysler's bankruptcies have not significantly impacted our liquidity during the first half of 2009; however the future impact to our liquidity as a result of these events is uncertain.

Net Cash Used in Operating Activities

Net cash used in operating activities in first half 2009 of $2.4 million resulted primarily from a net operating loss of $0.6 million and an increase in cash used to reduce accrued expenses and other liabilities of $3.2 million primarily related to severance costs that were accrued as of December 31, 2008 and paid in first half 2009, partially offset by cash received related to the reduction of our accounts receivable of $0.7 million. Net cash used in operating activities in first half 2008 was $12 million. The reduction in cash used in operating activities from 2008 to 2009 was primarily due to the reduction in losses combined with changes in working capital requirements.

Net Cash Provided by Investing Activities

Net cash provided by investing activities was $1.7 million in first half 2009. The Company received approximately $1.3 million of the $1.9 million AVV asset sale proceeds held in escrow, that is not recorded on the balance sheet. Subsequent to the June 30, 2009 balance sheet date, we received a further $0.4 million of the escrow amounts, with the remaining $0.2 million subject to certain contingencies. In addition, we sold all of our available-for-sale investment for cash proceeds of $0.6 million. Net cash provided by investing activities in first half 2008 of $19.9 million was due to an increase in cash proceeds from divestures of $21.4 million, partially offset by increases in capital expenditures of $1.5 million.

Net Cash Provided by Financing Activities

Our primary source of cash from financing activities is from the exercise of stock options and the issuance of common stock pursuant to the employee stock purchase plan. There were no financing activities in first half 2009 and $0.6 million of proceeds from option activity in first half 2008.

Off-Balance Sheet Arrangements

At June 30, 2009 we had no off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Recent Accounting Pronouncements

SFAS 157: In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS 157, "Fair Value Measurements." SFAS 157 establishes a framework for measuring fair value and expands disclosures of fair value measurements. SFAS 157 is effective for financial statements issued for periods beginning after November 15, 2007. In February 2008, the FASB issued FASB Staff Position ("FSP") FAS 157-2 which defers the effective date of SFAS 157 for non-financial assets and liabilities that are not recorded at fair value on a recurring basis until periods beginning after November 15, 2008. The adoption of the non-deferred portion of SFAS 157 on January 1, 2008, and the adoption of the deferred portion of SFAS 157 on January 1, 2009, did not have an impact on our consolidated financial position, results of operations, or cash flows.

SFAS 161: In March 2008, the FASB issued SFAS 161, "Disclosures about Derivative Instruments and Hedging Activities – an Amendment of FASB Statement 133." SFAS 161 provides new disclosure requirements for derivative and hedging activities and is effective for periods beginning after November 15, 2008. We adopted SFAS 161 on January 1, 2009, and it did not have a material effect on our consolidated financial statements.

SFAS 160: In December 2007, the FASB issued SFAS 160, "Non-Controlling Interests in Consolidated Financial Statements – an amendment of ARB 51." This standard provides new accounting guidance and disclosure requirements for non-controlling interests in a subsidiary. Since we do not have non-controlling interests in our subsidiaries, the adoption of SFAS 161 on January 1, 2009 did not have any effect on our consolidated financial statements.

SFAS 141(R): In December 2007, the FASB issued SFAS No. 141R, "Business Combinations." SFAS 141R establishes principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree. The statement also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of financial statements to evaluate the nature and financial effects of the business combination. SFAS No. 141R is effective for business combinations occurring after December 31, 2008. The nature and magnitude of the specific effect the adoption of SFAS 141R will have on our consolidated financial statements will depend on the nature, terms, size of acquisitions, if any, we may consummate subsequent to the effective date of January 1, 2009.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk***

For the three and six months ended June 30, 2009 there were no material changes in the information required to be provided under Item 305 of Regulation S-K from the information disclosed in Item 7A of the Company's Annual Report on Form 10-K for the year ended December 31, 2008.

Item 4. ***Controls and Procedures***

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended ("Exchange Act"). Based on the evaluation, our Chief Executive Officer and our Chief Financial Officer believe that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective at ensuring that the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms or (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required financial disclosure.

As of the end of the period covered by this Quarterly Report on Form 10-Q, there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that have materially affected or were reasonably likely to materially affect, our internal control over financial reporting.

Our management, including our Chief Executive Officer and our Chief Financial Officer, does not expect that our disclosure controls and internal control over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls may be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Notwithstanding the foregoing limitations on the effectiveness of controls, we have nonetheless reached the conclusions set forth above on our disclosure controls and procedures.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See discussion at Part I, Item 1, Note 9, "Commitments and Contingencies – *Litigation* ," to the unaudited consolidated condensed financial statements, which is incorporated by reference herein.

Item 1A. Risk Factors

We are particularly affected by general economic conditions and in particular the automotive industry.

The economic strength of the automotive industry significantly impacts the revenues we derive from automotive dealers, manufacturers and other customers. The automotive industry is currently experiencing what is considered to be the most challenging environment of the past several decades:

- North American vehicle sales have decreased significantly,
- Dealer consolidations, closings, and bankruptcies have increased significantly,
- General Motors and Chrysler LLC filed and emerged from bankruptcy in 2009, and
- Auto sales in the United States are expected to continue to remain at low levels throughout 2009 and into 2010.

One of the factors generally believed to be a contributing factor to the sharp decline in automotive sales has been the lack of available consumer credit to finance vehicle purchases. If credit availability does not improve, the recovery in sales may be further postponed. If automobile sales and the industry in general do not recover, then our business, results of operations, and financial condition will be materially and adversely affected.

Our common stock could be delisted from the NASDAQ Global Market if we are not able to satisfy continued listing requirements, and if this were to occur, the price of our common stock and our ability to raise additional capital may be adversely affected and the ability to buy and sell our stock may be less orderly and efficient.

Our common stock is currently listed on the NASDAQ Global Market. Continued listing of a security on the NASDAQ Global Market is conditioned upon compliance with various continued listing standards. There can be no assurance that we will continue to satisfy the requirements for maintaining a NASDAQ Global Market listing. The standards for continued listing require, among other things, that the closing minimum bid price for the listed securities be at least $1.00 per share for 30 consecutive trading days. Our common stock has traded below $1.00 per share since October 1, 2008, and there can be no assurances made that we will satisfy the $1.00 minimum bid price required for continued listing of our common stock on the NASDAQ Global Market. The NASDAQ Stock Market LLC has implemented a temporary suspension of its minimum $1.00 closing bid price and minimum market value for publicly held shares continued listing rules. This temporary suspension will expire on July 31, 2009, with enforcement of these rules reinstated on August 3, 2009. NASDAQ has announced that it does not expect any further extensions of the suspension. If our common stock trades below the minimum closing bid requirement for any 30 consecutive trading days beginning on or after the August 3, 2009 reinstatement date, NASDAQ will send us a Deficiency Notice and we will be afforded a 180 day compliance period to regain compliance. If we are unable regain compliance, we will be delisted. If our common stock were to be delisted from the NASDAQ Global Market, the price of our common stock, the ability of holders to sell our stock, and our ability to raise additional capital will likely be adversely affected. If our common stock is delisted and thereafter traded over-the-counter, trading in our stock could be less efficient. If we sought to re-list our stock on the NASDAQ Global Market, we would be required to comply with all of the initial listing requirements to be re-listed on the NASDAQ Global Market, which in some instances are more stringent than the continued listing requirements.

Our strategy is dependent on increasing Lead referral revenue; Lead referral revenue is directly impacted by automotive dealer ("Dealer") attrition in our dealer network and the number of Leads delivered to our Dealers; if Dealer attrition continues to increase and the total number of Leads delivered to our Dealers continues to decrease, our revenues will continue to decrease.

Our strategy and achievement of profitability are dependent on our ability to increase Lead referral revenue. If we are not successful in increasing Lead referral revenue, then we may not be able to achieve profitability in the future. Increasing Lead referral revenue is dependent upon our ability to attract and retain qualified automotive dealers and manufacturers.

We derive a majority of our revenue from Lead referral fees paid by Dealers participating in our Dealer network. In 2008 and continuing through the second quarter of 2009 and into the third quarter of 2009, we experienced attrition in the number of our Dealers and a decrease in the total number of Leads delivered. Our revenues have decreased as a result of this Dealer attrition and reduction in the total number of delivered Leads, and if Dealer attrition increases or continues at the current rate and we are unable to add new Dealers to mitigate the attrition, or if the total number of Leads continues to decrease, our revenues will continue to decrease. In order for us to grow or maintain our Dealer network, we must reduce our Dealer attrition. We cannot assure that we will be able to reduce the level of Dealer attrition, and our failure to do so could materially and adversely affect our business, results of operations and financial condition. In addition to Dealer attrition and reduction in Leads delivered, if Manufacturers or Dealers require us to decrease the fees we charge for our services, our revenues will decline, which could have a material adverse effect on our business, results of operations and financial condition.

From time to time, a Dealer group or manufacturer may significantly decrease the number of Dealers participating in our Dealer network or the number of Leads accepted from us. A material factor affecting Dealer attrition is our ability to provide Dealers with high quality Leads at acceptable prices. High quality Leads are those that result in high closing ratios. Closing ratio is the number of vehicles purchased at a Dealer generated from Leads divided by to the total number of Leads sent to that Dealer. Generally, our Dealer agreements are cancelable by either party upon 30 days notice. Participating Dealers may terminate their relationship with us for any reason, including an unwillingness to accept our subscription terms, as a result of joining alternative marketing programs, or due to the quality of our Leads. We cannot assure that Dealers will not terminate their agreements with us.

While we have a large customer population making up our revenue base, we have one customer that accounts for more than 5% of our revenue. The loss of that customer could have a material adverse effect on our business, results of operations and financial condition.

Our Advertising Revenues could be impacted by advertising budget and website traffic reductions.

Automotive manufacturers ("Manufacturers") continue to evaluate their ongoing advertising expenditures, the efficiencies of their advertising programs, and the websites that are included in their online advertising campaigns. As a result, advertising rates have experienced downward pressure and cutbacks in advertising budgets have occurred. The industry allocates advertising budgets on an annual basis and is currently in the "upfront" planning process for 2010. To the extent that the volume and quality of our website traffic does not allow us to achieve a favorable ranking as compared to other websites in the industry, Manufacturers and/or their advertising agencies may reduce the current committed expenditures for 2009 and/or not include our websites in the "upfront" advertising expenditure allocations for 2010.

Item 4. Submission of Matters to a Vote of Security Holders

We held our Annual Meeting of Stockholders on June 25, 2009. The following is a brief description of the matters voted at the meeting and the number of votes cast for or against and, if applicable, the number of abstentions and broker non-votes with respect to each matter. Each director proposed by us was elected. The stockholders re-elected the following nominee as a Class II director of our board of directors:

	For	Withheld Authority
Mark N. Kaplan	27,075,155	9,755,288

Mr. Kaplan's term of office as director continued after the meeting.

Item 5. Other Information

In connection with the appointment of Mr. Jeffrey H. Coats as our President and Chief Executive Officer in December 2008, we and Mr. Coats entered into an employment agreement as of December 11, 2008. On April 3, 2009, the Compensation Committee approved amendments to Mr. Coats' employment agreement and approved the grant of stock options to Mr. Coats. Mr. Coats' initial employment agreement, as amended by the Compensation Committee on April 3, 2009 and subsequent to that date, is referred to in this Quarterly Report on Form 10-Q as the "Coats Employment Agreement." The Coats Employment Agreement was formally` documented and executed by Mr. Coats and us on July 22, 2009.

The Coats Employment Agreement is for a term of three years commencing April 3, 2009. Mr. Coats is entitled to an annual base salary of $390,000 for the first year of the employment term and $420,000 during the remaining term of the Coats Employment Agreement. In addition, Mr. Coat's was paid a signing bonus of $30,000 upon his signing the Coats Employment Agreement. Mr. Coats is also eligible to receive an annual incentive bonus opportunity targeted at 80% of his annual base salary based upon annual performance goals and the achievement of those goals, as established and determined by the Compensation Committee. The Compensation Committee has determined that Mr. Coats is eligible to earn an annual incentive bonus of up to 80% of his base annual salary. The Compensation Committee has also established that at least 50% of Mr. Coats' target annual incentive bonus will be based upon the Company achieving one or more key cash flow measures under the Company's 2009 operating plan and that the other 50% will be based on subjective assessment of Mr. Coats' performance during the year, which may include performance versus individual objectives that have not yet been set.

Mr. Coats is entitled to all customary benefits afforded generally to executive officers of Autobytel, including any qualified or non-qualified pension, profit sharing and savings plans, any death benefit and disability benefit plans, life insurance coverages, any medical, dental, health and welfare plans or insurance coverages and any stock purchase programs that are approved in writing by the Board of Directors. Autobytel will pay or reimburse Mr. Coats for all reasonable business expenses incurred by Mr. Coats while employed by us.

In connection with his employment by us, Mr. Coats is relocating to Irvine, California. The Compensation Committee approved the payment or reimbursement of reasonable and customary relocation expenses directly related to Mr. Coats' relocation, including (i) broker's sales commission and closing costs (other than points) for either (1) Mr. Coats purchase of a new residence in California (or broker commission for leasing that residence), or (2) the sale of his residence in New Jersey; (ii) shipping two automobiles from New Jersey to California, and (iii) other reasonable and customary miscellaneous moving expenses, which other miscellaneous expenses should not exceed $30,000. We will also pay for up to thirteen months of temporary housing for Mr. Coats until May 31, 2010 ("Temporary Housing Term"), such temporary housing not to exceed (i) $4,100 per month until July 31, 2009 and (ii) $5,600 per month thereafter until this temporary housing allowance ceases. In the event Mr. Coats leases a residence in California, we will pay the amount of any reasonable and customary deposits required to be paid by the lessor upon entering into the lease. If at the end of the Temporary Housing Term Mr. Coats continues to remain in the leased residence, Mr. Coats shall reimburse us for the amounts of the deposits. Relocation costs must be repaid to us if Mr. Coats terminates his employment with us voluntarily without good reason or is terminated for cause by us within two years of April 3, 2009. We will make additional payments to Mr. Coats to compensate for his additional tax obligations incurred by reason of our payment or reimbursement of Mr. Coats' relocation expenses.

If Mr. Coats' employment is terminated by us without "cause" (as defined in the Coats Employment Agreement) during the term of the Coats Employment Agreement or if Mr. Coats terminates his employment with "good reason" (as defined in the Coats Employment Agreement) during the term of the Coats Employment Agreement, Mr. Coats is entitled to a lump sum payment equal to his annual base salary, as well as reimbursement or payment of the premiums for continuation of his medical, dental, and vision insurance benefits under COBRA (Consolidated Omnibus Budget Reconciliation Act) for a period of twelve months after the employment termination date. In the event of a termination of Mr. Coats' employment in connection with, or within eighteen months following, a change in control of Autobytel that occurs during the term of Mr. Coats's employment, Mr. Coats is entitled to a lump sum payment equal to 1.3 times his annual base salary. Mr. Coats will also provide consulting services to us or our successor for a period of one year after the date of the change in control and will receive compensation equal to 50% of his base annual salary for those consulting services. We are not obligated to make additional payments to Mr. Coats to compensate for his additional tax obligations if Mr. Coats' compensation is deemed to be excess parachute payments under the Internal Revenue Code. Payment of the severance benefits under the Coats Employment Agreement is conditioned on Mr. Coats' execution of a general release of claims in favor of us. The Coats Employment Agreement contains confidentiality and non-solicitation provisions that extend beyond termination.

The foregoing description of the Coats Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Coats Employment Agreement, a copy of which is filed with this Quarterly Report on Form 10-Q as Exhibit 10.91 and incorporated herein by reference.

On April 3, 2009 ("Coats Options Grant Date"), Mr. Coats was granted stock options to purchase 1,000,000 shares of our common stock ("Coats Employment Options"), which will all vest on the first anniversary of the Coats Options Grant Date. The award agreements for the Coats Employment Options were formally documented and executed by us and Mr. Coats on July 22, 2009. The options have a term of ten years from the Coats Options Grant Date. The Coats Employment Options have an exercise price of $.35 per share ("Coats Options Exercise Price"), which was higher than the closing price of the our common stock on the NASDAQ Global Market on the Coats Options Grant Date. The shares issuable upon exercise of the Coats Employment Options will be subject to resale restrictions that lapse as to one-third of the shares on the first anniversary of the Coats Options Grant Date and thereafter will lapse as to the remaining two-thirds of the shares in equal one-twelfth (1/12) installments of the original number of shares subject to the options each quarter until all resale restrictions have lapsed ("Resale Restrictions"). In the event of a termination of Mr. Coats' employment by us without "cause" or by Mr. Coats for "good reason," all options unvested at the time of termination will vest, the Resale Restrictions on shares issued upon exercise of the Coats Employment Options will accelerate and lapse, and Mr. Coats will have until the earlier of two years from the termination date or the original expiration date of the options to exercise any previously unexercised options. In the event Mr. Coats resigns without "good reason," he will only have one day after his resignation to exercise any options that had vested prior to the date of resignation, and any unexercised options will expire. Any shares issued to Mr. Coats upon exercise of options prior to, or within one day after, the date of Mr. Coats' resignation will remain subject to the Resale Restrictions. Should we terminate Mr. Coats' employment for "cause," all options that are unvested or that are vested and unexercised at the time of termination will expire, and any shares that have been issued upon exercise of the options prior to the date of termination remain subject to the Resale Restrictions and are subject to our right (but not an obligation) to repurchase the shares at the Coats Options Exercise Price ("Company Repurchase Rights"). Upon a termination of Mr. Coats' employment by reason of his death or disability, the Coats Employment Options will be subject to the same terms and conditions as would apply if Mr. Coats' employment had been terminated by us without cause, except (i) the vesting of any unvested options will not accelerate; and (ii) the post-termination exercise period for any options vested prior to the termination date will be twelve months in the case of a termination by reason of death and six months in the case of a termination by reason of disability. The Coats Employment Options are subject to a "double trigger" in the event of a change in control of Autobytel, which provides that unless otherwise provided for in the applicable transaction documents resulting in a change in control or Mr. Coats' employment is terminated in connection with the change in control, the occurrence of a change in control of Autobytel does not itself accelerate the vesting of the Coats Employment Options or the lapse of the Resale Restrictions or terminate our Repurchase Rights, and all terms and conditions of the Coats Employment Options will survive the change in control and remain applicable to the options or any successor options.

The foregoing description of the Coats Employment Options does not purport to be complete and is qualified in its entirety by reference to the full text of the award agreements for the Coats Employment Options, copies of which are filed herewith as Exhibit 10.92, 10.93, and 10.94 and incorporated herein by reference.

Item 6. Exhibits

2.1	Asset Purchase Agreement dated as of January 23, 2008, between the Company, AVV, Inc. and Dominion Enterprises is incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on January 29, 2008.
3.1	Fifth Amended and Restated Certificate of Incorporation of Autobytel Inc. (formerly autobytel.com inc. ("Autobytel" or the "Company")) certified by the Secretary of State of Delaware (filed December 14, 1998), as amended by Certificate of Amendment dated March 1, 1999, Second Certificate of Amendment of the Fifth Amended and Restated Certificate of Incorporation of Autobytel dated July 22, 1999, Third Certificate of Amendment of the Fifth Amended and Restated Certificate of Incorporation of Autobytel dated August 14, 2001, and Amended Certificate of Designation of Series A Junior Participating Preferred Stock dated April 24, 2009 is incorporated herein by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q for the period ended March 31, 2009 filed with the SEC on April 24, 2009.
3.2	Amended and Restated Bylaws of Autobytel, as amended by Amendment No. 1 adopted August 14, 2001, Amendment No. 2 adopted April 23, 2002, Amendment No. 3 adopted March 13, 2006, Amendment No. 4 adopted December 5, 2007, Amendment No. 5 adopted December 8, 2008, and Amendment No. 6 adopted December 19, 2008 is incorporated herein by reference to Exhibit 3.2 to the Annual Report on Form 10-K for the year ended December 31, 2008 filed with the SEC on March 13, 2009.
4.1	Form of Common Stock Certificate of Autobytel is incorporated herein by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q for the period ended September 30, 2001 filed with the SEC on November 14, 2001.
4.2	Amended and Restated Rights Agreement, dated as of April 24, 2009, between Autobytel and Computershare Trust Company, N.A., successor-in-interest to U.S. Stock Transfer Corporation (which includes the form of Amended Certificate of Designation of the Series A Junior Participating Preferred Stock of Autobytel as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Shares as Exhibit C) is incorporated herein by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q for the period ended March 31, 2009 filed with the SEC on April 24, 2009.
10.86* **	Amendment No. 2 to the Autobytel.com Inc. 1999 Employee and Acquisition Related Stock Option Plan, dated May 1, 2009.
10.87* **	Amendment No. 3 to the Autobytel.com Inc. 2000 Stock Option Plan, dated May 1, 2009.
10.88* **	Amendment No. 1 to the Autobytel Inc. Amended and Restated 2001 Restricted Stock and Option Plan, dated May 1, 2009.
10.89* **	Amendment No. 1 to the Autobytel Inc. 2004 Restricted Stock and Option Plan, dated May 1, 2009.
10.90* **	Amendment No. 1 To The Autobytel Inc. 2006 Inducement Stock Option Plan, dated May 1, 2009.
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31.1*	Chief Executive Officer Section 302 Certification of Periodic Report, dated July 24, 2009.
31.2*	Chief Financial Officer Section 302 Certification of Periodic Report, dated July 24, 2009.
32.1*	Chief Executive Officer and Chief Financial Officer Section 906 Certification of Periodic Report, dated July 24, 2009.

* Filed herewith

** Management Contract or Compensatory Plan or Arrangement

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, thereunto duly authorized.

A UTOBYTEL I NC .

By: /s/ Curtis E. DeWalt

Curtis E. DeWalt
Senior Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

Date: July 24, 2009

By: /s/ Wesley Ozima

Wesley Ozima
Vice President and Controller
(Principal Accounting Officer)

EXHIBIT INDEX

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* Filed herewith

** Management Contract or Compensatory Plan or Arrangement

EXHIBIT 10.86

AMENDMENT NO. 2 TO THE
AUTOBYTEL.COM INC.
1999 EMPLOYEE AND ACQUISITION RELATED STOCK OPTION PLAN

This Amendment No. 2 (" **Amendment No. 2** "), dated as of May 1, 2009, to the autobytel.com inc. 1999 Employee and Acquisition Related Stock Option Plan, as amended (the " **Plan** "), is adopted by the Board of Directors (the " **Board** ") of Autobytel Inc., a Delaware corporation, pursuant to Section 8.1 of the Plan.

Effective as of the date hereof, the Plan is hereby amended by deleting Section 6.5 in its entirety and inserting in lieu thereof the following:

> "6.5 Limitations on Exercise of Options. Notwithstanding anything contained in this Plan to the contrary, Options shall be exercisable in full or in such equal or unequal installments as the Administrator shall determine; provided that if an Optionee does not purchase all of the Shares which the Optionee is entitled to purchase on a certain date or within an established installment period, the Optionee's right to purchase any unpurchased Shares shall continue during the Option Term (taking into account any early termination of such Option Term which may be provided for under the Plan)."

Except as specifically amended hereby, the Plan shall remain in full force and effect as in existence on the date hereof, and any reference to the Plan shall mean the Plan as amended hereby.

IN WITNESS WHEREOF, the Board has caused this Amendment No. 2 to be duly executed as of the day and year first above written.

AUTOBYTEL INC.

By: /s/ Glenn E. Fuller
Glenn E. Fuller
Its: Executive Vice President, Chief Legal and Administrative Officer and Secretary

EXHIBIT 10.87

AMENDMENT NO. 3 TO THE

AUTOBYTEL.COM INC. 2000 STOCK OPTION PLAN

This Amendment No. 3 (" **Amendment No. 3** "), dated as of May 1, 2009, to the autobytel.com inc. 2000 Stock Option Plan, as amended (the " **Plan** "), is adopted by the Board of Directors (the " **Board** ") of Autobytel Inc., a Delaware corporation, pursuant to Section 8.1 of the Plan.

Effective as of the date hereof, the Plan is hereby amended by deleting Section 6.6(b) in its entirety and inserting in lieu thereof the following:

> "(b) Options shall be exercisable in full or in such equal or unequal installments as the Administrator (or the Special Committee) shall determine; provided that if an Optionee does not purchase all of the Shares which the Optionee is entitled to purchase on a certain date or within an established installment period, the Optionee's right to purchase any unpurchased Shares shall continue during the Option Term (taking into account any early termination of such Option Term which may be provided for under the Plan)."

Except as specifically amended hereby, the Plan shall remain in full force and effect as in existence on the date hereof, and any reference to the Plan shall mean the Plan as amended hereby.

IN WITNESS WHEREOF, the Board has caused this Amendment No. 3 to be duly executed as of the day and year first above written.

AUTOBYTEL INC.

By: /s/ Glenn E.Fuller
Glenn E. Fuller
Its: Executive Vice President, Chief Legal
and Administrative Officer and Secretary

EXHIBIT 10.88

AMENDMENT NO. 1 TO THE
AUTOBYTEL INC.
AMENDED AND RESTATED 2001 RESTRICTED STOCK AND OPTION PLAN

This Amendment No. 1 (this " **Amendment No. 1** "), dated as of May 1, 2009, to the Autobytel Inc. Amended and Restated 2001 Restricted Stock and Option Plan, as amended (the " **Plan** "), is adopted by the Board of Directors (the " **Board** ") of Autobytel Inc., a Delaware corporation, pursuant to Section 8.1 of the Plan.

Effective as of the date hereof, the Plan is hereby amended by deleting Section 6.4(d)(ii) in its entirety and inserting in lieu thereof the following:

> "(ii) Options shall be exercisable in full or in such equal or unequal installments as the Administrator shall determine; provided that if a Participant does not purchase all of the Shares which the Participant is entitled to purchase on a certain date or within an established installment period, the Participant's right to purchase any unpurchased Shares shall continue during the Award Term (taking into account any early termination of such Award Term which may be provided for under this Plan)."

Except as specifically amended hereby, the Plan shall remain in full force and effect as in existence on the date hereof, and any reference to the Plan shall mean the Plan as amended hereby.

IN WITNESS WHEREOF, the Board has caused this Amendment No. 1 to be duly executed as of the day and year first above written.

AUTOBYTEL INC.

By: /s/ Glenn E. Fuller
Glenn E. Fuller
Its: Executive Vice President, Chief Legal and
Administrative Officer and Secretary

EXHIBIT 10.89

AMENDMENT NO. 1 TO THE
AUTOBYTEL INC.
2004 RESTRICTED STOCK AND OPTION PLAN

This Amendment No. 1 (this " **Amendment No. 1** "), dated as of May 1, 2009, to the Autobytel Inc. 2004 Restricted Stock and Option Plan, as amended (the " **Plan** "), is adopted by the Board of Directors (the " **Board** ") of Autobytel Inc., a Delaware corporation, pursuant to Section 8.1 of the Plan.

Effective as of the date hereof, the Plan is hereby amended by deleting Section 6.4(d)(ii) in its entirety and inserting in lieu thereof the following:

> "(ii) Options shall be exercisable in full or in such equal or unequal installments as the Administrator shall determine; provided that if a Participant does not purchase all of the Shares which the Participant is entitled to purchase on a certain date or within an established installment period, the Participant's right to purchase any unpurchased Shares shall continue during the Award Term (taking into account any early termination of such Award Term which may be provided for under this Plan)."

Except as specifically amended hereby, the Plan shall remain in full force and effect as in existence on the date hereof, and any reference to the Plan shall mean the Plan as amended hereby.

IN WITNESS WHEREOF, the Board has caused this Amendment No. 1 to be duly executed as of the day and year first above written.

AUTOBYTEL INC.

By: /s/ Glenn E. Fuller
Glenn E. Fuller
Its: Executive Vice President, Chief Legal and
Administrative Officer and Secretary

EXHIBIT 10.90

AMENDMENT NO. 1 TO THE

AUTOBYTEL INC. 2006 INDUCEMENT STOCK OPTION PLAN

This Amendment No. 1 (" **Amendment No. 1** ") to the Autobytel Inc. 2006 Inducement Stock Option Plan (the " **Plan** ") dated as of May 15, 2009, is adopted by the Board of Directors (the " **Board** ") of Autobytel Inc., a Delaware corporation, pursuant to Section 8.1 of the Plan.

Effective as of the date hereof, the Plan is hereby amended by deleting Section 6.4 in its entirety and inserting in lieu thereof the following:

> "6.4 Limitations on Exercise of Options . Notwithstanding anything contained in this Plan to the contrary, Options shall be exercisable in full or in such equal or unequal installments as the Administrator shall determine; provided that if a Participant does not purchase all of the Shares which the Participant is entitled to purchase on a certain date or within an established installment period, the Participant's right to purchase any unpurchased Shares shall continue during the Option Term (taking into account any early termination of such Option Term which may be provided for under this Plan)."

Except as specifically amended hereby, the Plan shall remain in full force and effect as in existence on the date hereof, and any reference to the Plan shall mean the Plan as amended hereby.

IN WITNESS WHEREOF, the Board has caused this Amendment No. 1 to be duly executed as of the day and year first above written.

AUTOBYTEL INC.

By: /s/ Glenn E. Fuller
Glenn E. Fuller
Its: Executive Vice President, Chief Legal and Administrative Officer and Secretary

EXHIBIT 10.91

AUTOBYTEL INC.
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT (" **Agreement** ") entered into effective as of April 3, 2009 (" **Effective Date** "), between Autobytel Inc., a Delaware corporation (" **Autobytel** " or " **Company** "), and Jeffrey H. Coats (" **Employee** ").

Background

Autobytel has determined that it is in its best interests to encourage Employee's continued employment with, and dedication to the business of, Autobytel, and the Employee desires to continue Employee's employment according to the terms and conditions set forth below. As a result thereof, Autobytel and the Employee have agreed that it is in their mutual best interests to enter into this Agreement, and thereby to amend, restate, and supersede the letter agreement of employment between the parties dated December 11, 2008 (" **Prior Employment Agreement** ").

In consideration of the foregoing and other good and valuable consideration, receipt of which is hereby acknowledged, the Parties hereby agree as follows.

1. Definitions . For purposes of this Agreement, the terms below that begin with initial capital letters within this Agreement shall have the specially defined meanings set forth below (unless the context clearly indicates a different meaning).

(a) " 409A Suspension Period " shall have the meaning set forth in Section 8.

(b) " Arbitration Agreement " means that certain Mutual Agreement to Arbitrate, attached hereto as Exhibit A dated as of December 12, 2008, by and between Autobytel and Employee.

(c) " Benefits " means all Company medical, dental, vision, life and disability plans in which Employee participates under Section 4(b).

(d) " Board " means the Company's Board of Directors.

(e) " Cause " means the termination of the Employee's employment by Company as a result of any one or more of the following:

(i) any conviction of, or pleading of nolo contendre by, the Employee for any felony;

(ii) any willful misconduct of the Employee which has a materially injurious effect on the business or reputation of the Company;

(iii) the gross dishonesty of the Employee in any way that adversely affects the Company; or

(iv) a material failure to consistently discharge Employee's employment duties to the Company which failure continues for thirty (30) days following written notice from the Company detailing the area or areas of such failure, other than such failure resulting from Employee's Disability.

For purposes of this definition of Cause, no act or failure to act, on the part of the Employee, shall be considered "willful" if it is done, or omitted to be done, by the Employee in good faith or with reasonable belief that Employee's action or omission was in the best interest of the Company. Employee shall have the opportunity to cure any such acts or omissions (other than clauses (i) and (iii) above) within thirty (30) days of the Employee's receipt of a written notice from the Company finding that, in the good faith opinion of the Company, the Employee is guilty of acts or omissions constituting "Cause."

(f) " Change in Control " shall have the meaning ascribed to such term in the Company's Amended and Restated 2004 Restricted Stock and Option Plan as such definition exists as of the Effective Date.

(g) " COBRA " means the Consolidated Omnibus Budget Reconciliation Act, as amended, and the rules and regulations promulgated thereunder.

(h) " Code " means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

(i) " Company " means Autobytel, and upon any assignment to and assumption of this Agreement by any Successor Company, shall mean such Successor Company.

(j) " Consulting Agreement " means the one year consulting agreement entered into by the Company and

Employee concurrently with the execution and delivery of this Agreement and that will become effective upon the termination of Employee's employment by the Company or its Successor Company as contemplated by Section 5(c) for Employee's services as an independent contractor at a payment of forty-nine percent (49%) of the annual Salary in effect immediately before Employee's Termination of Employment, which Consulting Agreement is attached hereto as Exhibit D .

(k) " Disability " means the inability of the Employee to perform Employee's duties to the Company on account of physical or mental illness or incapacity for a period of one-hundred twenty (120) consecutive calendar days, or for a period of one hundred eighty (180) calendar days, whether or not consecutive, during any three hundred sixty-five (365) day period.

(l) " Employee's Primary Location " means Autobytel's headquarters located at 18872 MacArthur Boulevard, Suite 200, Irvine, California 92612-1400.

(m) " Good Reason " means any act, decision or omission by the Company without the Employee's consent that: (A) materially reduces Employee's Salary (as defined in Section 4(a) of this Agreement other than a reduction under the limited circumstance set forth in Section 4(a)) as in existence as of the date hereof or as of the date prior to any such change, whichever is more beneficial for Employee at the time of the act, decision, or omission by the Company; (B) materially diminishes the Employee's authority, duties, or responsibilities from an executive-level role; (C) on or within 18 months following a Change in Control, either relocates the Employee's place of employment from Employee's Primary Location to any other location in excess of a forty (40) mile radius from the Employee's Primary Location (and also, after he has relocated to California, in excess of a forty (40) mile radius from the Employee's principal residence), or requires any such relocation as a condition to continued employment by Company or Successor Company; or (D) involves or results in any material breach of this Agreement by the Company or Successor Company, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of written notice thereof given by the Employee. Notwithstanding the foregoing, no event shall constitute "Good Reason" unless (i) the Employee first provides written notice to the Company within ninety (90) days of the event(s) alleged to constitute Good Reason, with such notice specifying the grounds that are alleged to constitute Good Reason, and (ii) the Company fails to cure such event(s) within thirty (30) days after Company's receipt of such written notice.

(n) " Separation from Service " or " Separates from Service " shall mean Employee's termination of employment, as determined in accordance with Treas. Reg. § 1.409A-1(h). Employee shall be considered to have experienced a termination of employment when the facts and circumstances indicate that Employee and the Company reasonably anticipate that either (i) no further services will be performed for the Company after a certain date, or (ii) that the level of bona fide services Employee will perform for the Company after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than fifty percent (50%) of the average level of bona fide services performed by Employee (whether as an employee or independent contractor) over the immediately preceding thirty-six (36) month period (or the full period of services to the Company if Employee has been providing services to the Company for less than thirty six (36) months). If Employee is on military leave, sick leave, or other bona fide leave of absence, the employment relationship between Employee and the Company shall be treated as continuing intact, provided that the period of such leave does not exceed six months, or if longer, so long as Employee retains a right to reemployment with the Company under an applicable statute or by contract. If the period of a military leave, sick leave, or other bona fide leave of absence exceeds six months and Employee does not retain a right to reemployment under an applicable statute or by contract, the employment relationship shall be considered to be terminated for purposes of this Agreement as of the first day immediately following the end of such six-month period. In applying the provisions of this paragraph, a leave of absence shall be considered a bona fide leave of absence only if there is a reasonable expectation that Employee will return to perform services for the Company. For purposes of determining whether Employee has incurred a Separation from Service, the Company shall include the Company and any entity that would be considered a single employer with the Company under Code Section 414(b) or 414(c).

(o) "Successor Company " means any successor to Autobytel or substantially all of its assets by reason of any Change in Control.

(p) " Termination Without Cause " means termination of Employee's employment with the Company (i) by the Company (a) for any reason other than those reasons expressly set forth in the definition of "Cause," or (b) for no reason at all; or (ii) by Employee for Good Reason within thirty (30) days following the Company's failure to cure the event or events that constitute Good Reason; provided, however, that Employee's Separation from Service in connection with a Change in Control shall not constitute a Termination Without Cause if Employee is offered employment with the Successor Company under terms and conditions, including position, salary and other compensation, and benefits, that would not otherwise provide Employee the right to terminate Employee's employment for Good Reason under this Agreement.

2. Term of Employment . Employee's employment under this Agreement shall commence on the Effective Date, and shall end three years later, or such earlier date on which Employee's employment terminates in accordance with this Agreement (" **Term** "). The parties may extend the Term only by mutual written agreement before its expiration date.

3. Nature of Duties . During Employee's employment under this Agreement, Employee shall be the Company's President and Chief Executive Officer. Employee shall have all of the customary powers and duties associated with such positions, and shall be subject to the Company's policies, procedures, and approval practices, including without limitation hiring and employment policies, as in effect from time to time for executives of the Company. Employee shall devote substantially all of Employee's full business time and effort to the performance of Employee's duties for the Company, which Employee shall perform faithfully and to the best of Employee's ability. The Company acknowledges that Employee may serve as a director of third party companies and that such service shall not constitute a breach of this Agreement as long as (i) such service does not interfere with Employee's performance of Employee's duties and responsibilities as the Company's President and Chief Executive Officer; and (ii) any such service has been pre-approved by the Board (with Employee's service on the boards of directors of Congoleum Corporation and Mikronite Technologies Group Inc., which predate this Agreement, being pre-approved).

4. Compensation, Benefits and Expenses .

(a) As compensation for the services to be rendered by Employee pursuant to this Agreement, the Company hereby agrees to pay Employee a base annual salary (" **Salary** ") at a rate equal to (i) Three Hundred Ninety Thousand Dollars ($390,000.00) for the first year of the term of this Agreement; and (ii) Four Hundred Twenty Thousand Dollars ($420,000.00) during the remainder of the term of this Agreement. Employee's Salary shall be reviewed by the Board (or the Compensation Committee thereof) at least annually and may be increased by an amount approved by the Board (or the Compensation Committee thereof). The Company may not reduce Employee's Salary other than as part of a broad-based reduction in salaries implemented before a Change in Control, and Employee agrees that the Company has not made any promises or guaranty of any increase in Salary during the term. The Salary shall be paid in substantially equal bimonthly installments, in accordance with the normal payroll practices of the Company. While employed by the Company, the Employee will not receive any compensation for Employee's service as a member of the Company's Board or any of its committees. Upon execution and delivery of this Agreement by Employee, the Company shall pay Executive the amount of Thirty-Thousand Dollars ($30,000.00) in consideration for Employee entering into this Agreement (" **Signing Bonus** ").

(b) Employee shall be entitled to all ordinary and customary benefits afforded generally to executive employees of the Company (except to the extent employee contribution may be required under the Company's benefit plans as they may now or hereafter exist), which shall in no event be less than the benefits generally afforded to the other executive employees of the Company as of the date hereof or from time to time, but in any event shall include any qualified or non-qualified pension, profit sharing and savings plans, any death benefit and disability benefit plans, life insurance coverages, any medical, dental, health and welfare plans or insurance coverages, and any stock purchase programs that are adopted or maintained by the Company generally for executives employees of the Company.

(c) For each calendar year beginning with 2009 and ending before this Agreement expires, Employee shall be eligible to receive an annual incentive bonus opportunity targeted at eighty percent (80%) of Employee's Salary based upon annual performance goals and the achievement of those goals, as established and determined at least annually (and consistently with the Company's most recent proxy statement disclosure of the standards for providing cash-based incentive compensation) by the Board or the Compensation Committee of the Board. Such performance goals may include Company-wide performance objectives, divisional or departmental performance objectives, and/or individual performance objectives, as the Board or the Compensation Committee may determine in its discretion.

(d) The Company shall pay or reimburse Employee for all reasonable and authorized business expenses incurred by Employee while employed under this Agreement; such payment or reimbursement shall not be unreasonably withheld so long as said business expenses have been incurred for and promote the business of the Company and are normally and customarily incurred by employees in comparable positions at other comparable businesses in the same or similar market. As a condition to reimbursement under this Section 4(d), Employee shall furnish to the Company adequate records and other documentary evidence required by federal and state statutes and regulations for the substantiation of each expenditure. Employee must submit proper documentation for each such expense within 30 days after the date that Employee incurs such expense, and the Company will reimburse Employee for all eligible expenses within 30 days thereafter, and in no event later than the last day of the calendar year following the calendar year in which the expense is incurred. Employee acknowledges and agrees that failure to furnish the required documentation may result in the Company denying all or part of the expense for which reimbursement is sought.

(e) Employee shall be entitled to relocation expenses incurred in connection with Employee's employment under this Agreement. Such expenses include (i) a broker's sales commission and closing costs (other than points) for either (1) Employee's purchase of a new residence in California (or a broker commission for leasing such a residence) or (2) the sale of Employee's residence in New Jersey; (ii) shipping two automobiles from New Jersey to California; and (iii) other reasonable and customary miscellaneous moving expenses, which other miscellaneous expenses shall not exceed $30,000.00. The Company shall reimburse Employee for temporary housing for up to approximately thirteen months following the Effective Date until May 31, 2010 (" **Temporary Housing Term** "), such temporary housing not to exceed (i) $4,100 per month until July 31, 2009 and (ii) $5,600 per month thereafter until such temporary housing allowance ceases. In the event Employee leases a residence in California, the Company shall pay the amount of any reasonable and customary deposits required to be paid by the lessor upon entering into the lease. If at the end of the Temporary Housing Term Employee continues to remain in the leased residence, Employee shall reimburse the Company for the amount of the deposits. The reimbursements to Employee provided pursuant to this Section 4(e) of this Agreement shall be made in accordance with the processes, timing, and conditions set forth in Section 4(d) of this Agreement. Employee shall receive an additional payment to cover all federal, state or local income taxes Employee incurs as a result of any of the foregoing relocation costs paid or reimbursed by the Company.

(f) As of the Effective Date, Employee shall be granted options to purchase 1,000,000 shares of the Company's common stock having the terms and conditions set forth in the form of award agreement attached hereto as Exhibit B .

(g) Employee shall be covered by the Company's directors and officers insurance policies on the same basis as the Company's other senior executive officers, as such insurance policies and coverage limits and conditions may exist from time to time.

5. Severance Benefits and Conditions . All amounts payable hereunder shall be subject to reduction for any employment and withholding taxes that the Company determines are applicable, and shall be subject to any applicable terms and conditions set forth in this Section 5, and this Agreement generally, including without limitation Section 8.

(a) Termination Other Than Without Cause . In the event of Employee's Termination for Cause, resignation without Good Reason, death, Disability, or any reason other than Termination Without Cause, Employee shall be entitled to receive only (i) any amounts due and owing to Employee as of Employee's employment termination date with respect to any Salary, or vested and payable bonuses or commissions; and (ii) any other payments required by applicable law (including payments with respect to accrued and unused

vacation, personal, sick and other days). If Employee's employment is terminated by reason of the death or Disability of Employee, in addition to the foregoing payments, Employee or Employee's heirs or representatives, as applicable, shall also receive a payment equal to one-twelfth (1/12) of Employee's Salary. If Employee's Termination for Cause or resignation without Good Reason occurs within the two-year period following the Effective Date, then Employee shall repay the Company for any and all reimbursements that the Company has made to Employee for relocation expenses pursuant to Section 4(e) of this Agreement, and the Company may reduce or offset any payments otherwise due hereunder (the " Accrued Amounts ") by such amounts, to the extent allowed by law.

(b) Termination Without Cause . In the event of Employee's Termination Without Cause either before a Change in Control or more than eighteen (18) months after a Change in Control, Employee shall be entitled to (i) the Accrued Amounts; (ii) continued Salary for twelve (12) months following the date of Employee's Termination Without Cause, at the rate of Salary in effect immediately beforehand, and (iii) for the same twelve (12) month period, subject to Section 5(d) of this Agreement, Benefits at the levels in effect before employment terminates, including Company-paid COBRA premiums for any insurance that is in effect for Employee and/or Employee's dependents before termination of Employee's employment, and that Employee elects to continue in accordance with COBRA.

(c) Termination Without Cause related to Change in Control . In the event of Employee's Termination Without Cause upon or within eighteen (18) months after a Change in Control, Employee shall be entitled to (i) the Accrued Amounts; (ii) a lump sum payment equal to one and three-tenths (1.3) of Employee's annual Salary, at the rate of Salary in effect immediately beforehand, paid in cash, (iii) and the Consulting Agreement, which has been executed by the Company and Employee concurrently with the execution and delivery of this Agreement, shall become effective, and (iv) for the eighteen (18) month period following Employee's Termination Without Cause, subject to Section 5(d) of this Agreement, Benefits at the levels in effect before employment terminates, including Company-paid COBRA premiums for any insurance that is in effect for Employee and/or Employee's dependents before termination of Employee's employment, and that Employee elects to continue in accordance with COBRA.

(d) Special Benefits Provisions . (i) With respect to Benefits that are eligible for continuation coverage under COBRA, in the event the Company is unable to continue Employee's and Employee's eligible dependents' (assuming such dependents were covered by Autobytel at the time of termination) participation under the Company's then existing insurance policies for such Benefits, Employee may elect to obtain coverage for such Benefits either by (1) electing COBRA continuation benefits for Employee and Employee's eligible dependents; (2) obtaining individual coverage for Employee and Employee's eligible dependents (if Employee and Employee's eligible dependents qualify for individual coverage); or (3) electing coverage as eligible dependents under another person's group coverage (if Employee and Employee's eligible dependents qualify for such dependent coverage), or any combination of the foregoing alternatives. Employee may also initially elect COBRA continuation benefits and later change to individual coverage or dependent coverage for Employee or any eligible dependent of Employee, but Employee understands that if continuation of Benefits under COBRA is not initially selected by Employee or is later terminated by Employee, Employee will not be able to return to continuation coverage under COBRA. The Company shall pay directly or reimburse to Employee the monthly premiums for the benefits or coverage selected by Employee, with such payment or reimbursement not to exceed the monthly premiums the Company would pay assuming Employee timely elected continuation of benefits under COBRA. The Company's obligation to pay or reimburse for the Benefits covered by this Section 5(d) shall terminate upon the earlier of (i) the end of the relevant Company-paid COBRA premium period designated above within Section 5; and (ii) Employee's employment by an employer that provides Employee and Employee's eligible dependents with group coverage substantially similar to such Benefits as provided to Employee and Employee's eligible dependents at the time of the termination of Employee's employment with the Company, provided that Employee and Employee's eligible dependents are eligible for participation in such group coverage.

(ii) With respect to Benefits that are not eligible for continuation coverage under COBRA, in the event the Company is unable to continue Employee's participation under the Company's then existing insurance policies for such Benefits, Employee may elect to obtain coverage for such Benefits either by (1) obtaining individual coverage for Employee (if Employee qualifies for individual coverage); or (2) electing coverage as an eligible dependent under another person's group coverage (if Employee qualifies for such dependent coverage), or any combination of the foregoing alternatives; provided that any alternative shall be available and implemented only (I) in a manner that neither accelerates nor delays the year in which taxable income arises from the Benefits, and (II) in accordance with Section 409A of the Code. The Company shall pay directly or reimburse to Employee the monthly premiums for the benefits or coverage selected by Employee, with such payment or reimbursement not to exceed the monthly premiums the Company paid for such Benefits at the time of termination of Employee's employment with the Company. The Company's obligation to pay or reimburse for the Benefits covered by this Section 5(d)(ii) shall terminate upon the earlier of (i) the end of the Severance Period; and (ii) Employee's employment by an employer that provides Employee with group coverage substantially similar to such Benefits as provided to Employee at the time of the termination of Employee's employment with the Company, provided that Employee is eligible for participation in such group coverage. Employee acknowledges and agrees that the Company shall not be obligated to provide any Benefits covered by this Section 5(d)(ii) for Employee if Employee does not qualify for coverage under the Company's existing insurance policies for such Benefits, for individual coverage, or for dependent coverage.

(e) Timing of Payments . Subject to Section 8 of this Agreement, all payments under this Section 5 that (i) arise as a result of a termination of Employee's employment shall be made to Employee concurrently with any termination by the Company or within 2 business days of any termination by Employee, except to the extent contemplated within Section 5(d) above and Section 5(f) below; and (ii) arise other than by reason of a termination of Employee's employment shall be made promptly upon the occurrence of the applicable event giving rise to the payment (and in no event more than two and one-half months afterward).

(f) Conditions on Severance and Benefits . The amounts and benefits (other than Accrued Amounts) that are payable pursuant to Sections 5(b), 5(c), and 5(d) of this Agreement shall be provided only if –

(i) Employee is compliant, at all times prior to the due date for any payment, with the terms and conditions set forth in Section 6; and

(ii) Employee has executed and delivered to the Company (and not revoked) a release in favor of the Company (which release shall be substantially in the form attached as Exhibit C and shall be delivered to Employee not later than fifteen days after Employee's Separation from Service), and that release has become effective in accordance with its terms both (I) following the expiration of any applicable revocation period, and (II) not later than two and one-half months after the end of the calendar year in which Employee's Separation from Service occurs. If the Company does not deliver such release to Employee within fifteen days after Employee's Separation from Service, the requirement to execute a release shall be waived.

(iii) If requested by the Company, Employee shall have participated in an exit interview with the Company's Board of Directors or a committee thereof.

(g) Other than the payments and benefits provided for in this Section 5, Employee shall not be entitled to any additional amounts from the Company resulting from a termination of Employee's employment with the Company.

6. Unauthorized Disclosure; Non-Solicitation; Proprietary Rights .

(a) Unauthorized Disclosure . Employee agrees and understands that in Employee's position with the Company, Employee will be exposed to and will receive non-public information relating to the confidential affairs of the Company and its affiliates, including, without limitation, employee lists and compensation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing and expansion plans, business policies and practices of the Company and other non-public forms of information considered by the Company to be confidential and in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, technical data, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the " Confidential Information "). Employee agrees that at all times during Employee's employment with the Company, except as may be required for Employee to discharge Employee's duties as an officer of the Company, and thereafter, Employee shall not disclose such Confidential Information, either directly or indirectly, to any Person without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with Employee's employment with the Company, unless (i) required by law or court order to disclose such information, in which case Employee shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible and use Employee's best efforts to consult with the Board prior to such anticipated disclosure; (ii) during the course of or in connection with any actual or potential litigation, arbitration, or other proceeding based upon or in connection with the subject matter of this Agreement; (iii) as may be necessary or appropriate to conduct Employee's duties hereunder, provided Employee is acting, in good faith and in the best interest of the Company; (iv) such information has become public other than by reason of a breach by Employee of this Section 6(a); or (v) the information is generally known to persons involved in the Company's trade or business. This confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination of Employee's employment with the Company for any reason, Employee shall promptly deliver to the Company (or, at the Company's option, destroy (and provide a certification of such destruction)) all property, keys, notes, electronic storage media, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to Employee during or prior to Employee's employment with the Company, and any copies thereof in Employee's (or capable of being reduced to Employee's) possession, as well as all computers of the Company provided to Employee; provided that nothing in this Employment Agreement or elsewhere shall prevent Employee from retaining and utilizing: documents relating to Employee's personal benefits, entitlements and obligations; documents relating to Employee's personal tax obligations; Employee's desk calendar and rolodex; and such other records and documents as may reasonably be approved by the Company.

(b) Non-Solicitation of Employees . During Employee's employment with the Company (whether during the term or thereafter) and for a period of twelve (12) months after Employee's termination of employment, Employee shall not (other than in connection with carrying out Employee's responsibilities for the Company) directly or indirectly contact, induce or solicit (or assist any person to contact, induce or solicit) for employment any person who is then or was an employee of the Company within the six (6) month period prior to the date of such contact, inducement or solicitation.

(c) Interference with Business Relationships . During Employee's employment with the Company (whether during the Term or thereafter) and for a period of twelve (12) months after Employee's termination of employment, Employee shall not (other than in connection with carrying out Employee's responsibilities for the Company) directly or indirectly contact, induce or solicit (or assist any person to contact, induce or solicit) any customer, client, partner, joint venturer, vendor or supplier of the Company, or any such person who was within six (6) months of the date of contact a customer, client, partner, joint venturer, vendor, or supplier of the Company, to terminate its relationship or otherwise cease doing business in whole or in part with the Company, or directly or indirectly interfere with (or assist any person to interfere with) any material relationship between the Company and any of its customers, clients, partners, joint venturers, vendors or suppliers.

(d) No Other Post-Employment Restrictions . There shall be no contractual or similar restrictions on Employee's right to terminate Employee's employment with the Company, or on Employee's post-employment activities, other than as expressly set forth in this Employment Agreement.

(e) Permitted Statements . Nothing in this Employment Agreement shall restrict any person from making truthful statements (provided any such statement does not include Confidential Information) (i) when required by law, subpoena, court order or the like; (ii) when requested by a governmental, regulatory, or similar body or entity; or (iii) in confidence to a professional advisor for the purpose of securing professional advice.

(f) Injunctive Relief . Without limiting the remedies available to the Company, Employee acknowledges that a

breach of any of the covenants contained in this Section 6 may result in irreparable injury to the Company for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, the Company shall be entitled to seek a temporary restraining order and/or preliminary or permanent injunction, without the necessity of proving irreparable harm or injury as a result of such breach or threatened breach of this Section 6.

7. Representations . Each party represents and warrants (i) that such party is not subject to any contract, arrangement, agreement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits such party's ability to enter into and fully perform such party's obligations under this Agreement (including the agreements the forms of which are appended hereto); (ii) that such party is able without restrictions to enter into and fully perform such party's obligations under this Employment Agreement (including the agreements of which forms are appended hereto); and (iii) that, upon the execution and delivery of this Employment Agreement by both parties, this Employment Agreement shall be such party's valid and binding obligation, enforceable against such party in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally. The Company represents and warrants that it is fully authorized by action of the Board, and by actions of any other Person whose authorization is required, to enter into this Employment Agreement and to perform its obligations under it.

8. Taxes .

(a) All payments made pursuant to this Agreement will be subject to withholding of applicable taxes. Notwithstanding the foregoing, and except as otherwise specifically provided elsewhere in this Agreement, Employee is solely responsible and liable for the satisfaction of any federal, state, province or local taxes that may arise with respect to this Agreement (including any taxes arising under Sections 280G and 409A of the Code). Neither the Company nor any of its employees, officers, directors, or service providers shall have any obligation whatsoever to pay such taxes, to prevent Employee from incurring them, or to mitigate or protect Employee from any such tax liabilities. Notwithstanding anything in this Agreement to the contrary, if any amounts that become due under this Agreement on account of Employee's termination of employment constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code, payment of such amounts shall not commence until Employee incurs a Separation from Service. If, at the time of Employee's Separation from Service under this Agreement, Employee is a "specified employee" (within the meaning of Section 409A of the Code), any amounts that constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code that become payable to Employee on account of Employee's Separation from Service (including any amounts payable pursuant to the preceding sentence) will not be paid until after the end of the sixth calendar month beginning after Employee's Separation from Service (" 409A Suspension Period "). Within 14 calendar days after the end of the 409A Suspension Period, Employee shall be paid a lump sum payment in cash equal to any payments delayed because of the preceding sentence. Thereafter, Employee shall receive any remaining benefits as if there had not been an earlier delay.

(b) (i) For purposes of this Section 8(b), all terms capitalized but not otherwise defined herein shall have the meanings as set forth in Section 280G of the Code. In addition:

(A) the term " **Parachute Payment** " shall mean a payment described in Section 280G(b)(2)(A) or Section 280G(b)(2)(B) of the Code (including, but not limited to, any stock option rights, stock grants, and other cash and noncash compensation amounts that are treated as payments under either such section) and not excluded under Section 280G(b)(4)(A) or Section 280G(b)(6) of the Code;

(B) the term " **Reasonable Compensation** " shall mean reasonable compensation for prior personal services as defined in Section 280G(b)(4)(B) of the Code and subject to the requirement that any such reasonable compensation must be established by clear and convincing evidence; and

(C) the portion of the Base Amount and the amount of Reasonable Compensation" allocable to any Parachute Payment shall be determined in accordance with Section 280G(b)(3) and (4) of the Code.

(ii) Notwithstanding any other provision of this Agreement, Parachute Payments to be made to or for the benefit of Employee but for this Section 8(b), whether pursuant to this Agreement or otherwise, shall be reduced if and to the extent necessary so that the aggregate Present Value of all such Parachute Payments shall be at least one dollar ($1.00) less than the greater of (I) three times Employee's Base Amount and (II) the aggregate Reasonable Compensation allocable to such Parachute Payments. Any reduction in Parachute Payments caused by reason of this Section 8(b) shall be applied in the manner least economically detrimental to Employee. In the event reduction of two or more types of payments would be economically equivalent, the reduction shall be applied pro-rata to such types of payments.

(iii) This Section 8(b) shall be interpreted and applied to limit the amounts otherwise payable to Employee under this Agreement or otherwise only to the extent required to avoid any material risk of the imposition of excise taxes on Employee under Section 4999 of the Code or the disallowance of a deduction to the Company under Section 280G(a) of the Code. In the making of any such interpretation and application, Employee shall be presumed to be a disqualified individual for purposes of applying the limitations set forth in this subsection (b) without regard to whether or not Employee meets the definition of disqualified individual set forth in Section 280G(c) of the Code. In the event that Employee and the Company are unable to agree as to the application of this Section 8(b), the Company's independent auditors shall select independent tax counsel to determine the amount of such limits. Such selection of tax counsel shall be subject to Employee's consent, provided that Employee shall not unreasonably withhold Employee's consent.

9. Arbitration and Equitable Relief . Any controversy or claim arising out of, or related to, this Agreement, or the breach thereof, shall be governed by the terms of the Arbitration Agreement.

10. Entire Agreement . All oral or written agreements or representations express or implied, with respect to the subject matter of this Agreement are set forth in this Agreement. This Agreement, and the agreements annexed hereto as Exhibits A, B, C and D,

contain the entire understanding between the parties hereto and supersedes any prior employment or change-in-control protective agreement between the Company or any predecessor and Employee, except that this Agreement shall not affect or operate to reduce any benefit or compensation inuring to Employee of a kind elsewhere provided, and all of Employee's prior confidentiality, non-solicitation, non-interference, work-for-hire, and other intellectual property obligations to the Company shall remain in full force and effect, and Employee shall continue to be liable to the Company for any prior breaches thereof. No provision of this Agreement shall be interpreted to mean that Employee is subject to receiving fewer benefits than those available to Employee without reference to this Agreement. The Parties acknowledge and agree that this Agreement specifically amends and restates, and supersedes in its entirety, the Prior Employment Agreement, which shall have no further force or effect, except as noted above.

11. Notices . Except as otherwise provided in this Agreement, any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon any person in connection with this Agreement shall be in writing. Such notice shall be personally served, sent by fax or email, or sent prepaid by either registered or certified mail with return receipt requested or Federal Express and shall be deemed given (i) if personally served or by Federal Express, when delivered to the person to whom such notice is addressed, (ii) if given by fax or email, when sent with answer-back confirmed, or (iii) if given by mail, two (2) business days following deposit in the United States mail. Any notice given by fax or cable shall be confirmed in writing, by overnight mail or Federal Express within forty-eight (48) hours after being sent. Such notices shall be addressed to the party to whom such notice is to be given at the party's address set forth below or as such party shall otherwise direct.

If to the Company:

Autobytel Inc.
18872 MacArthur Boulevard
Irvine, California 92612-1400
Facsimile: (949) 862-1323
Attn: Vice President, Human Resources or comparable title

If to the Employee:

To Employee's latest home address on file with the Company

12. No Waiver . No waiver, by conduct or otherwise, by any party of any term, provision, or condition of this Agreement, shall be deemed or construed as a further or continuing waiver of any such term, provision, or condition nor as a waiver of a similar or dissimilar condition or provision at the same time or at any prior or subsequent time.

13. Amendment to this Agreement . No modification, waiver, amendment, discharge or change of this Agreement, shall be valid unless the same is in writing and signed by the party against whom enforcement of such modification, waiver, amendment, discharge or change is or may be sought.

14. Enforceability; Severability . If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed exercised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

15. Governing Law . This Agreement and the relationship of the parties hereto shall be construed and enforced in accordance with the law of the State of California without giving effect to such State's choice of law rules. This Agreement is deemed to be entered into entirely in the State of California. This Agreement shall not be strictly construed for or against either party.

16. No Third Party Beneficiaries . Except as otherwise set forth in this Agreement, nothing contained in this Agreement is intended nor shall be construed to create rights running to the benefit of third parties.

17. Successors of the Company . The rights and obligations of the Company under this Agreement shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Company, including any Successor Company. This Agreement shall be assignable by the Company in the event of a merger or similar transaction in which the Company is not the surviving entity, or a sale of all or substantially all of the Company's assets.

18. Rights Cumulative . The rights under this Agreement, or by law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure by any party to exercise, and no delay in exercising, any rights shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by any party preclude any other or future exercise thereof or the exercise of any other right.

19. No Right or Obligation of Employment . Employee acknowledges and agrees that nothing in this Agreement shall confer upon Employee any right with respect to continuation of employment by the Company, nor shall it interfere in any way with Employee's right or the Company's right to terminate Employee's employment at any time, with or without Cause.

20. Legal and Tax Advice . Employee acknowledges that: (i) the Company has encouraged Employee to consult with an attorney and/or tax advisor of Employee's choosing (and at Employee's own cost and expense) in connection with this Agreement, and (ii)

Employee is not relying upon the Company for, and the Company has not provided, legal or tax advice to Employee in connection with this Agreement. It is the responsibility of Employee to seek independent tax and legal advice with regard to the tax treatment of this Agreement and the payments and benefits that may be made or provided under this Agreement and any other related matters. Employee acknowledges that Employee has had a reasonable opportunity to seek and consider advice from Employee's counsel and tax advisors.

21. Counterparts . This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument. The parties agree that facsimile copies of signatures shall be deemed originals for all purposes hereof and that a party may produce such copies, without the need to produce original signatures, to prove the existence of this Agreement in any proceeding brought hereunder.

22. No Mitigation or Offset . The Company shall not have the right to offset any amount owed to it against payments due to Employee under this Agreement, except as expressly provided for in Sections 5(a) and 8 of this Agreement.

THE PARTIES ACKNOWLEDGE THAT THE COMPANY HAS ADVISED EMPLOYEE TO OBTAIN INDEPENDENT LEGAL COUNSEL OF EMPLOYEE'S CHOOSING TO ADVISE EMPLOYEE REGARDING THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT AND ATTACHED EXHIBITS, AND THEIR TERMS AND CONDITIONS. EMPLOYEE HAS HAD A REASONABLE OPPORTUNITY TO SEEK THAT ADVICE AND HAS IN FACT OBTAINED SUCH ADVICE FROM INDEPENDENT LEGAL COUNSEL SELECTED BY EMPLOYEE. EMPLOYEE ACKNOWLEDGES THAT THE TERMS OF THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT ARE FAIR AND REASONABLE TO HIM. BY EXECUTING THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT, EMPLOYEE IS CONSENTING TO THE TERMS OF THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT.

IN WITNESS WHEREOF, the Company and Employee have executed and entered into this Agreement effective as of the date first shown above.

AUTOBYTEL INC.

By: __ /s/ Michael J. Fuchs _____
Michael J. Fuchs
Chairman of the Board

EMPLOYEE

____ /s/ Jeffrey H. Coats _____
Jeffrey H. Coats

EXHIBIT A

MUTUAL AGREEMENT TO ARBITRATE

MUTUAL AGREEMENT TO ARBITRATE

1. Parties : The parties to this Agreement are Autobytel Inc. and the individual whose name appears below ("you" or "your").

2. Agreement to Arbitrate : In an effort to resolve any legal disputes in a quick and fair way, each party, in consideration of the promises made by the other, agrees that any dispute between them that is within the scope of this Agreement shall be submitted for resolution through arbitration instead of through trial by court or jury. The arbitration shall be before a single arbitrator in Orange County, California and in accordance with the employment dispute rules of the American Arbitration Association ("AAA"), then in effect, except that if those rules conflict with this Agreement, then this Agreement controls. The arbitration shall be administered by AAA.

3. Scope Of Agreement : This Agreement covers any dispute involving you and Autobytel that would otherwise be brought in a court of law, including, without limitation, any claim related to your employment by Autobytel or the termination of that employment, whether that claim is based on contract, tort, statute, ordinance, or regulation. Examples of disputes covered by this Agreement are claims for breach of contract, breach of covenant of good faith and fair dealing, wrongful termination in violation of public policy, retaliatory discharge, discrimination (because of race, sex, national origin, religion, age, disability, marital status, sexual orientation, or any other protected status), unlawful harassment, denial of leave, intentional and negligent infliction of emotional distress, fraud and deceit, negligent misrepresentation, libel, slander, invasion of privacy, assault, battery, false imprisonment, conversion, interference with contract or prospective economic advantage, malicious prosecution, abuse of process, and breach of fiduciary duty. Additional non-exhaustive examples include claims to enforce of rights to employee retirement or welfare benefits and claims for unpaid wages. This Agreement also applies to any claim that Autobytel has against you that would otherwise be brought in a court.

4. Disputes With Third Parties : Without limiting the breadth of the foregoing, this Agreement covers any dispute between you and any other person or entity affiliated with Autobytel, including benefit plans and the entities that administer them, and to any dispute in which (a) Autobytel is sought to be held vicariously or indirectly liable on account of the other person's conduct or (b) your adversary is subject to an arbitration agreement with Autobytel and the dispute relates to your employment by Autobytel or the termination of that employment.

5. Claims Not Covered : This Agreement does not cover (a) any claim for worker's compensation benefits, (b) a judicial action by either party for a temporary restraining order or a preliminary injunction to preserve the status quo pending arbitration, (c) a charge or complaint with an administrative agency that alleges employment discrimination or failure to pay wages or other violations of employment laws or that seeks unemployment compensation, and (d) any report to a law enforcement agency.

6. Initiation of Arbitration : The aggrieved party must notify the other party by making a written demand for arbitration. All demands for arbitration must be provided to the other party within the applicable statute of limitations. Written notice to Autobytel shall be sent to General Counsel, Autobytel, Inc. 18872 Mac Arthur Blvd., Irvine, CA 92612. Written notice to you shall be sent to the last address recorded in your personnel file. The demand shall describe the nature of all claims asserted and the facts on which the claims are based, including (a) a list of witnesses to the events underlying the dispute, (b) the date the dispute arose, (c) an adequate description (or copy) of the principal documents that contain any statement supporting the claims, (d) the relief requested, and (e) the names of all persons against whom relief is requested. Notice must be by certified or registered mail, return receipt requested. Once the demand is received, Autobytel within ten (10) business days will file the demand with the appropriate office of the AAA.

7. Selection Of Arbitrator : The single arbitrator shall be selected by the parties as follows. The AAA shall give each party a list of eleven (11) arbitrators drawn from its panel of employment arbitrators; provided, however, that the arbitrators to be drawn from must be former or retired judges or attorneys at law with at least ten (10) years experience in employment and financing. Each party may strike up to six (6) names on the list. If only one common name remains on the lists of the parties, that individual shall be designated as the arbitrator. If more than one common name remains on the list of all parties, then the parties shall strike names alternately (the party not initiating arbitration going first) until only one remains. If no common name remains on the lists of all parties, then the AAA shall furnish an additional list or lists until an arbitrator is selected. If for any reason the parties fail to agree on an arbitrator, then the AAA may issue additional lists or, at its option, make the appointment from among members of its panel of employment law arbitrators. By this Agreement neither party waives the right to seek disqualification of the arbitrator. If a party seeks disqualification due to a potential conflict of interest, then the AAA shall make the final decision as to whether the arbitrator is disqualified.

8. Expenses and Fees of Arbitration . If Autobytel initiates the arbitration, then it shall pay the administrative fees. If you initiate the arbitration, then you shall pay an amount equal to the filing fee for initiating a lawsuit in court, and Autobytel shall pay the remainder of the fees. Each side shall pay its own legal fees and expenses. The fees and expenses of the arbitrator shall be paid completely by Autobytel, except to the extent that you decide to pay up to one-half of those fees and expenses yourself.

9. Authority Of The Arbitrator : The arbitrator may interpret and apply this Agreement. The arbitrator shall decide whether a dispute is arbitrable, construing the scope of this Agreement broadly in favor of final and binding arbitration, to the extent permitted by law. The arbitrator may rule on pre-hearing disputes and hold conferences by telephone or in person as the arbitrator deems necessary. The arbitrator shall resolve all discovery disputes, and may permit discovery in addition to that provided for in paragraph 11 below, upon a showing that the proposed discovery is needed to adequately arbitrate a statutory claim. The arbitrator shall have authority to grant pre-hearing motions, including motions to dismiss and motions for summary judgment, in accordance with the rules set forth in the Federal Rules of Civil Procedure and the judicial authorities interpreting those rules. Upon notice of such a dispositive motion, the arbitrator will establish a briefing schedule and, if necessary, schedule an opportunity for oral argument before considering the motion. The arbitrator shall follow the substantive law

applicable and may award any remedy authorized by law, including attorney's fees that are authorized by statute. The arbitrator has no authority to (a) add to or modify the terms of any contract between the parties, (b) require Autobytel to adopt new policies or procedures, or (c) decide any matter that was not processed in accordance with this Agreement, absent written consent of the parties.

10. Procedures For Arbitration : The procedures to be followed are those set forth in the employment dispute resolution rules of the AAA, except to the extent that those rules contradict this Agreement. Each party shall have the right to subpoena witnesses and documents for the arbitration hearing. No part of the procedures shall be open to the public or the media. All evidence discovered in the prehearing process or submitted at the hearing is confidential and may not be disclosed, except pursuant to court order. Unless the parties otherwise agree, each party may submit a post-hearing brief within thirty (30) days of the close of the hearing, and the arbitrator shall issue an award within thirty (30) days after the case is submitted orally or through submission of post-hearing briefs. The award shall contain written findings of fact and a finding on each issue necessary to the arbitrator's conclusion, together with conclusions of law sufficient to explain the arbitrator's decision with respect to the matters at issue. A court of competent jurisdiction may enter judgment upon the award, either by (i) confirming the award, or (ii) vacating, modifying, or correcting the award (a) on any ground referred to in the U.S. Arbitration Act, (b) where the findings of fact are not supported by substantial evidence, or (c) where the conclusions of law are erroneous. If this provision of the Agreement providing for review of the arbitration award is adjudged to be void or otherwise unenforceable, in whole or in part, then the void or otherwise unenforceable provision shall be deemed to be stricken from this Agreement and that adjudication shall not affect the validity of the remainder of the Agreement.

11. Discovery : Not less than thirty (30) days before any hearing, the parties shall exchange copies of those documents they will use as exhibits and a list of the names of persons they will call as witnesses at the hearing. Each party shall be entitled to have the following pre-hearing discovery: (a) The right to serve on the other party one set of interrogatories in a form consistent with Rule 33 of the Federal Rules of Civil Procedure, which shall be limited to the identification of potential witnesses. Identification means the identity of the witness's name, current address and telephone number, and a brief description of the subject of testimony. (b) The right to serve on the other party one set of document requests in a form consistent with Rule 34 of the Federal Rules of Civil Procedure, which shall be limited to twenty-five (25) requests (including subparts, which shall be counted separately). (c) The right to conduct up to two (2) seven-hour days of depositions of the witnesses or the parties in accordance with the procedures set forth in Rule 30 of the Federal Rules of Civil Procedure, and the right to conduct the deposition of any expert witness designated by the other party. (d) The right to subpoena the production of documents from third parties. (e) The right to seek a physical or mental examination consistent with Rule 35 of that Federal Rules of Civil Procedure.

12. Enforcement Of Agreement : Your job duties constitute an activity that affects commerce among the states, making your employment by Autobytel a transaction involving commerce among the states. This agreement may be enforced in accordance with the provisions of the Federal Arbitration Act, 9 U.S.C. Sec. 1, et seq ., or the provisions of any applicable state arbitration statute. If any provision of this Agreement is adjudged to be void or otherwise unenforceable, in whole or in part, then that adjudication shall not affect the validity of the remainder of the Agreement.

13. Not A Contract of Continued Employment : This Agreement does not guarantee employment for any definite period, and does not prevent Autobytel from ending or otherwise modifying your employment with or without cause or notice at any time.

14. Modifications : This Agreement survives the termination of employment, and may be modified only by a writing signed by you and an officer of Autobytel. This Agreement may not be modified by oral or implied agreements, understandings or arrangements. No employee or agent of Autobytel is authorized to make any agreement, understanding or arrangement to the contrary.

15. Voluntary Agreement : You acknowledge that you have read this Agreement and that you understand its terms, that you have had enough time to consult an attorney before signing this Agreement, that you have taken that opportunity to the extent you wish to do so, and that you are not relying on any promises or representations not set forth in this Agreement. You acknowledge that this Agreement is the complete agreement between you and Autobytel concerning the resolution of legal disputes, and that this Agreement supersedes any prior understandings on the same subject matter. **You understand that by this Agreement the parties agree to substitute arbitration for court or jury trial as a means of resolving their legal disputes.**

Signature /s/ Jeffrey H. Coats

Name (Print) Jeffrey H. Coats

Date 12/12/08

Autobytel Inc.

By /s/ Lorna Larson
Lorna Larson
VP, Human Resources

Date 12/12/08

Exhibit B

AUTOBYTEL INC.
200___ STOCK OPTION PLAN

Stock Option Award Agreement

You are hereby awarded this stock option (" Option ") to purchase Shares of Autobytel Inc. (the " Company "), subject to the terms and conditions set forth in this Stock Option Award Agreement (the " Award Agreement ") and in the Autobytel Inc. 200___ Stock and Option Plan (the " Plan "). You acknowledge that you have been given a copy of the Plan and a prospectus describing the Plan's material terms (with the Plan controlling in the event of any conflicts between them). You should carefully review these documents, and consult with your personal financial advisor, before executing this Award Agreement. Terms beginning with capital letters in this Award Agreement have the meaning defined in this Award Agreement or in the Plan (or if not defined in either of them, as defined in your Amended and Restated Employment Agreement with the Company dated effective as of April 3, 2009).

In order for this Option to be effective and enforceable, you must return an executed original of this Award Agreement to the Company's General Counsel. By executing this Award Agreement, you agree to be bound by all of the Plan's terms and conditions as if they had been set out verbatim below. In addition, you recognize and agree that all determinations, interpretations, or other actions respecting the Plan and this Award Agreement will be made by the Administrator, and will be final, conclusive and binding on all parties, including you, your heirs, and your representatives.

1. **Specific Terms** . Your Options have the following terms:

Name of Participant:	Jeffrey H. Coats
Type of Option Award:	Non-Incentive Stock Option.
Number of Shares Subject to Award:	XXXX
Option Exercise Price:	$0.35 per Share.
Grant Date:	April 3, 2009.
Vesting:	0% on Grant Date. 100% on the earlier of (i) the first anniversary of the Grant Date if your continuous service has not ended beforehand, (ii) termination of your employment by the Company Without Cause or by you for Good Reason. The vesting of your Option will not accelerate upon or as a result of a Change in Control.
Expiration Date:	10 years after Grant Date (at 5:00 p.m. Pacific Time on the Expiration Date).

2. **Manner of Exercise** . This Option will be exercised in the manner set forth in the Plan, using the exercise form attached hereto as Exhibit A . The number of Shares that may be purchased through exercise of this Award is cumulative; that is, if you fail to exercise the Option for all of the Shares vested hereunder during any period set forth above, then any remaining Shares that are not purchased during such period may be purchased through exercise of this Option during any subsequent period, until the expiration or termination of this Option pursuant to the terms and conditions of this Award Agreement and of the Plan. Fractional Shares may not be purchased.

3. **Termination of Employment** . Section 6.12 of the Plan will govern the effect of your termination of employment on this Option, subject to the following modifications which will control over Plan Section 6.12 to the extent of any conflict or ambiguity:

(a) in the event of termination of your employment by the Company Without Cause or by you for Good Reason, this Option shall vest and become immediately exercisable and you will have the right to exercise this Option for a period of two (2) years following the date on which your employment terminates, but in no event will this Option be exercisable later than the Expiration Date determined pursuant to Section 1 above;

(b) in the event your employment terminates due to your resignation without Good Reason within one (1) year following the Grant Date, your Option will immediately terminate, and after such one (1) year period will otherwise terminate at the end of the first day after the date on which you provide notice of your resignation without Good Reason, but in no event will this Option be exercisable later than the Expiration Date determined pursuant to Section 1 above;

(c) in the event your death triggers application of Section 6.12(a) of the Plan, the six-month extended exercise period to which it refers will be increased to 12 months, but in no event will this Option be exercisable later than the Expiration Date determined pursuant to Section 1 above;

(d) in the event of your termination of employment for "Cause" within the meaning of Section 6.12(c) of the Plan, the provisions of Section 6.12(c) will apply, and the Company will have the additional right, only within the thirty-day period after your employment terminates, to repurchase (for a price equal to the exercise price you paid per Share) any Shares that you have received pursuant to the exercise of this Option;

(e) this Option will be canceled and become automatically null and void to the extent it has not vested on or before your termination of employment for any reason; and

(f) the terms of Section 6.12 of the Plan, as modified herein for this Option, shall survive a Change in Control, and remain in full force and effect with the other provisions of this Option.

4. **Restrictions on Transfer of Option** . Your rights under this Award Agreement may not be sold, pledged, or otherwise transferred except pursuant to Section 6.7(a) of the Plan or with the prior written consent of the Committee.

5. **Designation of Beneficiary** . Notwithstanding anything to the contrary contained herein or in the Plan, following the execution of this Award Agreement, you may expressly designate a death beneficiary (the " Beneficiary ") to your interest if any, in this Option and any underlying Shares. You may designate the Beneficiary by completing and executing a designation of beneficiary agreement substantially in the form attached hereto as Exhibit B (the " Designation of Death Beneficiary ") and delivering an executed copy of the Designation of Beneficiary to the Company's General Counsel. To the extent you do not duly designate a beneficiary who survives you, your estate will automatically be your beneficiary.

6. **Resale Restrictions on Shares** . During the three-year period following the Grant Date, you will not have the right to sell or otherwise dispose of any Shares that you receive through exercise of this Option; provided that the foregoing resale restriction will lapse in full on the first to occur of your death, your Total and Permanent Disability, or termination of your employment by the Company Without Cause or by you for Good Reason. Otherwise, the resale restrictions imposed hereunder will lapse only as to one-third (1/3) of the Total Number of Shares Subject to Award on the first anniversary of the Grant Date, and as to the remaining two-thirds (2/3) of such Shares in equal one-twelfth (1/12) installments of the Total Number of Shares Subject to Award for each calendar quarter that ends after the first anniversary of the Grant Date, subject to your being in the continuous employment or service of the Company through the scheduled date for lapse of these resale restrictions. To the extent a lapse has not occurred, the resale restrictions hereunder will remain in effect for the full three-year period following the Grant Date. Each certificate representing any such Shares (or if uncertificated by notation to the depositary agency) shall be legended to reflect these resale restrictions.

7. **Taxes** . Except to the extent otherwise specifically provided in your employment agreement, you acknowledge by signing this Award Agreement that you will be solely responsible for the satisfaction of any taxes (including taxes arising under Code Sections 409A regarding deferred compensation, or 4999 regarding golden parachute excise taxes) that may arise pursuant to this Option, its exercise, or your sale of Shares purchased through this Option, and that neither the Company nor the Administrator will have any obligation whatsoever to pay such taxes or to otherwise indemnify or hold you harmless from any or all of such taxes. The Committee will have the sole discretion to interpret the requirements of the Code, including Section 409A, for purposes of the Plan and this Award Agreement.

8. **Notices** . Any notice or communication required or permitted by any provision of this Award Agreement to be given to a party hereunder will be in writing and will be delivered electronically, personally, or sent by postage prepaid certified mail, return receipt requested, addressed to such party at the address on the signature page hereof. Each party may, from time to time, by notice to the other party hereto, specify a new address for delivery of notices relating to this Award Agreement. Any such notice will be deemed to be given as of the date such notice is personally or electronically delivered or properly mailed.

9. **Binding Effect** . Except as otherwise provided in this Award Agreement or in the Plan, every covenant, term, and provision of this Award Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors, transferees, and assigns.

10. **Modifications** . This Award Agreement may be modified or amended only through a written agreement between you and the Company, and only in accordance with Section 8 of the Plan.

11. **Headings** . Section and other headings contained in this Award Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope or intent of this Award Agreement or any provision hereof.

12. **Severability** . Every provision of this Award Agreement and of the Plan is intended to be severable. If any term hereof is illegal or invalid for any reason, such illegality or invalidity will not affect the validity or legality of the remaining terms of this Award Agreement.

13. **Counterparts** . This Award Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

14. **Plan Governs** . By signing this Award Agreement, you acknowledge that you have received a copy of the Plan and that your Award Agreement is subject to all the provisions contained in the Plan, the provisions of which are made a part of this Award Agreement and your Option is subject to all interpretations, amendments, rules and regulations which from time to time may be promulgated and adopted pursuant to the Plan. In the event of a conflict between the provisions of this Award Agreement and those of the Plan, the provisions of the Plan will control.

15. **Investment Purposes** . By executing this Award Agreement, you represent and warrant that any Shares issued to you pursuant to your Options will be held for investment purposes only for your own account, and not with a view to, for resale in connection with, or with an intent in participating directly or indirectly in, any distribution of such Shares within the meaning of the Securities Act of 1933, as amended.

16. **Not a Contract of Employment** . By executing this Award Agreement, you acknowledge and agree that (i) any person who is terminated before full vesting of an Award, such as the one granted to you by this Award Agreement, could claim that he or she was terminated to preclude vesting; (ii) you promise never to make such a claim; (iii) nothing in this Award Agreement or the Plan confers on you any right to continue an employment, service or consulting relationship with the Company, nor will it affect in any way your right or the Company's right to terminate your employment, service, or consulting relationship at any time, with or without Cause; and (iv) the Company would not have granted this Option to you but for these acknowledgements and agreements.

17. **Securities Law Restrictions** . Regardless of whether the offering and sale of Shares through the Plan have been registered under the Securities Act of 1933, as amended (the " Securities Act "), or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act or the securities laws of any state or any other law or to enforce the intent of this Option.

18. **Governing Law** . The laws of the State of Delaware will govern the validity of this Award Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties hereto, as well as the relationship of the parties hereto, all without regard to conflict of laws principles thereof.

BY YOUR SIGNATURE BELOW, along with the signature of the Company's representative, you and the Company agree that this Option is awarded under and governed by the terms and conditions of this Award Agreement and the Plan.

AUTOBYTEL INC.
18872 MacArthur Blvd., Suite 200
Irvine, CA 92612

By:
Glenn E. Fuller
Executive Vice President, Chief Legal and
Administrative Officer and Secretary

PARTICIPANT

The undersigned Participant hereby accepts the terms of this Award Agreement and the Plan.

Jeffrey H. Coats

Exhibit A

AUTOBYTEL INC.
200___ Stock and Option Plan

Form of Exercise of Employee Stock Option Award Agreement

TO: Autobytel Inc.

Attention: General Counsel

Dear Sir or Madam:

The undersigned elects to exercise his/her Incentive Stock Options to purchase _____ shares of Common Stock of Autobytel Inc. (the " Company ") under and pursuant to a Stock Option Agreement dated as of _____.

1. ☐ Delivered herewith is a certified or bank cashier's or teller's check and/or shares of Common Stock held by the undersigned for at least six months*, valued at the closing sale price of the stock on the business day prior to the date of exercise, as follows:

$_____ in cash or by certified, bank cashier's or teller's check
$_____ in the form of ____ shares of Common Stock, valued at $_____ per share
$ **Total**

2. ☐ Delivered herewith are irrevocable instructions to a broker approved by the Company to deliver promptly to the Company the amount of sale or loan proceeds to pay the exercise price.**

If method 1 is chosen, the name or names to be on the stock certificate or certificates and the address and Social Security Number of such person(s) is as follows:

Name:

Address:

Social Security Number

Very truly yours,

_____
Date Optionee

*The Committee may waive the six months' requirement in its discretion.
**The Committee must approve this method in writing before your election

Exhibit B

AUTOBYTEL INC.
200___ Stock and Option Plan

Designation of Death Beneficiary

In connection with the Awards designated below that I have received pursuant to the Autobytel Inc. 200___ Stock and Option Plan (the "Plan"), I hereby designate the person specified below as the beneficiary upon my death of my interest in such Awards. This designation will remain in effect until revoked in writing by me.

Name of Beneficiary:

Address:

Social Security No.:

This beneficiary designation relates to any and all of my rights under the following Award or Awards:

☐ any Award that I have received or ever receive under the Plan.

☐ the Stock Option Award that I received pursuant to an award agreement dated _____ __, ____ between myself and the Company.

I understand that this designation operates to entitle the above named beneficiary, in the event of my death, to any and all of my rights under the Award(s) designated above from the date this form is delivered to the Company until such date as this designation is revoked in writing by me, including by delivery to the Company of a written designation of beneficiary executed by me on a later date.

Date:

By:
Name of Participant

Sworn to before me this
____day of _____, 200_
_____
Notary Public
County of _____
State of _____

EXHIBIT C

SEPARATION AGREEMENT AND RELEASE

It is hereby agreed by and between you, Jeff H. Coats (for yourself, your spouse or partner, family, agents and attorneys) (jointly, " **You** "), and Autobytel Inc., its predecessors, successors, affiliates, directors, shareholders, fiduciaries, insurers, employees and agents (jointly, the " **Company** "), as follows:

1. You acknowledge that your employment with the Company ended effective [_____], 20[__], and that you will perform no further duties, functions or services for the Company subsequent to that date.

2. You acknowledge and agree that you have received all vacation pay and other compensation due you from the Company as a result of your employment with the Company and your separation from employment, including, but not limited to, all amounts required under your Amended and Restated Employment Agreement with the Company dated as of April 3, 2009 (the " **Employment Agreement** "), other than those amounts payable pursuant to Paragraph 3 below and those amounts or benefits, if any, payable or to be provided after the date hereof pursuant to the Employment Agreement if required by the terms thereof. You acknowledge and agree that the Company owes you no additional wages, commissions, bonuses, vacation pay, severance pay, expenses, fees, or other compensation or payments of any kind or nature, other than as provided in this Agreement and those amounts and benefits, if any, payable or to be provided after the date hereof pursuant to the Employment Agreement if required by the terms thereof. All benefits for which you are eligible pursuant to the Employment Agreement will remain in effect for the periods set forth therein.

3. In exchange for your promises in this Agreement and the Employment Agreement, including the release of claims set forth below, if you sign and do not timely revoke this Agreement pursuant to Paragraph 13 of this Agreement, the Company will pay you all amounts due to you under the Employment Agreement, minus legally required state and federal payroll deductions. The payment provided for in this paragraph will be made in the time periods required by the Employment Agreement (except for benefits that will be paid over time as provided therein) and, if no time is specified, within 5 business days of the date of this Separation Agreement and Release, and be subject to applicable withholding as provided in the Employment Agreement.

4. You represent and warrant that you have returned to the Company any and all documents, software, equipment (including, but not limited to, computers and computer-related items), and all other materials or other things in your possession, custody, or control which are the property of the Company, including, but not limited to, Company identification, keys, and the like, wherever such items may have been located; as well as all copies (in whatever form thereof) of all materials relating to your employment, or obtained or created in the course of your employment with the Company.

5. You hereby represent that, other than those materials you have returned to the Company pursuant to Paragraph 4 of this Agreement, you have not copied or caused to be copied, and have not printed-out or caused to be printed-out, any software, computer disks, or other documents other than those documents generally available to the public, or retained any other materials originating with or belonging to the Company. You further represent that you have not retained in your possession, custody or control, any software, documents or other materials in machine or other readable form, which are the property of the Company, originated with the Company, or were obtained or created in the course of or relate to your employment with the Company.

6. You shall keep confidential, and shall not hereafter use or disclose to any person, firm, corporation, governmental agency, or other entity, in whole or in part, at any time in the future, any trade secret, proprietary information, or confidential information of the Company, including, but not limited to, information relating to trade secrets, processes, methods, pricing strategies, customer lists, marketing plans, product introductions, advertising or promotional programs, sales, financial results, financial records and reports, regulatory matters and compliance, and other confidential matters, except as required by law and as necessary for compliance purposes or except to the extent the information has become public other than by your breach of this Paragraph 6. These obligations are in addition to the obligations set forth in confidentiality or non-disclosure agreements between you and the Company, including in the Employment Agreement, all of which shall remain binding on you.

7. You agree that you have not and will not at any time reveal to anyone, including any former, present or future employee of the Company, the fact, amount, or the terms of this Agreement, except to your immediate family, legal counsel and financial advisor, or as required by law and as necessary for compliance purposes. The Company may disclose the terms of this Agreement and file this Agreement as an exhibit to its public filings if it is required to due so under applicable law, as necessary for compliance purposes or to potential successors or assigns of the Company.

8. You agree that neither you nor anyone acting on your behalf or at your direction will disparage, denigrate, defame, criticize, impugn or otherwise damage or assail the reputation or integrity of the Company or any of its current or former employees or directors to any third party and in particular to any current or former employee, officer, director, contractor, supplier, customer, or client of the Company or prospective or actual purchaser of the equity interests of the Company or its business or assets. The Company agrees that truthful testimony given in conjunction with legal proceedings will not violate this Agreement.

9. In consideration for the payments provided for in Paragraph 3, you unconditionally release and forever discharge the Company, and the Company's current, former, and future controlling shareholders, subsidiaries, affiliates, related companies, predecessor companies, divisions, directors, trustees, employees, agents, attorneys, successors, and assigns (and the current, former, and future controlling shareholders, directors, trustees, employees, agents, and attorneys of such subsidiaries, affiliates, related companies, predecessor companies, and divisions) (referred to collectively as " **Releasees** "), from any and all known and unknown claims, demands, actions, suits, causes of action, obligations,

damages and liabilities of whatever kind or nature and regardless of whether the knowledge thereof would have materially affected your agreement to release the Company hereunder that arose at any time before or upon the signing of this Agreement. These released claims include without limitation all of those claims arising under any federal, state, or local employment, anti-discrimination, or equal employment opportunity law, such as Title VII of the Civil Rights Act of 1964, 42 U.S.C. section 1981, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967 ("ADEA"), the Americans with Disabilities Act, the Equal Pay Act, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, the California Fair Employment and Housing Act, and the California Labor Code; and the law of contract and tort. The Release will not waive the Employee's rights to indemnification under the Company's certificate of incorporation or by-laws or, if applicable, any written agreement between the Company and the Employee, or under applicable law.

With respect to the various rights and claims under the ADEA being waived by you in this Agreement, you specifically acknowledge that you have read and understand the provisions of Paragraphs 13, 14, and 15 of this Agreement below before signing this Agreement. This general release does not cover rights or claims under the ADEA arising after you sign this Agreement.

You also waive and release and promise never to assert any such claims, even if you do not believe that you have such claims. You therefore waive your rights under section 1542 of the Civil Code of California or any analogous statute of rule. Section 1542 states:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if know to him or her must have materially affected his settlement with the debtor.

10. You represent and warrant that you have not filed, and agree that you will not file, or cause to be filed, any complaint, charge, claim or action involving any claims you have released in the foregoing paragraph. This promise not to sue does not apply to claims for breach of this Agreement. You agree and acknowledge that if you break this promise not to sue, then you will be liable for all consequential damages, including the legal expenses and fees incurred by the Company or any of the Releasees, in defending such a claim, unless you break this promise not to sue by suing on a released claim under the ADEA.

11. The Company hereby represents and warrants that concurrently with your execution and delivery of this Agreement, the Company has paid to you any and all amounts under the Employment Agreement that are required to be paid to you by the Company as of the date hereof, excluding, without limitation, any amounts required to be paid under this Agreement and those amounts or benefits, if any, payable or to be provided after the date hereof pursuant to the Employment Agreement if and to the extent required by the terms thereof.

12. Excluded from this Agreement are any claims or rights that cannot be waived by law, including the right to file a charge of discrimination with an administrative agency. You agree, however, to waive your right to any monetary recovery in connection with such a charge.

13. You are advised to consult with an attorney before you sign this Agreement. You understand that you have twenty-one (21) days within which to decide whether to sign this Agreement, although you may sign this Agreement at any time within the twenty-one (21) day period. If you do sign it, you also understand that you will have an additional 7 days after you sign to change your mind and revoke the Agreement, in which case a written notice of revocation must be delivered to Vice President Human Resources or comparable title, Autobytel Inc., 18872 MacArthur Blvd., Irvine, California 92612-1400, on or before the seventh (7th) day after your execution of the Agreement. You understand that the Agreement will not become effective until after that seven (7) day period has passed.

14. You acknowledge that you are signing this Agreement knowingly and voluntarily and intend to be bound legally by its terms.

15. You hereby acknowledge that no promise or inducement has been offered to you, except as expressly stated above and in the Employment Agreement, and you are relying upon none. This Agreement and the Employment Agreement represent the entire agreement between you and the Company with respect to the subject matter hereof, and supersede any other written or oral understandings between the parties pertaining to the subject matter hereof and may only be amended or modified with the prior written consent of you and the Company.

16. You certify that you have not experienced a job-related illness or injury for which you have not already filed a claim.

17. If any provision of this Agreement is held to be invalid, the remainder of the Agreement, nevertheless, shall remain in full force and effect in all other circumstances.

18. This Agreement does not constitute an admission that the Company or any other Releasee has violated any law, rule, regulation, contractual right or any other duty or obligation.

19. This Agreement is made and entered into in the State of California, and it and the relationship of the parties hereto shall in all respects be interpreted, enforced, and governed under the law of that state, without reference to conflict of law provisions thereof. The language of all parts in this Agreement shall be construed as a whole, according to fair meaning, and not strictly for or against any party.

20. Employee acknowledges that: (i) the Company has encouraged Employee to consult with an attorney and/or tax advisor of Employee's choosing (and at Employee's own cost and expense) in connection with this Agreement, and (ii) Employee is not relying upon the Company for, and the Company has not provided, legal or tax advice to Employee in connection with this Agreement. It is the responsibility of Employee to seek independent tax and legal advice with regard to the tax treatment of this Agreement and the payments and benefits that may be made or provided under this Agreement and any other related matters. Employee acknowledges that Employee has had a reasonable opportunity to seek and consider advice from Employee's counsel and tax advisors.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES THE RELEASE OF CLAIMS.

Dated:_____, 20__

_____
Jeffrey H. Coats

Dated:_____, 20__

AUTOBYTEL INC.

By:_____
[Officer's Name]
[Title]

EXHIBIT D

CONSULTING AGREEMENT

This **CONSULTING AGREEMENT** (" **Agreement** ") is entered into effective as of April 3, 2009 (" **Effective Date** ") by and between Autobytel Inc., a Delaware corporation (" **Autobytel** "), and Jeffrey H. Coats (" **Consultant** ").

Background

As of the Effective Date, Consultant is employed by Autobytel as its President and Chief Executive Officer pursuant to that certain Amended and Restated Employment Agreement dated as of the Effective Date (" **Employment Agreement** "). Capitalized terms used and not otherwise defined herein shall have their respective meanings as set forth in the Employment Agreement. Subject to the satisfaction of certain conditions set forth in the Employment Agreement, the Employment Agreement provides for certain severance and other benefits in the event of a termination of Consultant's employment with Autobytel Without Cause or for Good Reason within eighteen (18) months following a Change in Control.

The parties acknowledge that Consultant provides unique services that Autobytel will continue to need subsequent to the termination of Consultant's employment Without Cause or for Good Reason within eighteen (18) months following a Change in Control. Consultant is willing to consult with Autobytel for a reasonable transition following the termination of Consultant's employment under such circumstances upon the terms and conditions set forth herein. The parties desire to enter into this Agreement at this time, with the respective obligations of the parties to come into effect in the event of a termination of Consultant's employment with Autobytel Without Cause or for Good Reason within eighteen (18) months following a Change in Control.

NOW, THEREFORE , in consideration of the benefits provided herein and for other good and value consideration the parties hereto agree as follows.

1. **Consulting Term** . The term of this Agreement shall be for twelve (12) months, which shall commence upon and in the event of Consultant's Termination Without Cause or for Good Reason within eighteen (18) months following a Change in Control (" **Consulting Term** ").

2. **Consulting Services** . During the Consulting Term, upon request by Autobytel, Consultant shall provide continuing transition advice and information related to business issues and projects Consultant was involved in while employed with Autobytel and any other such related services as reasonably requested by Autobytel (" **Consulting Services** ").

3. **Consulting Time** . During the Consulting Term, Consultant shall be reasonably available during the Company's normal business hours and upon reasonable advance notice to provide Consulting Services at times and places that meet the mutual convenience of the parties and in a manner that shall not unduly interfere with Consultant's other commitments. Consultant shall not be required to provide more than twenty (20) hours of Consulting Services per week during the Consulting Term. Additional time per week may be agreed upon by the parties. Consultant shall not be required to travel to the offices of Autobytel or otherwise to fulfill his Consulting Services obligations hereunder.

4. **Compensation** . During the Consulting Term, Consultant shall be paid an aggregate amount equal to forty-nine percent (49%) of the annual Salary (as defined in the Employment Agreement) in effect immediately before his termination of employment. Consultant shall be paid such amount in twelve equal monthly installments during the Term no later than the fifteenth (15 th) calendar day of each month. At Consultant's request, such monthly payments may be made by check or wire transfer to such address or account, as applicable, as Consultant shall provide to Autobytel.

5. **Expenses** . During the Consulting Term, Consultant shall, upon submission of appropriate supporting documentary evidence in accordance with Autobytel's standard procedures, be reimbursed by Autobytel for all expenses necessarily incurred by Consultant in rendering Consulting Services under this Agreement.

6. **Termination** . Neither party may terminate this Agreement or modify the Consulting Term without the prior written consent of the other party.

7. **Independent Contractor Relationship** . The parties intend that during the Consulting Term the relationship between them is solely an independent contractor relationship, and that no employer-employee relationship shall exist. The parties expressly acknowledge and agree that during the Consulting Term Autobytel shall not have the right to control the manner or means by which Consultant performs the services described in this Agreement, and shall exercise control only over the end result of the work being performed by the Consultant. As an independent contractor, Consultant shall not be eligible for any fringe benefits provided by Autobytel to its employees (except with respect to continuation of certain health and welfare benefits furnished to Consultant as severance benefits under the Employment Agreement). Autobytel shall not disclose to the Consultant any material, non-public information unless Consultant agrees to such disclosure in advance and after termination of Consultant's employment under the Employment Agreement. Consultant shall no longer be a Section 16 reporting person under the Securities Exchange Act or 1934, as amended, or be subject to Autobytel's trading policies

8. **Consultant's Obligations** . Consultant agrees that during the Consulting Term Consultant is responsible for paying all required federal, state and local taxes relating to Consultant's business, and that Autobytel has no responsibility for any such taxes. In particular, the

parties agree and understand that because of the independent contractor relationship between them, Autobytel will not withhold any social security or income taxes, make any unemployment or disability insurance contributions (except with respect to continuation of certain health and welfare benefits furnished to Consultant as severance benefits under the Employment Agreement) or obtain workers' compensation insurance on behalf of Consultant during the Consulting Term. Consultant shall be solely responsible for all such fringe benefits, insurance coverages (except with respect to continuation of certain health and welfare benefits furnished to Consultant as severance benefits under the Employment Agreement) and required taxes in connection with Consultant's services under this agreement. Consultant agrees to indemnify and hold Autobytel harmless against any and all liability claimed or imposed, including reasonable attorneys' fees, arising from any act or failure of Consultant in connection with the performance of the services described in this Agreement.

9. **Confidential Information or Materials** . Consultant agrees that at all times during the Consulting Term, and thereafter, Consultant shall not disclose Confidential Information, either directly or indirectly, to any Person without the prior written consent of Autobytel and shall not use or attempt to use any such information in any manner other than in connection with Consulting Services, unless (i) required by law or court order to disclose such information, in which case Consultant shall provide Autobytel with written notice of such requirement as far in advance of such anticipated disclosure as possible and use his best efforts to consult with the board of directors of Autobytel prior to such anticipated disclosure ; (ii) during the course of or in connection with any actual or potential litigation, arbitration, or other proceeding based upon or in connection with the subject matter of this Agreement; (iii) as may be necessary or appropriate to conduct Consultant's duties hereunder, provided Consultant is acting, in good faith and in the best interest of the Company ; (iv) such information has become public other than by reason of a breach by Consultant of this Section 9; or (v) the information is generally known to persons involved in the Company's trade or business. This confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination of this Agreement, Consultant shall promptly supply to Autobytel (or destroy, at Autobytel's option) all property, keys, notes, electronic storage media, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to Consultant during the Consulting Term, and any copies thereof in his (or capable of being reduced to his) possession, as well as all computers of Autobytel provided to Consultant; provided , that nothing in this Agreement or elsewhere shall prevent Consultant from retaining and utilizing: documents relating to his personal benefits, entitlements and obligations; documents relating to his personal tax obligations; and such other records and documents as may reasonably be approved by Autobytel.

10. **Remedies** . Without limiting the remedies available to Autobytel, Consultant acknowledges that a breach of any of the covenants contained in Section 9 may result in irreparable injury to Autobytel for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, Autobytel shall be entitled to seek a temporary restraining order and/or preliminary or permanent injunction, without the necessity of proving irreparable harm or injury as a result of such breach or threatened breach of Section 9.

11. **Arbitration of Disputes** . Except as provided in Section 10, any controversy or claim arising out of, or related to, this Agreement, or the breach thereof, shall be governed by the terms of the Arbitration Agreement.

12. **No Authority to Bind Autobytel** . During the Consulting Term, Consultant will not have any authority to commit or bind Autobytel to any contractual or financial obligations without Autobytel's prior written consent.

13. **No Waiver** . No waiver, by conduct or otherwise, by any party of any term, provision or condition of this Agreement, shall be deemed or construed as a further or continuing waiver of any such term, provision or condition nor as a waiver of a similar or dissimilar condition or provision at the same time or at any prior or subsequent time.

14. **Amendment to this Agreement** . No modification, waiver, amendment, discharge or change of this Agreement, shall be valid unless the same is in writing and signed by the party against whom enforcement of such modification, waiver, amendment, discharge or change is or may be sought.

15. **Enforceability; Severability** . If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed exercised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

16. **Governing Law** . This Agreement and the relationship of the parties hereto shall be construed and enforced in accordance with the law of the State of California without giving effect to such State's choice of law rules. This Agreement is deemed to be entered into entirely in the State of California. This Agreement shall not be strictly construed for or against either party.

17. **No Third Party Beneficiaries** . Except as otherwise set forth in this Agreement, nothing contained in this Agreement is intended nor shall be construed to create rights running to the benefit of third parties.

18. **Successors of Autobytel** . The rights and obligations of Autobytel under this Agreement shall inure to the benefit of, and shall be binding upon, the successors and assigns of Autobytel, including any Successor Company. This Agreement shall be assignable by Autobytel in the event of a merger or similar transaction in which Autobytel is not the surviving entity, or a sale of all or substantially all of Autobytel's assets.

19. **Rights Cumulative** . The rights under this Agreement, or by law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure by any party to exercise, and no delay in exercising, any rights shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by any party preclude any other or future exercise thereof or the exercise of any other

right.

20. **Legal and Tax Advice** . Consultant acknowledges that: (i) Autobytel has encouraged Consultant to consult with an attorney and/or tax advisor of Consultant's choosing (and at Consultant's own cost and expense) in connection with this Agreement, and (ii) Consultant is not relying upon Autobytel for, and Autobytel has not provided, legal or tax advice to Consultant in connection with this Agreement. It is the responsibility of Consultant to seek independent tax and legal advice with regard to the tax treatment of this Agreement and the payments and benefits that may be made or provided under this Agreement and any other related matters. Consultant acknowledges that Consultant has had a reasonable opportunity to seek and consider advice from Consultant's counsel and tax advisors.

21. **Counterparts** . This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument. The parties agree that facsimile copies of signatures shall be deemed originals for all purposes hereof and that a party may produce such copies, without the need to produce original signatures, to prove the existence of this Agreement in any proceeding brought hereunder.

22. **No Mitigation or Offset** . The Company shall not have the right to offset any amount owed to it against payments due to Consultant under this Agreement.

[***Remainder of Page Intentionally Left Blank; Signature Page Follows***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Autobytel Inc.
By: /s/ Michael J. Fuchs
Michael J. Fuchs
Chairman of the Board

Consultant
/s/ Jeffrey H. Coats
Jeffrey H. Coats

EXHIBIT 10.92

AUTOBYTEL INC.
2000 STOCK OPTION PLAN

Stock Option Award Agreement

You are hereby awarded this stock option (" Option ") to purchase Shares of Autobytel Inc. (the " Company "), subject to the terms and conditions set forth in this Stock Option Award Agreement (the " Award Agreement ") and in the Autobytel Inc. 2000 Stock Option Plan (the " Plan "). You acknowledge that you have been given a copy of the Plan and a prospectus describing the Plan's material terms (with the Plan controlling in the event of any conflicts between them). You should carefully review these documents, and consult with your personal financial advisor, before executing this Award Agreement. Terms beginning with capital letters in this Award Agreement have the meaning defined in this Award Agreement or in the Plan (or if not defined in either of them, as defined in your Amended and Restated Employment Agreement with the Company dated effective as of April 3, 2009).

In order for this Option to be effective and enforceable, you must return an executed original of this Award Agreement to the Company's General Counsel. By executing this Award Agreement, you agree to be bound by all of the Plan's terms and conditions as if they had been set out verbatim below. In addition, you recognize and agree that all determinations, interpretations, or other actions respecting the Plan and this Award Agreement will be made by the Administrator, and will be final, conclusive and binding on all parties, including you, your heirs, and your representatives.

1. Specific Terms . Your Options have the following terms:

Name of Participant:	Jeffrey H. Coats
Type of Option Award:	Non-Incentive Stock Option.
Number of Shares Subject to Award:	316,128
Option Exercise Price:	$0.35 per Share.
Grant Date:	April 3, 2009.
Vesting:	0% on Grant Date. 100% on the earlier of (i) the first anniversary of the Grant Date if your continuous service has not ended beforehand, (ii) termination of your employment by the Company Without Cause or by you for Good Reason. The vesting of your Option will not accelerate upon or as a result of a Change in Control.
Expiration Date:	10 years after Grant Date (at 5:00 p.m. Pacific Time on the Expiration Date).

2. Manner of Exercise . This Option will be exercised in the manner set forth in the Plan, using the exercise form attached hereto as Exhibit A . The number of Shares that may be purchased through exercise of this Award is cumulative; that is, if you fail to exercise the Option for all of the Shares vested hereunder during any period set forth above, then any remaining Shares that are not purchased during such period may be purchased through exercise of this Option during any subsequent period, until the expiration or termination of this Option pursuant to the terms and conditions of this Award Agreement and of the Plan. Fractional Shares may not be purchased.

3. Termination of Employment . Section 6.12 of the Plan will govern the effect of your termination of employment on this Option, subject to the following modifications which will control over Plan Section 6.12 to the extent of any conflict or ambiguity:

(a) in the event of termination of your employment by the Company Without Cause or by you for Good Reason, this Option shall vest and become immediately exercisable and you will have the right to exercise this Option for a period of two (2) years following the date on which your employment terminates, but in no event will this Option be exercisable later than the Expiration Date determined pursuant to Section 1 above;

(b) in the event your employment terminates due to your resignation without Good Reason within one (1) year following the Grant Date, your Option will immediately terminate, and after such one (1) year period will otherwise terminate at the end of the first day after the date on which you provide notice of your resignation without Good Reason, but in no event will this Option be exercisable later than the Expiration Date determined pursuant to Section 1 above;

(c) in the event your death triggers application of Section 6.12(a) of the Plan, the six-month extended exercise period to which it refers will be increased to 12 months, but in no event will this Option be exercisable later than the Expiration Date determined pursuant to Section 1 above;

(d) in the event of your termination of employment for "Cause" within the meaning of Section 6.12(c) of the Plan, the provisions of Section 6.12(c) will apply, and the Company will have the additional right, only within the thirty-day period after your

employment terminates, to repurchase (for a price equal to the exercise price you paid per Share) any Shares that you have received pursuant to the exercise of this Option;

(e) this Option will be canceled and become automatically null and void to the extent it has not vested on or before your termination of employment for any reason; and

(f) the terms of Section 6.12 of the Plan, as modified herein for this Option, shall survive a Change in Control, and remain in full force and effect with the other provisions of this Option.

4. **Restrictions on Transfer of Option** . Your rights under this Award Agreement may not be sold, pledged, or otherwise transferred except pursuant to Section 6.7(a) of the Plan or with the prior written consent of the Committee.

5. **Designation of Beneficiary** . Notwithstanding anything to the contrary contained herein or in the Plan, following the execution of this Award Agreement, you may expressly designate a death beneficiary (the " Beneficiary ") to your interest if any, in this Option and any underlying Shares. You may designate the Beneficiary by completing and executing a designation of beneficiary agreement substantially in the form attached hereto as Exhibit B (the " Designation of Death Beneficiary ") and delivering an executed copy of the Designation of Beneficiary to the Company's General Counsel. To the extent you do not duly designate a beneficiary who survives you, your estate will automatically be your beneficiary.

6. **Resale Restrictions on Shares** . During the three-year period following the Grant Date, you will not have the right to sell or otherwise dispose of any Shares that you receive through exercise of this Option; provided that the foregoing resale restriction will lapse in full on the first to occur of your death, your Total and Permanent Disability, or termination of your employment by the Company Without Cause or by you for Good Reason. Otherwise, the resale restrictions imposed hereunder will lapse only as to one-third (1/3) of the Total Number of Shares Subject to Award on the first anniversary of the Grant Date, and as to the remaining two-thirds (2/3) of such Shares in equal one-twelfth (1/12) installments of the Total Number of Shares Subject to Award for each calendar quarter that ends after the first anniversary of the Grant Date, subject to your being in the continuous employment or service of the Company through the scheduled date for lapse of these resale restrictions. To the extent a lapse has not occurred, the resale restrictions hereunder will remain in effect for the full three-year period following the Grant Date. Each certificate representing any such Shares (or if uncertificated by notation to the depositary agency) shall be legended to reflect these resale restrictions.

7. **Taxes** . Except to the extent otherwise specifically provided in your employment agreement, you acknowledge by signing this Award Agreement that you will be solely responsible for the satisfaction of any taxes (including taxes arising under Code Sections 409A regarding deferred compensation, or 4999 regarding golden parachute excise taxes) that may arise pursuant to this Option, its exercise, or your sale of Shares purchased through this Option, and that neither the Company nor the Administrator will have any obligation whatsoever to pay such taxes or to otherwise indemnify or hold you harmless from any or all of such taxes. The Committee will have the sole discretion to interpret the requirements of the Code, including Section 409A, for purposes of the Plan and this Award Agreement.

8. **Notices** . Any notice or communication required or permitted by any provision of this Award Agreement to be given to a party hereunder will be in writing and will be delivered electronically, personally, or sent by postage prepaid certified mail, return receipt requested, addressed to such party at the address on the signature page hereof. Each party may, from time to time, by notice to the other party hereto, specify a new address for delivery of notices relating to this Award Agreement. Any such notice will be deemed to be given as of the date such notice is personally or electronically delivered or properly mailed.

9. **Binding Effect** . Except as otherwise provided in this Award Agreement or in the Plan, every covenant, term, and provision of this Award Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors, transferees, and assigns.

10. **Modifications** . This Award Agreement may be modified or amended only through a written agreement between you and the Company, and only in accordance with Section 8 of the Plan.

11. **Headings** . Section and other headings contained in this Award Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope or intent of this Award Agreement or any provision hereof.

12. **Severability** . Every provision of this Award Agreement and of the Plan is intended to be severable. If any term hereof is illegal or invalid for any reason, such illegality or invalidity will not affect the validity or legality of the remaining terms of this Award Agreement.

13. **Counterparts** . This Award Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

14. **Plan Governs** . By signing this Award Agreement, you acknowledge that you have received a copy of the Plan and that your Award Agreement is subject to all the provisions contained in the Plan, the provisions of which are made a part of this Award Agreement and your Option is subject to all interpretations, amendments, rules and regulations which from time to time may be promulgated and adopted pursuant to the Plan. In the event of a conflict between the provisions of this Award Agreement and those of the Plan, the provisions of the Plan will control.

15. **Investment Purposes** . By executing this Award Agreement, you represent and warrant that any Shares issued to you pursuant to your Options will be held for investment purposes only for your own account, and not with a view to, for resale in connection with, or with an intent in participating directly or indirectly in, any distribution of such Shares within the meaning of the Securities Act of 1933, as amended.

16. **Not a Contract of Employment** . By executing this Award Agreement, you acknowledge and agree that (i) any person who is terminated before full vesting of an Award, such as the one granted to you by this Award Agreement, could claim that he or she was terminated to preclude vesting; (ii) you promise never to make such a claim; (iii) nothing in this Award Agreement or the Plan confers on you any right to continue an employment, service or consulting relationship with the Company, nor will it affect in any way your right or the Company's right to terminate your employment, service, or consulting relationship at any time, with or without Cause; and (iv) the Company would not have granted this Option to you but for these acknowledgements and agreements.

17. **Securities Law Restrictions** . Regardless of whether the offering and sale of Shares through the Plan have been registered under the Securities Act of 1933, as amended (the " Securities Act "), or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act or the securities laws of any state or any other law or to enforce the intent of this Option.

18. **Governing Law** . The laws of the State of Delaware will govern the validity of this Award Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties hereto, as well as the relationship of the parties hereto, all without regard to conflict of laws principles thereof.

BY YOUR SIGNATURE BELOW, along with the signature of the Company's representative, you and the Company agree that this Option is awarded under and governed by the terms and conditions of this Award Agreement and the Plan.

AUTOBYTEL INC.
18872 MacArthur Blvd., Suite 200
Irvine, CA 92612

By: /s/ Glenn E. Fuller
Glenn E. Fuller
Executive Vice President, Chief Legal and
Administrative Officer and Secretary

PARTICIPANT

The undersigned Participant hereby accepts the terms of this Award Agreement and the Plan.

/s/ Jeffrey H. Coats
Jeffrey H. Coats

Exhibit A

AUTOBYTEL INC.
2000 STOCK OPTION PLAN

Form of Exercise of Employee Stock Option Award Agreement

TO: Autobytel Inc.

Attention: General Counsel

Dear Sir or Madam:

The undersigned elects to exercise his/her Incentive Stock Options to purchase _____ shares of Common Stock of Autobytel Inc. (the " Company ") under and pursuant to a Stock Option Agreement dated as of _____.

1. ☐ Delivered herewith is a certified or bank cashier's or teller's check and/or shares of Common Stock held by the undersigned for at least six months*, valued at the closing sale price of the stock on the business day prior to the date of exercise, as follows:

$_____ in cash or by certified, bank cashier's or teller's check
$_____ in the form of ____ shares of Common Stock, valued at $_____ per share
$ **Total**

2. ☐ Delivered herewith are irrevocable instructions to a broker approved by the Company to deliver promptly to the Company the amount of sale or loan proceeds to pay the exercise price.**

If method 1 is chosen, the name or names to be on the stock certificate or certificates and the address and Social Security Number of such person(s) is as follows:

Name:

Address:

Social Security Number

Very truly yours,

_____
Date Optionee

*The Committee may waive the six months' requirement in its discretion.
**The Committee must approve this method in writing before your election

Exhibit B

AUTOBYTEL INC.
2000 STOCK OPTION PLAN

Designation of Death Beneficiary

In connection with the Awards designated below that I have received pursuant to the Autobytel Inc. 2000 Stock Option Plan (the "Plan"), I hereby designate the person specified below as the beneficiary upon my death of my interest in such Awards. This designation will remain in effect until revoked in writing by me.

Name of Beneficiary:

Address:

Social Security No.:

This beneficiary designation relates to any and all of my rights under the following Award or Awards:

☐ any Award that I have received or ever receive under the Plan.

☐ the Stock Option Award that I received pursuant to an award agreement dated _____ __, ____ between myself and the Company.

I understand that this designation operates to entitle the above named beneficiary, in the event of my death, to any and all of my rights under the Award(s) designated above from the date this form is delivered to the Company until such date as this designation is revoked in writing by me, including by delivery to the Company of a written designation of beneficiary executed by me on a later date.

Date:

By:
Name of Participant

Sworn to before me this
____day of _____, 200_
_____
Notary Public
County of _____
State of _____

EXHIBIT 10.93

AUTOBYTEL INC.
Amended and Restated 2001 Restricted Stock and Option Plan

Stock Option Award Agreement

You are hereby awarded this stock option (" Option ") to purchase Shares of Autobytel Inc. (the " Company "), subject to the terms and conditions set forth in this Stock Option Award Agreement (the " Award Agreement ") and in the Autobytel Inc. Amended and Restated 2001 Restricted Stock and Option Plan (the " Plan "). You acknowledge that you have been given a copy of the Plan and a prospectus describing the Plan's material terms (with the Plan controlling in the event of any conflicts between them). You should carefully review these documents, and consult with your personal financial advisor, before executing this Award Agreement. Terms beginning with capital letters in this Award Agreement have the meaning defined in this Award Agreement or in the Plan (or if not defined in either of them, as defined in your Amended and Restated Employment Agreement with the Company dated effective as of April 3, 2009).

In order for this Option to be effective and enforceable, you must return an executed original of this Award Agreement to the Company's General Counsel. By executing this Award Agreement, you agree to be bound by all of the Plan's terms and conditions as if they had been set out verbatim below. In addition, you recognize and agree that all determinations, interpretations, or other actions respecting the Plan and this Award Agreement will be made by the Administrator, and will be final, conclusive and binding on all parties, including you, your heirs, and your representatives.

1. Specific Terms . Your Options have the following terms:

Name of Participant:	Jeffrey H. Coats
Type of Option Award:	Non-Incentive Stock Option.
Number of Shares Subject to Award:	183,872
Option Exercise Price:	$0.35 per Share.
Grant Date:	April 3, 2009.
Vesting:	0% on Grant Date. 100% on the earlier of (i) the first anniversary of the Grant Date if your continuous service has not ended beforehand, (ii) termination of your employment by the Company Without Cause or by you for Good Reason. The vesting of your Option will not accelerate upon or as a result of a Change in Control.
Expiration Date:	10 years after Grant Date (at 5:00 p.m. Pacific Time on the Expiration Date).

2. Manner of Exercise . This Option will be exercised in the manner set forth in the Plan, using the exercise form attached hereto as Exhibit A . The number of Shares that may be purchased through exercise of this Award is cumulative; that is, if you fail to exercise the Option for all of the Shares vested hereunder during any period set forth above, then any remaining Shares that are not purchased during such period may be purchased through exercise of this Option during any subsequent period, until the expiration or termination of this Option pursuant to the terms and conditions of this Award Agreement and of the Plan. Fractional Shares may not be purchased.

3. Termination of Employment . Section 6.12 of the Plan will govern the effect of your termination of employment on this Option, subject to the following modifications which will control over Plan Section 6.12 to the extent of any conflict or ambiguity:

(a) in the event of termination of your employment by the Company Without Cause or by you for Good Reason, this Option shall vest and become immediately exercisable and you will have the right to exercise this Option for a period of two (2) years following the date on which your employment terminates, but in no event will this Option be exercisable later than the Expiration Date determined pursuant to Section 1 above;

(b) in the event your employment terminates due to your resignation without Good Reason within one (1) year following the Grant Date, your Option will immediately terminate, and after such one (1) year period will otherwise terminate at the end of the first day after the date on which you provide notice of your resignation without Good Reason, but in no event will this Option be exercisable later than the Expiration Date determined pursuant to Section 1 above;

(c) in the event your death triggers application of Section 6.12(a) of the Plan, the six-month extended exercise period to which it refers will be increased to 12 months, but in no event will this Option be exercisable later than the Expiration Date determined pursuant to Section 1 above;

(d) in the event of your termination of employment for "Cause" within the meaning of Section 6.12(c) of the Plan, the provisions

of Section 6.12(c) will apply, and the Company will have the additional right, only within the thirty-day period after your employment terminates, to repurchase (for a price equal to the exercise price you paid per Share) any Shares that you have received pursuant to the exercise of this Option;

(e) this Option will be canceled and become automatically null and void to the extent it has not vested on or before your termination of employment for any reason; and

(f) the terms of Section 6.12 of the Plan, as modified herein for this Option, shall survive a Change in Control, and remain in full force and effect with the other provisions of this Option.

4. **Restrictions on Transfer of Option** . Your rights under this Award Agreement may not be sold, pledged, or otherwise transferred except pursuant to Section 6.7(a) of the Plan or with the prior written consent of the Committee.

5. **Designation of Beneficiary** . Notwithstanding anything to the contrary contained herein or in the Plan, following the execution of this Award Agreement, you may expressly designate a death beneficiary (the " Beneficiary ") to your interest if any, in this Option and any underlying Shares. You may designate the Beneficiary by completing and executing a designation of beneficiary agreement substantially in the form attached hereto as Exhibit B (the " Designation of Death Beneficiary ") and delivering an executed copy of the Designation of Beneficiary to the Company's General Counsel. To the extent you do not duly designate a beneficiary who survives you, your estate will automatically be your beneficiary.

6. **Resale Restrictions on Shares** . During the three-year period following the Grant Date, you will not have the right to sell or otherwise dispose of any Shares that you receive through exercise of this Option; provided that the foregoing resale restriction will lapse in full on the first to occur of your death, your Total and Permanent Disability, or termination of your employment by the Company Without Cause or by you for Good Reason. Otherwise, the resale restrictions imposed hereunder will lapse only as to one-third (1/3) of the Total Number of Shares Subject to Award on the first anniversary of the Grant Date, and as to the remaining two-thirds (2/3) of such Shares in equal one-twelfth (1/12) installments of the Total Number of Shares Subject to Award for each calendar quarter that ends after the first anniversary of the Grant Date, subject to your being in the continuous employment or service of the Company through the scheduled date for lapse of these resale restrictions. To the extent a lapse has not occurred, the resale restrictions hereunder will remain in effect for the full three-year period following the Grant Date. Each certificate representing any such Shares (or if uncertificated by notation to the depositary agency) shall be legended to reflect these resale restrictions.

7. **Taxes** . Except to the extent otherwise specifically provided in your employment agreement, you acknowledge by signing this Award Agreement that you will be solely responsible for the satisfaction of any taxes (including taxes arising under Code Sections 409A regarding deferred compensation, or 4999 regarding golden parachute excise taxes) that may arise pursuant to this Option, its exercise, or your sale of Shares purchased through this Option, and that neither the Company nor the Administrator will have any obligation whatsoever to pay such taxes or to otherwise indemnify or hold you harmless from any or all of such taxes. The Committee will have the sole discretion to interpret the requirements of the Code, including Section 409A, for purposes of the Plan and this Award Agreement.

8. **Notices** . Any notice or communication required or permitted by any provision of this Award Agreement to be given to a party hereunder will be in writing and will be delivered electronically, personally, or sent by postage prepaid certified mail, return receipt requested, addressed to such party at the address on the signature page hereof. Each party may, from time to time, by notice to the other party hereto, specify a new address for delivery of notices relating to this Award Agreement. Any such notice will be deemed to be given as of the date such notice is personally or electronically delivered or properly mailed.

9. **Binding Effect** . Except as otherwise provided in this Award Agreement or in the Plan, every covenant, term, and provision of this Award Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors, transferees, and assigns.

10. **Modifications** . This Award Agreement may be modified or amended only through a written agreement between you and the Company, and only in accordance with Section 8 of the Plan.

11. **Headings** . Section and other headings contained in this Award Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope or intent of this Award Agreement or any provision hereof.

12. **Severability** . Every provision of this Award Agreement and of the Plan is intended to be severable. If any term hereof is illegal or invalid for any reason, such illegality or invalidity will not affect the validity or legality of the remaining terms of this Award Agreement.

13. **Counterparts** . This Award Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

14. **Plan Governs** . By signing this Award Agreement, you acknowledge that you have received a copy of the Plan and that your Award Agreement is subject to all the provisions contained in the Plan, the provisions of which are made a part of this Award Agreement and your Option is subject to all interpretations, amendments, rules and regulations which from time to time may be promulgated and adopted pursuant to the Plan. In the event of a conflict between the provisions of this Award Agreement and those of the Plan, the provisions of the Plan will control.

15. **Investment Purposes** . By executing this Award Agreement, you represent and warrant that any Shares issued to you pursuant to your Options will be held for investment purposes only for your own account, and not with a view to, for resale in connection with, or with an intent

in participating directly or indirectly in, any distribution of such Shares within the meaning of the Securities Act of 1933, as amended.

16. **Not a Contract of Employment** . By executing this Award Agreement, you acknowledge and agree that (i) any person who is terminated before full vesting of an Award, such as the one granted to you by this Award Agreement, could claim that he or she was terminated to preclude vesting; (ii) you promise never to make such a claim; (iii) nothing in this Award Agreement or the Plan confers on you any right to continue an employment, service or consulting relationship with the Company, nor will it affect in any way your right or the Company's right to terminate your employment, service, or consulting relationship at any time, with or without Cause; and (iv) the Company would not have granted this Option to you but for these acknowledgements and agreements.

17. **Securities Law Restrictions** . Regardless of whether the offering and sale of Shares through the Plan have been registered under the Securities Act of 1933, as amended (the " Securities Act "), or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act or the securities laws of any state or any other law or to enforce the intent of this Option.

18. **Governing Law** . The laws of the State of Delaware will govern the validity of this Award Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties hereto, as well as the relationship of the parties hereto, all without regard to conflict of laws principles thereof.

BY YOUR SIGNATURE BELOW, along with the signature of the Company's representative, you and the Company agree that this Option is awarded under and governed by the terms and conditions of this Award Agreement and the Plan.

AUTOBYTEL INC.
18872 MacArthur Blvd., Suite 200
Irvine, CA 92612

By: /s/ Glenn E. Fuller
Glenn E. Fuller
Executive Vice President, Chief Legal and
Administrative Officer and Secretary

PARTICIPANT

The undersigned Participant hereby accepts the terms of this Award Agreement and the Plan.

/s/ Jeffrey H. Coats
Jeffrey H. Coats

Exhibit A

AUTOBYTEL INC.
Amended and Restated 2001 Restricted Stock and Option Plan

Form of Exercise of Employee Stock Option Award Agreement

TO: Autobytel Inc.

Attention: General Counsel

Dear Sir or Madam:

The undersigned elects to exercise his/her Incentive Stock Options to purchase _____ shares of Common Stock of Autobytel Inc. (the " Company ") under and pursuant to a Stock Option Agreement dated as of _____.

1. ☐ Delivered herewith is a certified or bank cashier's or teller's check and/or shares of Common Stock held by the undersigned for at least six months*, valued at the closing sale price of the stock on the business day prior to the date of exercise, as follows:

$_____ in cash or by certified, bank cashier's or teller's check
$_____ in the form of ____ shares of Common Stock, valued at $_____ per share
$ **Total**

2. ☐ Delivered herewith are irrevocable instructions to a broker approved by the Company to deliver promptly to the Company the amount of sale or loan proceeds to pay the exercise price.**

If method 1 is chosen, the name or names to be on the stock certificate or certificates and the address and Social Security Number of such person(s) is as follows:

Name:

Address:

Social Security Number

Very truly yours,

_____
Date Optionee

*The Committee may waive the six months' requirement in its discretion.
**The Committee must approve this method in writing before your election

Exhibit B

AUTOBYTEL INC.
Amended and Restated 2001 Restricted Stock and Option Plan

Designation of Death Beneficiary

In connection with the Awards designated below that I have received pursuant to the Autobytel Inc. Amended and Restated 2001 Restricted Stock and Option Plan (the "Plan"), I hereby designate the person specified below as the beneficiary upon my death of my interest in such Awards. This designation will remain in effect until revoked in writing by me.

Name of Beneficiary:

Address:

Social Security No.:

This beneficiary designation relates to any and all of my rights under the following Award or Awards:

☐ any Award that I have received or ever receive under the Plan.

☐ the Stock Option Award that I received pursuant to an award agreement dated _____ __, ____ between myself and the Company.

I understand that this designation operates to entitle the above named beneficiary, in the event of my death, to any and all of my rights under the Award(s) designated above from the date this form is delivered to the Company until such date as this designation is revoked in writing by me, including by delivery to the Company of a written designation of beneficiary executed by me on a later date.

Date:

By:
Name of Participant

Sworn to before me this
____day of _____, 200_
_____
Notary Public
County of _____
State of _____

EXHIBIT 10.94

AUTOBYTEL INC.
2004 RESTRICTED STOCK AND OPTION PLAN

Stock Option Award Agreement

You are hereby awarded this stock option (" Option ") to purchase Shares of Autobytel Inc. (the " Company "), subject to the terms and conditions set forth in this Stock Option Award Agreement (the " Award Agreement ") and in the Autobytel Inc. 2004 Restricted Stock and Option Plan (the " Plan "). You acknowledge that you have been given a copy of the Plan and a prospectus describing the Plan's material terms (with the Plan controlling in the event of any conflicts between them). You should carefully review these documents, and consult with your personal financial advisor, before executing this Award Agreement. Terms beginning with capital letters in this Award Agreement have the meaning defined in this Award Agreement or in the Plan (or if not defined in either of them, as defined in your Amended and Restated Employment Agreement with the Company dated effective as of April 3, 2009).

In order for this Option to be effective and enforceable, you must return an executed original of this Award Agreement to the Company's General Counsel. By executing this Award Agreement, you agree to be bound by all of the Plan's terms and conditions as if they had been set out verbatim below. In addition, you recognize and agree that all determinations, interpretations, or other actions respecting the Plan and this Award Agreement will be made by the Administrator, and will be final, conclusive and binding on all parties, including you, your heirs, and your representatives.

1. Specific Terms . Your Options have the following terms:

Name of Participant:	Jeffrey H. Coats
Type of Option Award:	Non-Incentive Stock Option.
Number of Shares Subject to Award:	500,000
Option Exercise Price:	$0.35 per Share.
Grant Date:	April 3, 2009.
Vesting:	0% on Grant Date. 100% on the earlier of (i) the first anniversary of the Grant Date if your continuous service has not ended beforehand, (ii) termination of your employment by the Company Without Cause or by you for Good Reason. The vesting of your Option will not accelerate upon or as a result of a Change in Control.
Expiration Date:	10 years after Grant Date (at 5:00 p.m. Pacific Time on the Expiration Date).

2. Manner of Exercise . This Option will be exercised in the manner set forth in the Plan, using the exercise form attached hereto as Exhibit A . The number of Shares that may be purchased through exercise of this Award is cumulative; that is, if you fail to exercise the Option for all of the Shares vested hereunder during any period set forth above, then any remaining Shares that are not purchased during such period may be purchased through exercise of this Option during any subsequent period, until the expiration or termination of this Option pursuant to the terms and conditions of this Award Agreement and of the Plan. Fractional Shares may not be purchased.

3. Termination of Employment . Section 6.12 of the Plan will govern the effect of your termination of employment on this Option, subject to the following modifications which will control over Plan Section 6.12 to the extent of any conflict or ambiguity:

(a) in the event of termination of your employment by the Company Without Cause or by you for Good Reason, this Option shall vest and become immediately exercisable and you will have the right to exercise this Option for a period of two (2) years following the date on which your employment terminates, but in no event will this Option be exercisable later than the Expiration Date determined pursuant to Section 1 above;

(b) in the event your employment terminates due to your resignation without Good Reason within one (1) year following the Grant Date, your Option will immediately terminate, and after such one (1) year period will otherwise terminate at the end of the first day after the date on which you provide notice of your resignation without Good Reason, but in no event will this Option be exercisable later than the Expiration Date determined pursuant to Section 1 above;

(c) in the event your death triggers application of Section 6.12(a) of the Plan, the six-month extended exercise period to which it refers will be increased to 12 months, but in no event will this Option be exercisable later than the Expiration Date determined pursuant to Section 1 above;

(d) in the event of your termination of employment for "Cause" within the meaning of Section 6.12(c) of the Plan, the provisions

of Section 6.12(c) will apply, and the Company will have the additional right, only within the thirty-day period after your employment terminates, to repurchase (for a price equal to the exercise price you paid per Share) any Shares that you have received pursuant to the exercise of this Option;

(e) this Option will be canceled and become automatically null and void to the extent it has not vested on or before your termination of employment for any reason; and

(f) the terms of Section 6.12 of the Plan, as modified herein for this Option, shall survive a Change in Control, and remain in full force and effect with the other provisions of this Option.

4. **Restrictions on Transfer of Option** . Your rights under this Award Agreement may not be sold, pledged, or otherwise transferred except pursuant to Section 6.7(a) of the Plan or with the prior written consent of the Committee.

5. **Designation of Beneficiary** . Notwithstanding anything to the contrary contained herein or in the Plan, following the execution of this Award Agreement, you may expressly designate a death beneficiary (the " Beneficiary ") to your interest if any, in this Option and any underlying Shares. You may designate the Beneficiary by completing and executing a designation of beneficiary agreement substantially in the form attached hereto as Exhibit B (the " Designation of Death Beneficiary ") and delivering an executed copy of the Designation of Beneficiary to the Company's General Counsel. To the extent you do not duly designate a beneficiary who survives you, your estate will automatically be your beneficiary.

6. **Resale Restrictions on Shares** . During the three-year period following the Grant Date, you will not have the right to sell or otherwise dispose of any Shares that you receive through exercise of this Option; provided that the foregoing resale restriction will lapse in full on the first to occur of your death, your Total and Permanent Disability, or termination of your employment by the Company Without Cause or by you for Good Reason. Otherwise, the resale restrictions imposed hereunder will lapse only as to one-third (1/3) of the Total Number of Shares Subject to Award on the first anniversary of the Grant Date, and as to the remaining two-thirds (2/3) of such Shares in equal one-twelfth (1/12) installments of the Total Number of Shares Subject to Award for each calendar quarter that ends after the first anniversary of the Grant Date, subject to your being in the continuous employment or service of the Company through the scheduled date for lapse of these resale restrictions. To the extent a lapse has not occurred, the resale restrictions hereunder will remain in effect for the full three-year period following the Grant Date. Each certificate representing any such Shares (or if uncertificated by notation to the depositary agency) shall be legended to reflect these resale restrictions.

7. **Taxes** . Except to the extent otherwise specifically provided in your employment agreement, you acknowledge by signing this Award Agreement that you will be solely responsible for the satisfaction of any taxes (including taxes arising under Code Sections 409A regarding deferred compensation, or 4999 regarding golden parachute excise taxes) that may arise pursuant to this Option, its exercise, or your sale of Shares purchased through this Option, and that neither the Company nor the Administrator will have any obligation whatsoever to pay such taxes or to otherwise indemnify or hold you harmless from any or all of such taxes. The Committee will have the sole discretion to interpret the requirements of the Code, including Section 409A, for purposes of the Plan and this Award Agreement.

8. **Notices** . Any notice or communication required or permitted by any provision of this Award Agreement to be given to a party hereunder will be in writing and will be delivered electronically, personally, or sent by postage prepaid certified mail, return receipt requested, addressed to such party at the address on the signature page hereof. Each party may, from time to time, by notice to the other party hereto, specify a new address for delivery of notices relating to this Award Agreement. Any such notice will be deemed to be given as of the date such notice is personally or electronically delivered or properly mailed.

9. **Binding Effect** . Except as otherwise provided in this Award Agreement or in the Plan, every covenant, term, and provision of this Award Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors, transferees, and assigns.

10. **Modifications** . This Award Agreement may be modified or amended only through a written agreement between you and the Company, and only in accordance with Section 8 of the Plan.

11. **Headings** . Section and other headings contained in this Award Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope or intent of this Award Agreement or any provision hereof.

12. **Severability** . Every provision of this Award Agreement and of the Plan is intended to be severable. If any term hereof is illegal or invalid for any reason, such illegality or invalidity will not affect the validity or legality of the remaining terms of this Award Agreement.

13. **Counterparts** . This Award Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

14. **Plan Governs** . By signing this Award Agreement, you acknowledge that you have received a copy of the Plan and that your Award Agreement is subject to all the provisions contained in the Plan, the provisions of which are made a part of this Award Agreement and your Option is subject to all interpretations, amendments, rules and regulations which from time to time may be promulgated and adopted pursuant to the Plan. In the event of a conflict between the provisions of this Award Agreement and those of the Plan, the provisions of the Plan will control.

15. **Investment Purposes** . By executing this Award Agreement, you represent and warrant that any Shares issued to you pursuant to your Options will be held for investment purposes only for your own account, and not with a view to, for resale in connection with, or with an intent

in participating directly or indirectly in, any distribution of such Shares within the meaning of the Securities Act of 1933, as amended.

16. **Not a Contract of Employment** . By executing this Award Agreement, you acknowledge and agree that (i) any person who is terminated before full vesting of an Award, such as the one granted to you by this Award Agreement, could claim that he or she was terminated to preclude vesting; (ii) you promise never to make such a claim; (iii) nothing in this Award Agreement or the Plan confers on you any right to continue an employment, service or consulting relationship with the Company, nor will it affect in any way your right or the Company's right to terminate your employment, service, or consulting relationship at any time, with or without Cause; and (iv) the Company would not have granted this Option to you but for these acknowledgements and agreements.

17. **Securities Law Restrictions** . Regardless of whether the offering and sale of Shares through the Plan have been registered under the Securities Act of 1933, as amended (the " Securities Act "), or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act or the securities laws of any state or any other law or to enforce the intent of this Option.

18. **Governing Law** . The laws of the State of Delaware will govern the validity of this Award Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties hereto, as well as the relationship of the parties hereto, all without regard to conflict of laws principles thereof.

BY YOUR SIGNATURE BELOW, along with the signature of the Company's representative, you and the Company agree that this Option is awarded under and governed by the terms and conditions of this Award Agreement and the Plan.

AUTOBYTEL INC.
18872 MacArthur Blvd., Suite 200
Irvine, CA 92612

By: /s/ Glenn E. Fuller
Glenn E. Fuller
Executive Vice President, Chief Legal and
Administrative Officer and Secretary

PARTICIPANT
The undersigned Participant hereby accepts the terms of this Award Agreement and the Plan.

/s/ Jeffrey H. Coats
Jeffrey H. Coats

Exhibit A

AUTOBYTEL INC.
2004 RESTRICTED STOCK AND OPTION PLAN

Form of Exercise of Employee Stock Option Award Agreement

TO: Autobytel Inc.

Attention: General Counsel

Dear Sir or Madam:

The undersigned elects to exercise his/her Incentive Stock Options to purchase _____ shares of Common Stock of Autobytel Inc. (the " Company ") under and pursuant to a Stock Option Agreement dated as of _____.

1. ☐ Delivered herewith is a certified or bank cashier's or teller's check and/or shares of Common Stock held by the undersigned for at least six months*, valued at the closing sale price of the stock on the business day prior to the date of exercise, as follows:

$_____ in cash or by certified, bank cashier's or teller's check
$_____ in the form of ____ shares of Common Stock valued at $_____ per share
$ **Total**

2. ☐ Delivered herewith are irrevocable instructions to a broker approved by the Company to deliver promptly to the Company the amount of sale or loan proceeds to pay the exercise price.**

If method 1 is chosen, the name or names to be on the stock certificate or certificates and the address and Social Security Number of such person(s) is as follows:

Name:

Address:

Social Security Number

Very truly yours,

_____
Date Optionee

*The Committee may waive the six months' requirement in its discretion.
**The Committee must approve this method in writing before your election

Exhibit B

AUTOBYTEL INC.
2004 RESTRICTED STOCK AND OPTION PLAN

Designation of Death Beneficiary

In connection with the Awards designated below that I have received pursuant to the Autobytel Inc. 2004 Restricted Stock and Option Plan (the "Plan"), I hereby designate the person specified below as the beneficiary upon my death of my interest in such Awards. This designation will remain in effect until revoked in writing by me.

Name of Beneficiary:

Address:

Social Security No.:

This beneficiary designation relates to any and all of my rights under the following Award or Awards:

☐ any Award that I have received or ever receive under the Plan.

☐ the Stock Option Award that I received pursuant to an award agreement dated _____ __, ____ between myself and the Company.

I understand that this designation operates to entitle the above named beneficiary, in the event of my death, to any and all of my rights under the Award(s) designated above from the date this form is delivered to the Company until such date as this designation is revoked in writing by me, including by delivery to the Company of a written designation of beneficiary executed by me on a later date.

Date:

By:
Name of Participant

Sworn to before me this
____day of _____, 200_
_____
Notary Public
County of_____
State of _____

EXHIBIT 31.1

CERTIFICATION

I, Jeffrey H. Coats, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Autobytel Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's independent registered accountants and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2009

/s/ Jeffrey H. Coats

Jeffrey H. Coats
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Curtis E. DeWalt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Autobytel Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's independent registered accountants and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2009

/s/ Curtis E. DeWalt

Curtis E. DeWalt,
Senior Vice President and
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Autobytel Inc. (the " *Company* ") on Form 10-Q for the period ended June 30, 2009 (the " *Report* "), we, Jeffrey H. Coats, President and Chief Executive Officer of the Company, and Curtis E. DeWalt, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Jeffrey H. Coats
Jeffrey H. Coats
President and Chief Executive Officer
July 24, 2009

/s/ Curtis E. DeWalt
Curtis E. DeWalt
Senior Vice President and
Chief Financial Officer
July 24, 2009

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to Autobytel Inc. and will be retained by Autobytel Inc. and furnished to the Securities and Exchange Commission or its staff upon request.