AUTOBYTEL INC

FORM 10-Q
(Quarterly Report)

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

Form 10-Q

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2015
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 1-34761

Autobytel Inc.

(Exact name of registrant as specified in its charter)

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

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§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 [X] 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 Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [X]	Non-accelerated filer [ ] (Do not check if a smaller reporting company)	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 [X]

As of August 3, 2015, there were 10,499,719 shares of the Registrant's Common Stock, $0.001 par value, outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

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

	June 30, 2015	December 31, 2014*
Assets		
Current assets:		
Cash and cash equivalents	$ 15,975	$ 20,747
Accounts receivable, net of allowances for bad debts and customer credits of $872 and $770 at June 30, 2015 and December 31, 2014, respectively	27,420	18,311
Deferred tax asset	4,878	5,498
Prepaid expenses and other current assets	3,076	811
Total current assets	51,349	45,367
Property and equipment, net	2,333	1,904
Investments	3,880	3,880
Intangible assets, net	13,669	4,173
Goodwill	32,108	20,948
Long-term deferred tax asset	23,602	27,396
Other assets	1,030	1,081
Total assets	$ 127,971	$ 104,749
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 10,289	$ 7,685
Accrued expenses and other current liabilities	8,934	9,495
Convertible note payable	—	5,000
Total current liabilities	19,223	22,180
Convertible note payable	1,000	1,000
Term loan payable	20,625	6,750
Borrowings under revolving credit facility	8,000	5,250
Other non-current liabilities	37	311
Total liabilities	48,885	35,491
Commitments and contingencies		—
Stockholders' equity:		
Preferred stock, $0.001 par value; 11,445,187 shares authorized; none outstanding	—	—
Common stock, $0.001 par value; 55,000,000 shares authorized and 10,499,719 and 8,880,377 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively	10	9
Additional paid-in capital	316,372	308,190
Accumulated deficit	(237,296)	(238,941)
Total stockholders' equity	79,086	69,258
Total liabilities and stockholders' equity	$ 127,971	$ 104,749

* Amounts were derived from audited financial statements

See accompanying notes to unaudited consolidated condensed financial statements.

AUTOBYTEL INC.
UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Amounts in thousands, except per-share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenues:				
Lead fees	$ 27,854	$ 24,835	$ 52,022	$ 50,848
Advertising	2,036	764	3,635	1,437
Other revenues	497	314	973	588
Total revenues	30,387	25,913	56,630	52,873
Cost of revenues	18,617	15,597	34,762	32,472
Gross profit	11,770	10,316	21,868	20,401
Operating expenses:				
Sales and marketing	3,736	3,725	7,320	7,742
Technology support	2,546	1,993	4,377	3,917
General and administrative	3,208	2,716	6,254	5,738
Depreciation and amortization	604	455	1,089	889
Litigation settlements	(25)	(25)	(50)	(93)
Total operating expenses	10,069	8,864	18,990	18,193
Operating income	1,701	1,452	2,878	2,208
Interest and other income (expense), net	(183)	(175)	(330)	(341)
Income before income tax provision	1,518	1,277	2,548	1,867
Income tax provision	647	476	903	696
Net income and comprehensive income	$ 871	$ 801	$ 1,645	$ 1,171
Basic earnings per common share	$ 0.09	$ 0.09	$ 0.17	$ 0.13
Diluted earnings per common share	$ 0.08	$ 0.08	$ 0.16	$ 0.11

See accompanying notes to unaudited consolidated condensed financial statements.

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

	Six Months Ended June 30, 2015	2014
Cash flows from operating activities:		
Net income	$ 1,645	$ 1,171
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,354	1,075
Provision for bad debts	146	116
Provision for customer credits	252	448
Share-based compensation	1,205	655
Change in deferred tax asset	4,414	566
Changes in assets and liabilities:		
Accounts receivable	(195)	(491)
Prepaid expenses and other current assets	(1,897)	182
Other assets	(3,667)	(558)
Accounts payable	2,604	1,063
Accrued expenses and other current liabilities	(3,137)	(1,199)
Non-current liabilities	(261)	(225)
Net cash provided by operating activities	2,463	2,803
Cash flows from investing activities:		
Purchases of property and equipment	(809)	(547)
Purchase of Dealix/Autotegrity	(25,011)	—
Purchase of AutoUSA	—	(10,044)
Net cash used in investing activities	(25,820)	(10,591)
Cash flows from financing activities:		
Borrowings under credit facility	2,750	1,000
Borrowings under term loan	15,000	9,000
Payments on term loan borrowings	(1,125)	(1,125)
Proceeds from exercise of stock options	113	501
Proceeds from exercise of warrant	1,860	—
Payment of contingent fee arrangement	(13)	(38)
Net cash provided by financing activities	18,585	9,338
Net (decrease) increase in cash and cash equivalents	(4,772)	1,550
Cash and cash equivalents, beginning of period	20,747	18,930
Cash and cash equivalents, end of period	$ 15,975	$ 20,480
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 189	$ 168
Cash paid for interest	$ 370	$ 242

See accompanying notes to unaudited consolidated condensed financial statements.

AUTOBYTEL INC.
NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. Organization and Operations

Autobytel Inc. (" **Autobytel** " or the " **Company** ") is an automotive marketing services company that assists automotive retail dealers (" **Dealers** ") and automotive manufacturers (" **Manufacturers** ") market and sell new and used vehicles through the Company's programs for online lead referrals (" **Leads** "), Dealer marketing products and services, online advertising programs and mobile products.

The Company's consumer-facing automotive websites (" **Company Websites** "), including its flagship website Autobytel.com®, provide consumers with information and tools to aid them with their automotive purchase decisions and the ability to submit inquiries requesting Dealers to contact the consumers regarding purchasing or leasing vehicles (" **Vehicle Leads** "). For consumers who may not be able to secure loans through conventional lending sources, the Company Websites provide these consumers the ability to submit inquiries requesting Dealers or other lenders that may offer vehicle financing to these consumers to contact the consumers regarding vehicle financing (" **Finance Leads** "). The Company's mission for consumers is to be "Your Lifetime Automotive Advisor®" by engaging consumers throughout the entire lifecycle of their automotive needs.

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 Capital Market under the symbol ABTL.

On May 21, 2015 (" **Dealix/Autotegrity Acquisition Date** "), Autobytel and CDK Global, LLC, a Delaware limited liability company (" **CDK** "), entered into and consummated a Stock Purchase Agreement in which Autobytel acquired all of the issued and outstanding shares of common stock in Dealix Corporation, a California corporation and subsidiary of CDK, and Autotegrity, Inc., a Delaware corporation and subsidiary of CDK (collectively, " **Dealix/Autotegrity** "). Dealix Corporation provides new and used car Leads to automotive dealerships, Dealer groups and Manufacturers, and Autotegrity, Inc. is a consumer Leads acquisition and analytics business. See Note 4.

On April 27, 2015, Auto Holdings Ltd. (" **Auto Holdings** ") acquired the $5.0 million convertible subordinated promissory note and the warrant to purchase 400,000 shares of Autobytel common stock issued by the Company in September 2010 in connection with Autobytel's acquisition of Cyber Ventures, Inc. and Autotropolis, Inc. (collectively referred to as " **Cyber** "). Concurrent with the acquisition of the Cyber convertible note (" **Cyber Note** ") and warrant (" **Cyber Warrant** "), Auto Holdings converted the Cyber Note and fully exercised the Cyber Warrant at its conversion price of $4.65 per share. Upon conversion of the Cyber Note, Autobytel issued 1,075,268 shares of its common stock and upon exercise of the Cyber Warrant, it issued an additional 400,000 shares of its common stock.

On January 13, 2014 (" **AutoUSA Acquisition Date** "), Autobytel and AutoNation, Inc., a Delaware corporation (" **Seller Parent** "), and AutoNationDirect.com, Inc., a Delaware corporation and subsidiary of Seller Parent (" **Seller** "), entered into and consummated a Membership Interest Purchase Agreement in which Autobytel acquired all of the issued and outstanding membership interests in AutoUSA, LLC, a Delaware limited liability company and a subsidiary of Seller (" **AutoUSA** "). AutoUSA was a competitor to the Company and at the time of the acquisition was a (i) Lead aggregator purchasing internet-generated automotive consumer Leads from third parties and reselling those consumer Leads to automotive vehicle Dealers; and (ii) reseller of third party products and services to automotive Dealers. See Note 4.

2. Basis of Presentation

The accompanying unaudited consolidated condensed financial statements are presented on the same basis as the Company's Annual Report on Form 10-K for the year ended December 31, 2014 (" **2014 Form 10-K** ") filed with the Securities and Exchange Commission (" **SEC** "). Autobytel has made its disclosures in accordance with U.S. generally accepted accounting principles (" **GAAP** ") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation with respect to interim financial statements, have been included. The statements of income and comprehensive income and cash flows for the periods ended June 30, 2015 and 2014 are not necessarily indicative of the results of operations or cash flows expected for the year or any other period. The unaudited consolidated condensed financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto in the 2014 Form 10-K.

3. Recent Accounting Pronouncements

Accounting Standards Codification 225-20 "Income Statement – Extraordinary and Unusual Items." In January 2015, Accounting Standards Update (" **ASU** ") No. 2015-01, "Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items" was issued. This ASU eliminates from GAAP the concept of extraordinary items. Preparers will not have to assess whether a particular event is extraordinary. However, presentation and disclosure guidance for items that are unusual in nature or occur infrequently will be retained and will be expanded to include items that are both unusual and infrequently occurring. The amendments in this ASU are effective for fiscal years, and interim periods with those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively. A reporting entity also may apply the amendments retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided the guidance is applied from the beginning of the fiscal year of adoption. The Company has not yet selected a transition method nor has it determined the effect of the standard on the ongoing financial reporting.

Accounting Standards Codification 810 "Consolidation." In February 2015, ASU No. 2015-02, "Amendments to the Consolidation Analysis" was issued. This ASU was issued to respond to stakeholders' concerns about current accounting for consolidation of certain legal entities. The amendments in the ASU (i) modify the evaluation of whether limited partnerships and similar legal entities are variable interest entities or voting interest entities, (ii) eliminate the presumption that a general partner should consolidate a limited partnership, (iii) affect the consolidation analysis of reporting entities that are involved with variable interest entities, particularly those that have fee arrangements and related party relationships and (iv) provide a scope exception from consolidation guidance for reporting entities with interests in legal entities that are required to comply with or operate in accordance with requirements that are similar to those in Rule 2a-7 of the Investment Company Act of 1940 for registered money market funds. The amendments in this ASU are effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. The Company has yet to determine if this ASU will be material to the consolidated financial statements.

Accounting Standards Codification 606 "Revenue from Contracts with Customers." In May 2014, ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" was issued. This ASU requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective on January 1, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. In April 2015, the FASB proposed deferring the effective date to December 15, 2017 and permitting early adoptions of the standard, but not before the original effective date of December 15, 2016. This update permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect this guidance will have on the consolidated financial statements and related disclosures.

4. Acquisition

Acquisition of Dealix/Autotegrity

On the Dealix/Autotegrity Acquisition Date, Autobytel acquired all of the issued and outstanding shares of common stock in Dealix/Autotegrity. Dealix Corporation provides new and used car leads to automotive dealerships, Dealer groups and Manufacturers, and Autotegrity, Inc. is a consumer leads acquisition and analytics business. The Company acquired Dealix/Autotegrity to further expand its reach and influence in the industry by increasing its Dealer network.

The Dealix/Autotegrity Acquisition Date fair value of the consideration transferred totaled $25.0 million in cash (plus a working capital adjustment of $11,000).

The following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed as of the Dealix/Autotegrity Acquisition Date. Because the transaction was completed during the second quarter of 2015, the Company has not yet finalized the fair values of the assets and liabilities assumed in connection with the acquisition.

	(in thousands)
Net identifiable assets acquired:	
Total tangible assets acquired	$ 9,664
Total liabilities assumed	2,488
Net identifiable assets acquired	7,176
Definite-lived intangible assets acquired	8,195
Indefinite-lived intangible assets acquired	2,200
Goodwill	7,440
	$ 25,011

The preliminary fair value of the acquired intangible assets was determined using the below valuation approaches. In estimating the fair value of the acquired intangible assets, the Company utilized the valuation methodology determined to be most appropriate for the individual intangible asset being valued as described below. The acquired intangible assets include the following:

	Valuation Method	**Estimated Fair Value**	**Estimated Useful Life (1)**
		(in thousands)	***(years)***
Non-compete agreement – from CDK	Discounted cash flow (2)	$ 500	2
Non-compete agreement – key employee	Discounted cash flow (2)	40	1
Customer relationships	Excess of earnings (3)	7,020	10
Trademark/trade names - Autotegrity	Relief from Royalty (4)	120	3
Trademark/trade names – UsedCars.com	Relief from Royalty (4)	2,200	Indefinite
Developed technology	Cost Approach (5)	515	3
Total purchased intangible assets		$ 10,395	

(1) Determination of the estimated useful lives of the individual categories of purchased intangible assets was based on the nature of the applicable intangible asset and the expected future cash flows to be derived from such intangible asset. Amortization of intangible assets with definite lives are recognized over the shorter of the respective lives of the agreement or the period of time the assets are expected to contribute to future cash flows.

(2) The non-compete agreement fair values were derived by calculating the difference between the present value of the Company's forecasted cash flows with the agreement in place and without the agreement in place.

(3) The excess of earnings method estimates a purchased intangible asset's value based on the present value of the prospective net cash flows (or excess earnings) attributable to it. The value attributed to these intangibles was based on projected net cash inflows from existing contracts or relationships.

(4) The relief from royalty method is an earnings approach which assesses the royalty savings an entity realizes since it owns the asset and isn't required to pay a third party a license fee for its use.

(5) The cost approach estimates the cost required to repurchase or reproduce the intangible assets. The method takes into account technological and economic obsolescence of the technology.

Some of the more significant estimates and assumptions inherent in the estimate of the fair value of the identifiable purchased intangible assets include all assumptions associated with forecasting cash flows and profitability. The primary assumptions used for the determination of the preliminary fair value of the purchased intangible assets were generally based upon the discounted present value of anticipated cash flows. Estimated years of projected earnings generally follow the range of estimated remaining useful lives for each intangible asset class.

The goodwill recognized of $7.4 million was attributable primarily to expected synergies and the assembled workforce of Dealix/Autotegrity. The Company incurred approximately $0.9 million of acquisition-related costs related to the Dealix/Autotegrity acquisition in the six months ended June 30, 2015, all of which were expensed. As of June 30, 2015, the Company had $2.0 million due from CDK related to revenue collected by CDK from Dealers on behalf of the Company after the Dealix/Autoegrity Acquisition Date and not yet remitted to Autobytel. This amount is recorded as an other current asset and was subsequently received by the Company in July 2015.

The following unaudited pro forma information presents the consolidated results of the Company and Dealix/Autotegrity for the three and six months ended June 30, 2014 and June 30, 2015, with adjustments to give effect to pro forma events that are directly attributable to the acquisition and have a continuing impact, but excludes the impact of pro forma events that are directly attributable to the acquisition and are one-time occurrences. The unaudited pro forma information is presented for illustrative purposes only and is not necessarily indicative of the results of operations of future periods, the results of operations that actually would have been realized had the entities been a single company during the periods presented or the results of operations that the combined company will experience after the acquisition. The unaudited pro forma information does not give effect to the potential impact of current financial conditions, regulatory matters or any anticipated synergies, operating efficiencies or cost savings that may be associated with the acquisition. The unaudited pro forma information also does not include any integration costs or remaining future transaction costs that the companies may incur as a result of the acquisition and combining the operations of the companies.

The unaudited pro forma consolidated results of operations, assuming the acquisition had occurred on January 1, 2014, are as follows:

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
		(in thousands)		
Unaudited pro forma consolidated results:				
Revenue	$ 36,802	$ 39,856	$ 74,728	$ 81,925
Net income	$ 1,442	$ 921	$ 3,320	$ 6,968

Acquisition of AutoUSA

On the AutoUSA Acquisition Date, Autobytel acquired all of the issued and outstanding membership interests in AutoUSA. The Company acquired AutoUSA to expand its reach and influence in the industry by increasing its Dealer network.

The AutoUSA Acquisition Date fair value of the consideration transferred totaled $11.9 million, which consisted of the following:

		(in thousands)
Cash (including a working capital adjustment of $44)	$	10,044
Convertible subordinated promissory note		1,300
Warrant to purchase 69,930 shares of Company common stock		510
	$	11,854

As part of the consideration paid for the acquisition, the Company issued a convertible subordinated promissory note for $1.0 million (" **AutoUSA Note** ") to the Seller. The fair value of the AutoUSA Note as of the AutoUSA Acquisition Date was $1.3 million. This valuation was estimated using a binomial option pricing method. Key assumptions used by the Company's outside valuation consultants in valuing the AutoUSA Note include a market yield of 1.6% and stock price volatility of 65.0%. As the AutoUSA Note was issued with a substantial premium, the Company recorded the premium as additional paid-in capital. Interest is payable at an annual interest rate of 6% in quarterly installments. The entire outstanding balance of the AutoUSA Note is to be paid in full on January 31, 2019. At any time after January 31, 2017, the holder of the AutoUSA Note may convert all or any part (but in no event in less than 30,600 increments) of the then outstanding and unpaid principal of the AutoUSA Note into fully paid shares of the Company's common stock at a conversion price of $16.34 per share (as adjusted for stock splits, stock dividends, combinations and other similar events). The right to convert the AutoUSA Note into common stock of the Company is accelerated in the event of a change in control of the Company. In the event of default, the entire unpaid balance of the AutoUSA Note will become immediately due and payable and will bear interest at the lower of 8% per year and the highest legal rate permissible under applicable law.

The warrant to purchase 69,930 shares of Company common stock issued in connection with the acquisition (" **AutoUSA Warrant** ") was valued as of the AutoUSA Acquisition Date at $7.35 per share for a total value of $0.5 million. The Company used an option pricing model to determine the value of the AutoUSA Warrant. Key assumptions used by the Company's outside valuation consultants in valuing the AutoUSA Warrant are as follows: risk-free rate of 1.6%, stock price volatility of 65.0% and a term of 5.0 years. The AutoUSA Warrant was valued based on long-term stock price volatilities of the Company. The exercise price of the AutoUSA Warrant is $14.30 per share (as adjusted for stock splits, stock dividends, combinations and other similar events). The AutoUSA Warrant becomes exercisable on the third anniversary of the issuance date and expires on the fifth anniversary of the issuance date. The right to exercise the AutoUSA Warrant is accelerated in the event of a change in control of the Company.

The following table summarizes the fair values of the assets acquired and liabilities assumed:

		(in thousands)
Net identifiable assets acquired	$	758
Definite-lived intangible assets acquired		3,750
Goodwill		7,346
	$	11,854

The fair value of the acquired intangible assets was determined using the below valuation approaches. In estimating the fair value of the acquired intangible assets, the Company utilized the valuation methodology determined to be most appropriate for the individual intangible asset being valued as described below. The acquired intangible assets include the following:

	Valuation Method	Estimated Fair Value *(in thousands)*	Estimated Useful Life (1) *(years)*
Non-compete agreement	Discounted cash flow (2)	$ 90	2
Customer relationships	Excess of earnings (3)	2,660	5
Trademark/trade names	Relief from Royalty (4)	1,000	5
Total purchased intangible assets		$ 3,750	

(1) Determination of the estimated useful lives of the individual categories of purchased intangible assets was based on the nature of the applicable intangible asset and the expected future cash flows to be derived from such intangible asset. Amortization of intangible assets with definite lives are recognized over the shorter of the respective lives of the agreement or the period of time the assets are expected to contribute to future cash flows.

(2) The non-compete agreement fair value was derived by calculating the difference between the present value of the Company's forecasted cash flows with the agreement in place and without the agreement in place.

(3) The excess of earnings method estimates a purchased intangible asset's value based on the present value of the prospective net cash flows (or excess earnings) attributable to it. The value attributed to these intangibles was based on projected net cash inflows from existing contracts or relationships.

(4) The relief from royalty method is an earnings approach which assesses the royalty savings an entity realizes since it owns the asset and isn’t required to pay a third party a license fee for its use.

Some of the more significant estimates and assumptions inherent in the estimate of the fair value of the identifiable purchased intangible assets include all assumptions associated with forecasting cash flows and profitability. The primary assumptions used for the determination of the preliminary fair value of the purchased intangible assets were generally based upon the discounted present value of anticipated cash flows. Estimated years of projected earnings generally follow the range of estimated remaining useful lives for each intangible asset class.

The goodwill recognized of $7.3 million was attributable primarily to expected synergies and the assembled workforce of AutoUSA. The full amount is expected to be amortizable for income tax purposes.

The Company incurred approximately $1.1 million of acquisition-related costs related to AutoUSA in 2014, all of which were expensed.

5. Computation of Basic and Diluted Net Earnings Per Share

Basic net earnings per share is computed using the weighted average number of common shares outstanding during the period, excluding any unvested restricted stock. Diluted net earnings 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 and if-converted methods, during the period. Potential common shares consist of common shares issuable upon the exercise of stock options, common shares issuable upon the exercise of warrants, common shares issuable upon conversion of convertible notes and unvested restricted stock. The following are the share amounts utilized to compute the basic and diluted net earnings per share for the three and six months ended June 30, 2015 and 2014:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Basic Shares:				
Weighted average common shares outstanding	10,017,204	9,000,202	9,451,967	8,964,500
Weighted average unvested restricted stock	(93,407)	—	(46,961)	—
Basic Shares	9,923,797	9,000,202	9,405,006	8,964,500
Diluted Shares:				
Basic shares	9,923,797	9,000,202	9,405,006	8,964,500
Weighted average dilutive securities	1,133,317	2,270,593	1,013,759	2,348,322
Diluted Shares	11,057,114	11,270,795	10,418,765	11,312,822

For the three months ended June 30, 2015, weighted average dilutive securities included dilutive options, restricted stock awards and the AutoUSA Warrant. For the six months ended June 30, 2015, weighted average dilutive securities included dilutive options and restricted stock awards. For the three and six months ended June 30, 2014, weighted average dilutive securities included dilutive options and the Cyber Warrant and Cyber Note.

For the three and six months ended June 30, 2015, 1.4 million and 1.5 million of potentially anti-dilutive shares of common stock have been excluded from the calculation of diluted net earnings per share, respectively. For the three and six months ended June 30, 2014, 1.1 million and 1.0 million of potentially anti-dilutive shares of common stock have been excluded from the calculation of diluted net earnings per share, respectively.

On June 7, 2012, the Company announced that its board of directors had authorized the Company to repurchase up to $2.0 million of Company common stock, and on September 17, 2014 the Company announced that the board of directors had approved the repurchase of up to an additional $1.0 million of Company common stock. The authorization may be increased or otherwise modified, renewed, suspended or terminated by the Company at any time, without prior notice. The Company may repurchase common stock from time to time on the open market or in private transactions. Shares repurchased under this program have been retired and returned to the status of authorized and unissued shares. The Company funded repurchases and anticipates that the Company would fund future repurchases through the use of available cash. The repurchase authorization does not obligate the Company to repurchase any particular number of shares. The timing and actual number of repurchases of additional shares, if any, under the Company's stock repurchase program will depend upon a variety of factors, including price, market conditions, release of quarterly and annual earnings and other legal, regulatory and corporate considerations at the Company's sole discretion. The impact of repurchases on the Company's Tax Benefit Preservation Plan and on the Company's use of its net operating loss carryovers and other tax attributes if the Company were to experience an "ownership change," as defined in Section 382 of the Internal Revenue Code, is also a factor that the Company considers in connection with share repurchases. No shares were repurchased in the three and six months ended June 30, 2015 and June 30, 2014, respectively.

Warrants. On September 17, 2010 (" **Cyber Acquisition Date** "), the Company acquired substantially all of the assets of Cyber. In connection with the acquisition of Cyber, the Company issued to the sellers the Cyber Warrant. The Cyber Warrant was valued at $3.15 per share on the Cyber Acquisition Date using an option pricing model with the following key assumptions: risk-free rate of 2.3%, stock price volatility of 77.5% and a term of 8.04 years. The Cyber Warrant was valued based on historical stock price volatilities of the Company and comparable public companies as of the Cyber Acquisition Date. The exercise price of the Cyber Warrant was $4.65 per share (as adjusted for stock splits, stock dividends, combinations and other similar events). The Cyber Warrant was acquired by Auto Holdings and exercised on April 27, 2015, as discussed in Note 1. Upon exercise of the Cyber Warrant, the Company issued 400,000 shares of Company Common stock and received approximately $1.9 million in cash.

The AutoUSA Warrant issued in connection with the acquisition described in Note 4 was valued at $7.35 per share for a total value of $0.5 million. The Company used an option pricing model to determine the value of the AutoUSA Warrant. Key assumptions used in valuing the AutoUSA Warrant are as follows: risk-free rate of 1.6%, stock price volatility of 65.0% and a term of 5.0 years. The AutoUSA Warrant was valued based on long-term stock price volatilities of the Company. The exercise price of the AutoUSA Warrant is $14.30 per share (as adjusted for stock splits, stock dividends, combinations and other similar events). The AutoUSA Warrant becomes exercisable on the third anniversary of the issuance date and expires on the fifth anniversary of the issuance date. The right to exercise the AutoUSA Warrant is accelerated in the event of a change in control of the Company.

6. Share-Based Compensation

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(in thousands)			
Share-based compensation expense:				
Cost of revenues	$ 38	$ 17	$ 63	$ 34
Sales and marketing	146	142	287	251
Technology support	153	68	227	125
General and administrative [1]	217	142	634	246
Share-based compensation costs	554	369	1,211	656
Amount capitalized to internal use software	2	1	6	1
Total share-based compensation costs	$ 552	$ 368	$ 1,205	$ 655

[1] Certain awards were modified in accordance with the Company's former Chief Financial Officer's consulting agreement and their vesting accelerated in accordance with the terms of the applicable option agreements. The total expense related to these modifications and acceleration of vested awards was approximately $0.2 million in the three months ended March 31, 2015.

Service-Based Options. The Company granted the following service-based options for the three and six months ended June 30, 2015 and 2014:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Number of service-based options granted	269,500	—	584,550	401,750
Weighted average grant date fair value	$ 6.75	$ —	$ 5.62	$ 7.46
Weighted average exercise price	$ 14.60	$ —	$ 12.24	$ 16.47

These options are valued using a Black-Scholes option pricing model and generally vest one-third on the first anniversary of the grant date and ratably over twenty-four months thereafter. The vesting of these awards is contingent upon the employee's continued employment with the Company during the vesting period.

Performance-based Options. During the six months ended June 30, 2014, the Company granted 40,000 performance-based inducement stock options in connection with the acquisition of AutoUSA (" **2014 AutoUSA Inducement Options** "), with a weighted average grant date fair value of $6.08, using a Black-Scholes option pricing model, and weighted average exercise price of $13.62. The 2014 AutoUSA Inducement Options are subject to two vesting requirements and conditions: (i) level of achievement of performance goals based on revenue and gross margin of the Company's retail dealer services group and (ii) service-based vesting. Based on the performance of the Company's retail dealer services group for 2014, all 40,000 of the 2014 AutoUSA Inducement Options were awarded under the performance vesting conditions, with one-third vesting on January 21, 2015 and the remainder vesting ratably over twenty-four months from that date thereafter. No performance options were granted during the three and six months ended June 30, 2015.

Market Condition Options. In 2009, the Company granted 213,650 stock options to substantially all employees with an exercise price of $1.75 and grant date fair value of $0.97, using a Black-Scholes option pricing model. One-third of these options cliff vested on the first anniversary following the grant date and the remaining two-thirds vesting ratably over twenty-four months thereafter. In addition, the remaining two-thirds of the awards were subject to satisfaction of market price conditions for the Company's common stock, which conditions have been satisfied. During the three months ended March 31, 2015 no market condition options were exercised. During the three and six months ended June 30, 2014, 5,000 and 15,793 of these market condition stock options were exercised, respectively. No market conditions options were exercised in the three and six months ended June 30, 2015.

Stock option exercises . The following stock options were exercised (inclusive of the market condition options exercised above) for the three and six months ended June 30, 2015 and 2014:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Number of stock options exercised	18,821	45,393	19,074	118,996
Weighted average exercise price	$ 5.90	$ 4.11	$ 5.92	$ 4.20

The grant date fair value of 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,	
	2015	2014	2015	2014
Dividend yield	—	—	—	—
Volatility	57%	—	56%	56%
Risk-free interest rate	1.3%	—	1.3%	1.3%
Expected life (years)	4.4	—	4.4	4.3

Restricted Stock Awards. The Company granted an aggregate of 125,000 restricted stock awards (" **RSAs** ") during the three months ended June 30, 2015. The RSAs were granted on April 23, 2015 in connection with the promotion of one of its executive officers. Of the 125,000 RSAs, 25,000 were service-based and the forfeiture restrictions lapse with respect to one-third of the restricted stock on each of the first, second and third anniversaries of the date of the award. This executive officer was also awarded 100,000 shares of the Company's common stock in the form of performance-based restricted stock. The shares are subject to forfeiture upon the earlier of (such earliest date being referred to as the " **Termination Date** ") (i) a termination of the executive officer's employment with the Company; (ii) March 31, 2018; and (iii) other events of forfeiture set forth in the award agreement, subject to the following: (i) the forfeiture restrictions with respect to 50,000 of the restricted shares will lapse if any time prior to the Termination Date the weighted average closing price of the Company's common stock for the preceding 30 trading days is at or above $30.00 per share, and (ii) the forfeiture restrictions with respect to any of the restricted shares that remain subject to forfeiture restrictions will lapse if any time prior to the Termination Date the weighted average closing price of the Company's common stock for the preceding 30 trading days is at or above $45.00 per share. None of the forfeiture restrictions had lapsed during the three months ended June 30, 2015.

7. Investments

The Company's investments at June 30, 2015 and December 31, 2014 consisted primarily of investments in privately-held SaleMove, Inc., a Delaware corporation (" **SaleMove** "), and privately-held AutoWeb, Inc., a Delaware corporation (" **AutoWeb** "). The investments in SaleMove and AutoWeb are recorded at cost. Although there is no established market for these investments, the Company evaluated the investments for impairment by comparing them to an estimated fair value and determined that no impairment existed. To determine the estimated fair value for the investment in SaleMove, the Company analyzed the discounted future cash flows of Autobytel's sales of SaleMove products. To determine the estimated fair value for the investment in AutoWeb, the Company analyzed participants in the Series B round of financing in November 2014. These fair value measurements are based on significant inputs not observable in the market and represent a Level 3 measurement.

The following table presents the Company's activity for 2015:

Description	**Note receivable-current**	**Investments**
	(in thousands)	
Balance at December 31, 2014	$ 150	$ 3,880
Total gains or (losses) (realized or unrealized)	—	—
Purchases	—	—
Sales	—	—
Transfers	—	—
Balance at June 30, 2015	$ 150	$ 3,880

In September 2013, the Company entered into a Contribution Agreement with AutoWeb pursuant to which Autobytel contributed to AutoWeb $2.5 million and assigned to AutoWeb all the ownership interests in the autoweb.com domain name and two registered trademarks related to the AutoWeb name and related goodwill in exchange for 8,000 shares of AutoWeb Series A Preferred Stock, $0.01 par value per share. The 8,000 shares of AutoWeb Series A Preferred Stock represented 16% of all issued and outstanding common stock of AutoWeb as of September 18, 2013, assuming conversion of the Series A Preferred Stock into AutoWeb common stock as of this date. The Company also obtained an option to acquire an additional 5,000 shares of AutoWeb Series A Preferred Stock at a per share exercise price of $500.00, which option expires September 18, 2015. In connection with this investment, the Company also entered into arrangements with AutoWeb to use the AutoWeb pay-per-click, auction-driven automotive marketplace technology platform as both a publisher and as an advertiser. Upon the occurrence of a liquidation event (i.e., (i) a liquidation, dissolution or winding up of AutoWeb; a consolidation or merger where AutoWeb is not the surviving entity; a consolidation or merger where AutoWeb is the surviving entity and either (1) the rights of the Series A Preferred Stock are changed, or (2) the Series A Preferred Stock is exchanged for cash, securities or property; or (ii) a sale or transfer of all or substantially all

of AutoWeb's assets), the Series A Preferred Stock is entitled to a liquidation preference of the greater of (i) $1,000 per share (subject to adjustments for stock splits, stock dividends, combinations and recapitalizations); and (ii) the amount that would be distributed with respect to AutoWeb's common stock, assuming full conversion of the Series A Preferred Stock into common stock. In November 2014, the Company entered into a Series B Preferred Stock Purchase Agreement with AutoWeb pursuant to which the Company paid $880,394 in exchange for 1,076 shares of AutoWeb Series B Preferred Stock, $0.01 par value per share. The investments in AutoWeb are recorded at cost because the Company does not have significant influence over AutoWeb.

In September 2013, the Company entered into a Convertible Note Purchase Agreement in which Autobytel invested $150,000 in SaleMove in the form of a convertible promissory note. The convertible promissory note accrues interest at an annual rate of 6.0% and is due and payable in full on September 1, 2015 unless converted prior to such maturity date. The convertible note will be converted into preferred stock of SaleMove in the event of a preferred stock financing by SaleMove of at least $1.0 million prior to the maturity date of the convertible note. The $150,000 convertible note is classified as an other current asset on the consolidated balance sheet as of June 30, 2015. In October 2013, the Company entered into an agreement with SaleMove to become the exclusive provider to the automotive industry of SaleMove's technology for enhancing communications with consumers. SaleMove's patent-pending technology allows Dealers and Manufacturers to enhance the online shopping experience by interacting with consumers in real-time, including live video, audio and text-based chat or by phone. The Company and SaleMove will equally share in revenues from automotive-related sales of the SaleMove products and services. In connection with this reseller arrangement, the Company advanced to SaleMove $1.0 million to fund SaleMove's fifty percent share of various product development, marketing and sales costs and expenses, with the advanced funds to be recovered by the Company from SaleMove's share of sales revenue. As of December 31, 2014 and 2013, $1.0 million and $0.2 million had been advanced to SaleMove, respectively. The balance of the advances on the consolidated balance sheet as of June 30, 2015 is $906,000 and is classified as an other long-term asset. In November 2014, the Company invested an additional $400,000 in SaleMove in the form of a convertible promissory note. The convertible promissory note accrues interest at an annual rate of 6.0% and is due and payable in full on November 18, 2016 unless converted prior to the maturity date. The convertible note will be converted into preferred stock of SaleMove in the event of a preferred stock financing by SaleMove of at least $1.0 million prior to the maturity date of the convertible note. The $400,000 convertible note is classified as an investment on the consolidated balance sheet as of June 30, 2015.

In December 2014, the Company entered into a Series Seed Preferred Stock Purchase Agreement with GoMoto, Inc. (" **GoMoto** ") in which Autobytel paid $100,000 for 317,460 shares of Series Seed Preferred Stock, $0.001 par value per share. GoMoto provides interactive digital solutions for Dealer showroomss and service centers. The investment in GoMoto was recorded at cost because the Company does not have significant influence over GoMoto.

8. Selected Balance Sheet Accounts

Property and Equipment . Property and equipment consists of the following:

	June 30, 2015	December 31, 2014
	(in thousands)	
Computer software and hardware and capitalized internal use software	$ 13,821	$ 12,990
Furniture and equipment	1,289	1,271
Leasehold improvements	957	957
	16,067	15,218
Less – Accumulated depreciation and amortization	(13,734)	(13,314)
Property and equipment, net	$ 2,333	$ 1,904

The Company periodically reviews long-lived assets to determine if there are any impairment indicators. 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 the Company's 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 the 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 and accounts receivable. Cash and cash equivalents are primarily maintained with two high credit quality financial institutions in the United States. Deposits held by banks exceed the amount of insurance provided for such deposits. These deposits may be redeemed upon demand.

Accounts receivable are primarily derived from fees billed to Dealers and 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, particularly with Urban Science Applications (which represents Acura, Audi, Honda, Nissan, Infiniti, Mercedes Benz, Smart, Subaru, Toyota, Volkswagen and Volvo), General Motors and Ford Direct. During the first six months of 2015, approximately 29% of the Company's total revenues was derived from these three customers, and approximately 37%, or $10.3 million of gross accounts receivables, related to these three customers at June 30, 2015.

During the first six months of 2014, approximately 28% of the Company's total revenues was derived from General Motors, Urban Science Applications and Trilogy, Inc., and approximately 39%, or $6.9 million of gross accounts receivables, related to these three customers at June 30, 2014.

Intangible Assets. The Company amortizes specifically identified intangible assets using the straight-line method over the estimated useful lives of the assets. In connection with the acquisitions of Cyber, Advanced Mobile, AutoUSA and Dealix/Autotegrity, the Company identified $20.1 million of intangible assets. The Company's intangible assets will be amortized over the following estimated useful lives:

		June 30, 2015			December 31, 2014		
Intangible Asset	**Estimated Useful Life**	**Gross**	**Accumulated Amortization**	**Net**	**Gross**	**Accumulated Amortization**	**Net**
				(in thousands)			
Trademarks/trade names/licenses/domains	5 years - Indefinite	$ 8,894	$ (5,794)	$ 3,100	$ 6,574	$ (5,594)	$ 980
Software and publications	3 years	1,300	(1,300)	—	1,300	(1,300)	—
Customer relationships	2-10 years	12,093	(3,177)	8,916	5,074	(2,696)	2,378
Employment/non-compete agreements	5 years	1,240	(616)	624	700	(500)	200
Developed technology	1-5 years	1,335	(306)	1,029	820	(205)	615
		$ 24,862	$ (11,193)	$ 13,669	$ 14,468	$ (10,295)	$ 4,173

Amortization expense for the remainder of the year and for the next five years is as follows:

Year	Amortization Expense
	(in thousands)
2015	$ 1,232
2016	2,123
2017	1,937
2018	1,663
2019	732
2020 and thereafter	3,782
	$ 11,469

Goodwill. Goodwill represents the excess of the purchase price over the fair value of net assets acquired. Goodwill is not amortized and is assessed annually for impairment or earlier, when events or circumstances indicate that the carrying value of such assets may not be recoverable. The Company did not record impairment related to goodwill as of June 30, 2015 and December 31, 2014.

As of June 30, 2015, goodwill consisted of the following (in thousands):

Goodwill as of December 31, 2014	$ 20,948
Current year activity	11,160
Goodwill as of June 30, 2015	$ 32,108

In connection with the Dealix/Autotegrity stock acquisition in Note 4 above, the Company recorded net deferred tax liabilities of $3.7 million and adjusted goodwill by $3.7 million in the quarter ended June 30, 2015.

Accrued Expenses and Other Current Liabilities . Accrued expenses and other current liabilities consisted of the following:

	June 30, 2015	December 31, 2014
	(in thousands)	
Compensation and related costs	$ 2,245	$ 5,149
Professional fees and other accrued expenses	5,375	3,383
Amounts due to customers	341	267
Other current liabilities	973	696
Total accrued expenses and other current liabilities	$ 8,934	$ 9,495

Convertible notes payable . In connection with the acquisition of Cyber, the Company issued the Cyber Note to the sellers. The fair value of the Cyber Note as of the Cyber Acquisition Date was $5.9 million. This valuation was estimated using a binomial option pricing method. Key assumptions used by the Company's outside valuation consultants in valuing the Cyber Note included a market yield of 15.0% and stock price volatility of 77.5%. As the Cyber Note was issued with a substantial premium, the Company recorded the premium as additional paid-in capital. Interest is payable at an annual interest rate of 6% in quarterly installments. The Cyber Note was acquired by Auto Holdings and was converted by them on April 27, 2015, as discussed in Note 1. Upon conversion of the Cyber Note, the Company issued 1,075,268 shares of Company common stock and removed the liability from the Consolidated Balance Sheet.

In connection with the acquisition of AutoUSA, the Company issued the AutoUSA Note to the Seller. The fair value of the AutoUSA Note as of the AutoUSA Acquisition Date was $1.3 million. This valuation was estimated using a binomial option pricing method. Key assumptions used by the Company's outside valuation consultants in valuing the AutoUSA Note include a market yield of 1.6% and stock price volatility of 65.0%. As the AutoUSA Note was issued with a substantial premium, the Company recorded the premium as additional paid-in capital. Interest is payable at an annual interest rate of 6% in quarterly installments. The entire outstanding balance of the AutoUSA Note is to be paid in full on January 31, 2019. At any time after January 31, 2017, the holder of the AutoUSA Note may convert all or any part (but in no event in less than 30,600 increments) of the then outstanding and unpaid principal of the AutoUSA Note into fully paid shares of the Company's common stock at a conversion price of $16.34 per share (as adjusted for stock splits, stock dividends, combinations and other similar events). The right to convert the AutoUSA Note into common stock of the Company is accelerated in the event of a change in control of the Company. In the event of default, the entire unpaid balance of the AutoUSA Note will become immediately due and payable and will bear interest at the lower of 8% per year and the highest legal rate permissible under applicable law.

9. Credit Facility

On May 20, 2015, the Company entered into a Third Amendment to Loan Agreement (" **Credit Facility Amendment** ") with MUFG Union Bank, N.A., formerly Union Bank, N.A. (" **Union Bank** "), amending the Company's existing Loan Agreement with Union Bank initially entered into on February 26, 2013, as amended on September 10, 2013 and January 13, 2014 (the existing Loan Agreement, as amended to date, is referred to collectively as the " **Credit Facility Agreement** "). The Credit Facility Agreement provided for a $9.0 million term loan (" **Term Loan 1** "). The Credit Facility Amendment provides for (i) a new $15.0 million term loan (" **Term Loan 2** "); (ii) the amendment of certain financial covenants in the Credit Facility Agreement; and (iii) amendments to the Company's existing $8.0 million working capital revolving line of credit (" **Revolving Loan** ").

Term Loan 2 is amortized over a period of five years, with fixed quarterly principal payments of $750,000. Borrowings under Term Loan 2 bear interest at either (i) the London Interbank Offering Rate (" **LIBOR** ") plus 3.00% or (ii) the bank's Reference Rate (prime rate), at the option of the Company. Borrowings under the Revolving Loan bear interest at either (i) the LIBOR plus 2.50% or (ii) the bank's Reference Rate (prime rate) minus 0.50%, at the option of the Company. Interest under both Term Loan 2 and the Revolving Loan adjust (i) at the end of each LIBOR rate period (1, 2, 3, 6 or 12 months terms) selected by the Company, if the LIBOR rate is selected; or (ii) with changes in Union Bank's Reference Rate, if the Reference Rate is selected. The Company paid an upfront fee of .10% of the Term Loan 2 principal amount upon drawing upon Term Loan 2 and also pays a commitment fee of 0.10% per year on the unused portion of the Revolving Loan, payable quarterly in arrears. Borrowings under Term Loan 2 and the Revolving Loan are secured by a first priority security interest on all of the Company's personal property (including, but not limited to, accounts receivable) and proceeds thereof. Term Loan 2 matures June 30, 2020, and the maturity date of the Revolving Loan was extended from March 31, 2017 to April 30, 2018. Borrowings under the Revolving Loan may be used as a source to finance working capital, capital expenditures, acquisitions and stock buybacks and for other general corporate purposes. Borrowing under Term Loan 2 was limited to use for the acquisition of Dealix/Autotegrity, and the Company drew down the entire $15.0 million of Term Loan 2, together with $2.75 million under the Revolving Loan and $6.76 million from available cash on hand, in financing this acquisition. The outstanding balances of Term Loan 2 and the Revolving Loan as of June 30, 2015 were $15.0 million and $8.0 million, respectively.

Term Loan 1 is amortized over a period of four years, with fixed quarterly principal payments of $562,500. Borrowings under Term Loan 1 bear interest at either (i) the bank's Reference Rate (prime rate) minus 0.50% or (ii) the LIBOR plus 2.50%, at the option of the Company. Interest under Term Loan 1 adjusts (i) at the end of each LIBOR rate period (1, 2, 3, 6 or 12 months terms) selected by the Company, if the LIBOR rate is selected; or (ii) with changes in Union Bank's Reference Rate, if the Reference Rate is selected. Borrowings under Term Loan 1 are secured by a first priority security interest on all of the Company's personal property (including, but not limited to, accounts receivable) and proceeds thereof. Term Loan 1 matures on December 31, 2017. Borrowing under Term Loan 1 was limited to use for the acquisition of AutoUSA, and the Company drew down the entire $9.0 million of Term Loan 1, together with $1.0 million under the Revolving Loan, in financing this acquisition. The outstanding balance of Term Loan 1 as of June 30, 2015 was $5.6 million.

The Credit Facility Agreement contains certain customary affirmative and negative covenants and restrictive and financial covenants, including that the Company maintain specified levels of minimum consolidated liquidity and quarterly and annual earnings before interest, taxes and depreciation and amortization, which the Company was in compliance with as of June 30, 2015.

10. 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 in the event of a termination of employment by the Company without cause or by the employee for good reason.

Litigation

From time to time, the Company may be involved in 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.

11. Income Taxes

On an interim basis, the Company estimates what its anticipated annual effective tax rate will be and records a quarterly income tax provision in accordance with the estimated annual rate, plus the tax effect of certain discrete items that arise during the quarter. As the fiscal year progresses, the Company refines its estimates based on actual events and financial results during the year. This process can result in significant changes to the Company's estimated effective tax rate. When this occurs, the income tax provision is adjusted during the quarter in which the estimates are refined so that the year-to-date provision reflects the estimated annual effective tax rate. These changes, along with adjustments to the Company's deferred taxes and related valuation allowance, may create fluctuations in the overall effective tax rate from quarter to quarter.

The Company’s effective tax rate for the three and six months ended June 30, 2015 differed from the U.S. federal statutory rate primarily due to unrecognized tax benefits, state income taxes and permanent non-deductible tax items.

The total amount of unrecognized tax benefits, excluding associated interest and penalties, was $0.6 million as of June 30, 2015, of which $0.1 million would impact the effective tax rate if recognized.

The total balance of accrued interest and penalties related to state uncertain tax positions was $14,000 and $28,000 as of June 30, 2015 and December 31, 2014, respectively. The Company recognizes interest and penalties related to state uncertain tax positions as a component of income tax expense, and the accrued interest and penalties are included in deferred and other long-term liabilities in the Company’s condensed consolidated balance sheets. There were no material interest or penalties included in income tax expense for the three and six months ended June 30, 2015 and June 30, 2014.

In connection with the Dealix/Autotegrity stock acquisition, the Company recorded net deferred tax liabilities of $3.7 million, relating primarily to intangible assets that were acquired. As a result, our overall deferred tax asset decreased by $3.7 million for the quarter ended June 30, 2015.

The Company is subject to taxation in the U.S. and in various state jurisdictions. Due to expired statutes of limitation, the Company’s federal income tax returns for years prior to calendar year 2011 are not subject to examination by the U.S. Internal Revenue Service. Generally, for the majority of state jurisdictions where the Company does business, periods prior to calendar year 2010 are no longer subject to examination. The Company is currently under examination by the State of California for the years 2011 and 2012, but does not anticipate any material adjustments. The Company does not anticipate a significant change to the total amount of unrecognized tax benefits within the next twelve months. Audit outcomes and the timing of settlements are subject to significant uncertainty.

12. Subsequent Event

In July 2015, the Company converted the $150,000 and $400,000 Sale Move convertible promissory notes described in Note 7 above upon the preferred stock financing by SaleMove. The promissory notes were converted into 190,997 shares of Series A Preferred Stock, which represented 13.6% of the then current number of SaleMove Series A Preferred shares outstanding.

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 "anticipates," "estimates," "expects," "projects," "intends," "plans," "believes," "will" 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, industry trends, 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 our Annual Report on Form 10-K for the year ended December 31, 2014 (" **2014 Form 10-K** "). 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 unaudited consolidated condensed financial statements and related notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q and our audited consolidated financial statements and the notes thereto in the 2014 Form 10-K.

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 the reports are electronically filed with or furnished to the SEC.

Unless the context otherwise requires, the terms "we", "us", "our", "Autobytel" and "Company" refer to Autobytel Inc. and its consolidated subsidiaries.

Basis of Presentation

The accompanying unaudited consolidated condensed financial statements presented herein are presented on the same basis as the 2014 Form 10-K. We have made disclosures in accordance with U.S. generally accepted accounting principles (" **GAAP** ") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation with respect to interim financial statements, have been included. The statements of income and comprehensive income and cash flows for the periods ended June 30, 2015 and 2014 are not necessarily indicative of the results of operations or cash flows expected for the year or any other period. The unaudited consolidated condensed financial statements should be read in conjunction with the audited consolidated condensed financial statements and the notes thereto in the 2014 Form 10-K.

On May 21, 2015, Autobytel and CDK Global, LLC, A Delaware limited liability company (" **CDK** "), entered into and consummated a Stock Purchase Agreement in which Autobytel acquired all of the issued and outstanding shares of common stock in Dealix Corporation, a California corporation and subsidiary of CDK, and Autotegrity, Inc., a Delaware corporation and subsidiary of CDK (collectively, " **Dealix/Autotegrity** "). Dealix Corporation provides new and used car Leads to automotive dealerships, Dealer groups and Manufacturers, and Autotegrity, Inc. is a consumer Leads acquisition and analytics business.

On April 27, 2015, Auto Holdings Ltd. (“ **Auto Holdings** ”) acquired the $5.0 million convertible subordinated promissory note and the warrant to purchase 400,000 shares of Autobytel common stock issued by the Company in September 2010 in connection with Autobytel’s acquisition of Cyber Ventures, Inc. and Autotropolis, Inc. (collectively referred to as “ **Cyber** ”). Concurrent with the acquisition of the Cyber convertible subordinated promissory note (“ **Cyber Note** ”) and warrant (“ **Cyber Warrant** ”), Auto Holdings converted the Cyber Note and fully exercised the Cyber Warrant at its conversion price of $4.65 per share. Upon conversion of the Cyber Note, Autobytel issued 1,075,268 shares of its common stock and upon exercise of the Cyber Warrant, it issued an additional 400,000 shares of its common stock.

On January 13, 2014 (“ **AutoUSA Acquisition Date** ”), Autobytel and AutoNation, Inc., a Delaware corporation (“ **Seller Parent** ”), and AutoNationDirect.com, Inc., a Delaware corporation and subsidiary of Seller Parent (“ **Seller** ”), entered into and consummated a Membership Interest Purchase Agreement in which Autobytel acquired all of the issued and outstanding membership interests in AutoUSA, LLC, a Delaware limited liability company and a subsidiary of Seller (“ **AutoUSA** ”). AutoUSA was a (i) Lead aggregator purchasing internet-generated automotive consumer Leads from third parties and reselling those consumer Leads to automotive vehicle Dealers; and (ii) reseller of third party products and services to automotive Dealers.

Overview

We are an automotive marketing services company that assists automotive retail dealers (“ **Dealers** ”) and automotive manufacturers (“ **Manufacturers** ”) market and sell new and used vehicles to consumers through our programs for online purchase request referrals (“ **Leads** ”), Dealer marketing products and services, online advertising programs and mobile products. Our consumer-facing automotive websites (“ **Company Websites** ”), including our flagship website Autobytel.com®, provide consumers with information and tools to aid them with their automotive purchase decisions and the ability to submit inquiries requesting Dealers to contact the consumers regarding purchasing or leasing vehicles (“ **Vehicle Leads** ”). For consumers who may not be able to secure loans through conventional lending sources, our Company Websites provide these consumers the ability to submit inquiries requesting Dealers or other lenders that may offer vehicle financing to these consumers to contact the consumers regarding vehicle financing (“ **Finance Leads** ”). The Company’s mission for consumers is to be “Your Lifetime Automotive Advisor"® by engaging consumers throughout the entire lifecycle of their automotive needs.

Lead quality is measured by the conversion of Leads to actual vehicle sales. Leads are internally-generated from our Company Websites (“ **Internally-Generated Leads** ”) or acquired from third parties (“ **Non-Internally-Generated Leads** ”) that generate Leads from their websites (“ **Non-Company Websites** ”). We measure Lead quality by the conversion of Leads to actual vehicle sales, which we refer to as the “buy rate.” Buy rate is the percentage of the consumers submitting Leads that we delivered to our customers represented by the number of these consumers who purchased vehicles within ninety days of the date of the Lead submission. We rely on detailed feedback from Manufacturers and wholesale customers to confirm the performance of our Leads. In addition, in 2011 we began using R.L. Polk & Co., later acquired by IHS, to evaluate the performance quality of all Leads that we send to our customers. Our Manufacturers, wholesale customers and IHS each match the Leads we deliver to our customers against vehicle sales or registration data to provide us with information about vehicle purchases by the consumers who submitted Leads that we delivered to our customers. This information allows us to estimate the buy rates for the consumers who submitted our Internally-Generated Leads and our Non-Internally Generated Leads and based on these estimates, to estimate an industry average buy rate. Based on the most current IHS data (which are provided to us only on an aggregated, non-personally identifiable basis), we have estimated that, on average, consumers who submit Internally-Generated Leads that we deliver to our customers have an estimated buy rate of approximately 18%, which is three times our internal estimate of the industry average buy rate. Buy rates that individual Dealers may achieve can be impacted by factors such as the strength of processes and procedures within the dealership to manage communications and follow up with consumers.

In addition, we report a number of key metrics to our customers, allowing them to gain a better understanding of the revenue opportunities that they may realize from acquiring Leads from us. We can now optimize the mix of Leads we deliver to our Dealers based on multiple sources of quality measurements. Also, by reporting the buying behavior of potential customers, the findings also can help shape improvements to online Lead management; online advertising and dealership sales process training. By providing actionable data, we place considerable intelligence in the hands of our customers.

For the three and six months ended June 30, 2015, our business, results of operations and financial condition were affected, and may continue to be affected in the future, by general economic and market factors, conditions in the automotive industry, the market for Leads and the market for advertising services, including, but not limited to, the following:

- The effect of unemployment on the number of vehicle purchasers;
- Pricing and purchase incentives for vehicles;
- The expectation that consumers will be purchasing fewer vehicles overall during their lifetime as a result of better quality vehicles and longer warranties;
- The impact of gasoline prices on demand for the number and types of vehicles;
- Increases or decreases in the number of retail Dealers or in the number of Manufacturers and other wholesale customers in our customer base;
- Volatility in spending by Manufacturers and others in their marketing budgets and allocations;
- The effect of changes in search engine algorithms and methodologies on our Lead generation and website advertising activities and margins; and
- The competitive impact of consolidation in the online automotive referral industry.

Results of Operations

Three Months Ended June 30, 2015 Compared to the Three Months Ended June 30, 2014

The following table sets forth certain income statement data for the three-month periods ended June 30, 2015 and 2014 (certain amounts may not calculate due to rounding):

	2015	% of total revenues	2014	% of total revenues	$ Change	% Change
	(Dollar amounts in thousands)					
Revenues:						
Lead fees	$ 27,854	92%	$ 24,835	96%	$ 3,019	12%
Advertising	2,036	7	764	3	1,272	166
Other revenues	497	1	314	1	183	58
Total revenues	30,387	100	25,913	100	4,474	17
Cost of revenues	18,617	61	15,597	60	3,020	19
Gross profit	11,770	39	10,316	40	1,454	14
Operating expenses:						
Sales and marketing	3,736	12	3,725	14	11	—
Technology support	2,546	8	1,993	8	553	28
General and administrative	3,208	11	2,716	10	492	18
Depreciation and amortization	604	2	455	2	149	33
Litigation settlements	(25)	—	(25)	—	—	—
Total operating expenses	10,069	33	8,864	34	1,205	14
Operating income	1,701	6	1,452	6	249	17
Interest and other income (expense), net	(183)	(1)	(175)	(1)	(8)	5
Income before income tax provision	1,518	5	1,277	5	241	19
Income tax provision	647	2	476	2	171	36
Net income	$ 871	3%	$ 801	3%	$ 70	9%

Leads. Lead fees revenues increased $3.0 million, or 12%, in the second quarter of 2015 compared to the second quarter of 2014 primarily due to a major automotive Manufacturer significantly increasing Lead volume coupled with revenues generated as a result of the Dealix/Autotegrity acquisition.

Advertising. Advertising revenues increased $1.3 million, or 166%, in the second quarter of 2015 compared to the second quarter of 2014 as a result of increased website traffic and monetization of traffic through our relationship with Jumpstart Automotive Group, as well as increased AutoWeb click revenue.

Other Revenues. Other revenues increased $0.2 million in the second quarter of 2015 compared to the second quarter of 2014 due to increased sales of the Company's mobile products and an increase in revenue associated with SaleMove products.

Cost of Revenues. Cost of revenues consists of purchase request and traffic acquisition costs and other cost of revenues. Purchase request and traffic acquisition costs consist of payments made to our purchase request providers, including internet portals and online automotive information providers. Other cost of revenues consists of search engine marketing (" **SEM** ") and fees paid to third parties for data and content, including search engine optimization (" **SEO** ") activity, included on our websites, connectivity costs, development costs related to our websites, compensation related expense and technology license fees, server equipment depreciation and technology amortization directly related to the Company Websites. SEM, sometimes referred to as paid search marketing, is the practice of bidding on keywords on search engines to drive traffic to a website.

Cost of revenues increased $3.0 million, or 19%, in the second quarter of 2015 compared to the second quarter of 2014 primarily due to a corresponding increase in Lead volume and the Dealix/Autotegrity acquisition.

Sales and Marketing. Sales and marketing expense includes costs for developing our brand equity, personnel costs and other costs associated with Dealer sales, website advertising, Dealer support and bad debt expense. Sales and marketing expense in the second quarter of 2015 remained flat at $3.7 million compared to the second quarter of 2014.

Technology Support. Technology support expense includes compensation, benefits, software licenses and other direct costs incurred by the Company to enhance, manage, maintain, support, monitor and operate the Company's websites and related technologies, and to operate the Company's internal technology infrastructure. Technology support expense in the second quarter of 2015 increased by $0.6 million, or 28%, compared to the second quarter of 2014 due to increased headcount related expenses associated with the Dealix/Autotegrity acquisition.

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 the second quarter of 2015 increased to $3.2 million, or 18% from the second quarter of 2014, due to higher professional fees and headcount-related expenses related to the Dealix/Autotegrity acquisition.

Depreciation and amortization. Depreciation and amortization expense in the second quarter of 2015 increased $0.1 million to $0.6 million compared to the second quarter of 2014 primarily due to the addition of intangible assets related to the acquisition of Dealix/Autotegrity.

Litigation settlements. Payments primarily from 2010 settlements of patent infringement claims against third parties relating to the third parties' methods of Lead delivery for the second quarter of 2015 were $25,000, unchanged from the second quarter of 2014.

Interest and other income (expense), net. Interest and other expense was $0.2 million for both the second quarter of 2015 and 2014. Interest expense increased to $193,000 in the second quarter of 2015 from $181,000 from the second quarter of 2014 primarily due to increased borrowings on our term loans and revolving line of credit offset by decreased interest expense related to the Cyber Note.

Income taxes. Income tax expense was $0.6 million in the second quarter of 2015 compared to income tax expense of $0.5 million in the second quarter of 2014. Income tax expense for the second quarter of 2015 and 2014 differed from the federal statutory rate primarily due to unrecognized tax benefits, state income taxes and permanent non-deductible tax items.

Six Months Ended June 30, 2015 Compared to the Six Months Ended June 30, 2014

The following table sets forth certain income statement data for the six-month periods ended June 30, 2015 and 2014 (certain amounts may not calculate due to rounding):

	2015	% of total revenues	2014	% of total revenues	$ Change	% Change
	(Dollar amounts in thousands)					
Revenues:						
Lead fees	$ 52,022	92%	$ 50,848	96%	$ 1,174	2%
Advertising	3,635	6	1,437	3	2,198	153
Other revenues	973	2	588	1	385	65
Total revenues	56,630	100	52,873	100	3,757	7
Cost of revenues	34,762	61	32,472	61	2,290	7
Gross profit	21,868	39	20,401	39	1,467	7
Operating expenses:						
Sales and marketing	7,320	13	7,742	15	(422)	(5)
Technology support	4,377	8	3,917	7	460	12
General and administrative	6,254	11	5,738	11	516	9
Depreciation and amortization	1,089	2	889	2	200	22
Litigation settlements	(50)	—	(93)	—	43	(46)
Total operating expenses	18,990	34	18,193	34	797	4
Operating income	2,878	5	2,208	4	670	30
Interest and other income (expense), net	(330)	—	(341)	(1)	11	(3)
Income before income tax provision	2,548	5	1,867	3	681	36
Income tax provision	903	2	696	1	207	30
Net income	$ 1,645	3%	$ 1,171	2%	$ 474	40%

Leads. Lead fees revenues increased $1.2 million, or 2%, in the first six months of 2015 compared to the first six months of 2014 primarily due to a major automotive Manufacturer significantly increasing Lead volume coupled with revenues generated as a result of the Dealix/Autotegrity acquisition offset by a decrease in retail new lead volume as a result of churn from AutoUSA Dealers.

Advertising. Advertising revenues increased $2.2 million, or 153%, in the first six months of 2015 compared to the first six months of 2014 as a result of increased website traffic and monetization of traffic through our relationship with Jumpstart Automotive Group, as well as increased AutoWeb click revenue.

Other Revenues. Other revenues increased $0.4 million in the first six months of 2015 compared to the first six months of 2014 due to increased sales of the Company's mobile products and an increase in revenue associated with SaleMove products.

Cost of Revenues. Cost of revenues increased $2.3 million, or 7%, in the first six months of 2015 compared to the first six months of 2014 primarily due to a corresponding increase in Lead volume and the Dealix/Autotegrity acquisition.

Sales and Marketing. Sales and marketing expense in the first six months of 2015 decreased by $0.4 million, or 5%, compared to the first six months of 2014 due principally to reduced headcount related expenses associated with the AutoUSA acquisition.

Technology Support. Technology support expense in the first six months of 2015 increased by $0.5 million, or 12%, compared to the first six months of 2014 due to increased headcount related expenses associated with the Dealix/Autotegrity acquisition.

General and Administrative. General and administrative expense in the first six months of 2015 increased to $6.3 million, or 9% from the first six months of 2014, due to higher professional fees and headcount-related expenses related to the Dealix/Autotegrity acquisition.

Depreciation and amortization. Depreciation and amortization expense in the first six months of 2015 increased $0.2 million to $1.1 million compared to the first six months of 2014 primarily due to the addition of intangible assets related to the acquisition of Dealix/Autotegrity.

Litigation settlements. Payments primarily from 2010 settlements of patent infringement claims against third parties relating to the third parties' methods of Lead delivery for the first six months of 2015 were $50,000.

Interest and other income (expense), net. Interest and other expense was $0.3 million for both the first six months of 2015 and 2014. Interest expense increased to $364,000 in the first six months of 2015 from $353,000 from the first six months of 2014 primarily due to increased borrowings on our term loans and revolving line of credit offset by decreased interest expense related to the Cyber Note.

Income taxes. Income tax expense was $0.9 million in the first six months of 2015 compared to income tax expense of $0.7 million in the first six months of 2014. Income tax expense for the first six months of 2015 and 2014 differed from the federal statutory rate primarily due to unrecognized tax benefits, state income taxes and permanent non-deductible tax items.

Liquidity and Capital Resources

The table below sets forth a summary of our cash flows for the six months ended June 30, 2015 and 2014:

	Six Months Ended June 30,	
	2015	**2014**
	(in thousands)	
Net cash provided by operating activities	$ 2,463	$ 2,803
Net cash used in investing activities	(25,820)	(10,591)
Net cash provided by financing activities	18,585	9,338

Our principal sources of liquidity are our cash and cash equivalents balances. Our cash and cash equivalents totaled $16.0 million as of June 30, 2015 compared to cash and cash equivalents of $20.7 million as of December 31, 2014.

On June 7, 2012, we announced that the board of directors had authorized the Company to repurchase up to $2.0 million of Company common stock, and on September 17, 2014 we announced that the board of directors had approved the repurchase of up to an additional $1.0 million of Company common stock. The authorization may be increased or otherwise modified, renewed, suspended or terminated by the Company at any time, without prior notice. We may repurchase common stock from time to time on the open market or in private transactions. Shares repurchased under this program have been retired and returned to the status of authorized and unissued shares. We funded repurchases and anticipate that we would fund future repurchases through the use of available cash. The repurchase authorization does not obligate us to repurchase any particular number of shares. The timing and actual number of repurchases of additional shares, if any, under our stock repurchase program will depend upon a variety of factors, including price, market conditions, release of quarterly and annual earnings and other legal, regulatory and corporate considerations at our sole discretion. The impact of repurchases on our Tax Benefit Preservation Plan and on our use of net operating loss carryovers and other tax attributes if we were to experience an "ownership change," as defined in Section 382 of the Internal Revenue Code is also a factor that we consider in connection with share repurchases. No shares were repurchased in the three and six months ended June 30, 2015 and 2014, respectively.

Credit Facility and Term Loan . On May 20, 2015, the Company entered into a Third Amendment to Loan Agreement (" **Credit Facility Amendment** ") with MUFG Union Bank, N.A., formerly Union Bank, N.A. (" **Union Bank** "), amending the Company's existing Loan Agreement with Union Bank initially entered into on February 26, 2013, as amended on September 10, 2013 and January 13, 2014 (the existing Loan Agreement, as amended to date, is referred to collectively as the " **Credit Facility Agreement** "). The Credit Facility Agreement provided for a $9.0 million term loan (" **Term Loan 1** "). The Credit Facility Amendment provides for (i) a new $15.0 million term loan (" **Term Loan 2** "); (ii) the amendment of certain financial covenants in the Credit Facility Agreement; and (iii) amendments to the Company's existing $8.0 million working capital revolving line of credit (" **Revolving Loan** ").

Term Loan 2 is amortized over a period of five years, with fixed quarterly principal payments of $750,000. Borrowings under Term Loan 2 bear interest at either (i) the London Interbank Offering Rate (" **LIBOR** ") plus 3.00% or (ii) the bank's Reference Rate (prime rate), at the option of the Company. Borrowings under the Revolving Loan bear interest at either (i) the LIBOR plus 2.50% or (ii) the bank's Reference Rate (prime rate) minus 0.50%, at the option of the Company. Interest under both Term Loan 2 and the Revolving Loan adjust (i) at the end of each LIBOR rate period (1, 2, 3, 6 or 12 months terms) selected by the Company, if the LIBOR rate is selected; or (ii) with changes in Union Bank's Reference Rate, if the Reference Rate is selected. The Company paid an upfront fee of .10% of the Term Loan 2 principal amount upon drawing upon Term Loan 2 and also pays a commitment fee of 0.10% per year on the unused portion of the Revolving Loan, payable quarterly in arrears. Borrowings under Term Loan 2 and the Revolving Loan are secured by a first priority security interest on all of the Company's personal property (including, but not limited to, accounts receivable) and proceeds thereof. Term Loan 2 matures June 30, 2020, and the maturity date of the Revolving Loan was extended from March 31, 2017 to April 30, 2018. Borrowings under the Revolving Loan may be used as a source to finance working capital, capital expenditures, acquisitions and stock buybacks and for other general corporate purposes. Borrowing under Term Loan 2 was limited to use for the acquisition of Dealix/Autotegrity, and the Company drew down the entire $15.0 million of Term Loan 2, together with $2.75 million under the Revolving Loan and $6.76 million from available cash on hand, in financing this acquisition. The outstanding balances of Term Loan 2 and the Revolving Loan as of June 30, 2015 were $15.0 million and $8.0 million, respectively.

Term Loan 1 is amortized over a period of four years, with fixed quarterly principal payments of $562,500. Borrowings under Term Loan 1 bear interest at either (i) the bank's Reference Rate (prime rate) minus 0.50% or (ii) the LIBOR plus 2.50%, at the option of the Company. Interest under Term Loan 1 adjusts (i) at the end of each LIBOR rate period (1, 2, 3, 6 or 12 months terms) selected by the Company, if the LIBOR rate is selected; or (ii) with changes in Union Bank's Reference Rate, if the Reference Rate is selected. Borrowings under Term Loan 1 are secured by a first priority security interest on all of the Company's personal property (including, but not limited to, accounts receivable) and proceeds thereof. Term Loan 1 matures on December 31, 2017. Borrowing under Term Loan 1 was limited to use for the acquisition of AutoUSA, and the Company drew down the entire $9.0 million of Term Loan 1, together with $1.0 million under the Revolving Loan, in financing this acquisition. The outstanding balance of Term Loan 1 as of June 30, 2015 was $5.6 million.

The Credit Facility Agreement contains certain customary affirmative and negative covenants and restrictive and financial covenants, including that the Company maintain specified levels of minimum consolidated liquidity and quarterly and annual earnings before interest, taxes and depreciation and amortization, which the Company was in compliance with as of June 30, 2015.

Net Cash Provided by Operating Activities . Net cash provided by operating activities in the six months ended June 30, 2015 of $2.5 million resulted primarily from net income of $1.6 million, as adjusted for non-cash charges to earnings, offset by cash used to reduce accrued liabilities of $3.1 million primarily related to the payment of annual incentive compensation amounts and severance accrued in 2014 and paid in the first six months of 2015.

Net cash provided by operating activities in the six months ended June 30, 2014 of $2.8 million resulted primarily from net income of $1.2 million, as adjusted for non-cash charges to earnings, in addition to cash used to reduce accrued liabilities of $1.2 million primarily related to the payment of annual incentive compensation amounts and severance accrued in 2013 and paid in the first three months of 2014 offset by a $1.1 million increase in our accounts payable balance related to the timing of payments made.

Net Cash Used in Investing Activities . Net cash used in investing activities was $25.8 million in the six months ended June 30, 2015 which primarily related to the acquisition of Dealix/Autotegrity and purchases of property and equipment.

Net cash used in investing activities was $10.6 million in the six months ended June 30, 2014 and primarily related to the acquisition of AutoUSA.

Net Cash Provided by Financing Activities . Net cash provided by financing activities primarily related to borrowings on our term loans of $15.0 million, borrowings on the Revolving Loan of $2.8 million, proceeds from the exercise of the Cyber Warrant by Auto Holdings of $1.9 million offset by payments of $1.1 million made against the term loan borrowings in the first six months of 2015. In addition, stock options for 19,074 shares of the Company's common stock were exercised in the first six months of 2015 resulting in $0.1 million cash inflow.

Stock options for 118,996 shares of the Company's common stock were exercised in the six months ended June 30, 2014 resulting in $0.5 million cash inflow. We also borrowed $9.0 million and $1.0 million against Term Loan 1 and the Revolving Loan, respectively, to fund the purchase of AutoUSA in the six months ended June 30, 2014. Payments of $1.1 million were made against Term Loan 1 borrowings in the six months ended June 30, 2014.

Off-Balance Sheet Arrangements

At June 30, 2015, we had no off-balance sheet arrangements as defined in Regulation S-K, Item 303(a)(4)(D)(ii).

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

In the ordinary course of business, we are exposed to various market risk factors, including fluctuations in interest rates and changes in general economic conditions. For the three and six months ended June 30, 2015 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 2014 Form 10-K.

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 Exchange Act are (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (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 errors 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 a 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.

PART II. OTHER INFORMATION

Item 6. Exhibits

2.1‡	Asset Purchase Agreement dated as of September 30, 2013 by and among Autobytel Inc., a Delaware corporation, Advanced Mobile, LLC, a Delaware limited liability company, and Advanced Mobile Solutions Worldwide, Inc., a Delaware corporation, which is incorporated herein by reference to Exhibit 99.1 to the Current Report on Form 8-K filed with the SEC on October 3, 2013 (SEC File No. 001-34761)
2.2‡	Membership Interest Purchase Agreement dated as of January 13, 2014 by and among Autobytel Inc., a Delaware corporation, AutoNation, Inc., a Delaware corporation, and AutoNationDirect.com, Inc., a Delaware corporation, which is incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on January 17, 2014 (SEC File No. 001-34761)
2.3‡	Stock Purchase Agreement dated as of May 21, 2015 by and among the Company, CDK Global, LLC, a Delaware limited liability company, Dealix Corporation, a California corporation, and Autotegrity, Inc., a Delaware corporation incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on May 27, 2015 (SEC File No. 001-34761) (“ **May 2015 Form 8-K** ”)
3.1	Fifth Amended and Restated Certificate of Incorporation of Autobytel Inc. (formerly Autobytel.com Inc.) 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, Certificate of Designation of Series A Junior Participating Preferred Stock dated July 30, 2004, and Amended Certificate of Designation of Series A Junior Participating Preferred Stock dated April 24, 2009, which are incorporated herein by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009 filed with the SEC on April 24, 2009 (SEC File No. 000-22239); Fourth Certificate of Amendment to Fifth Amended and Restated Certificate of Incorporation of Autobytel dated July 10, 2012, which is incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on July 12, 2012; and Fifth Certificate of Amendment to Fifth Amended and Restated Certificate of Incorporation of Autobytel dated July 3, 2013, which is incorporated herein by reference to Exhibit 3.3 to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013 filed with the SEC on August 1, 2013 (SEC File No. 001-34761)
3.2	Fourth Amended and Restated Bylaws of Autobytel dated October 30, 2014, which is incorporated herein by reference to Exhibit 3.2 to the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014 filed with the SEC on November 5, 2014 (SEC File No. 001-34761)
4.1	Form of Common Stock Certificate of Autobytel, which is incorporated herein by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2001 filed with the SEC on November 14, 2001 (SEC File No. 000-22239)
4.2	Tax Benefit Preservation Plan dated as of May 26, 2010 between Autobytel and Computershare Trust Company, N.A., as rights agent, together with the following exhibits thereto: Exhibit A – Form of Right Certificate; and Exhibit B – Summary of Rights to Purchase Shares of Preferred Stock of Autobytel Inc., which is incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on June 2, 2010 (SEC File No. 000-22239), as amended by Amendment No. 1 to Tax Benefit Preservation Plan dated as of April 14, 2014, between Autobytel Inc. and Computershare Trust Company, N.A., as rights agent, which is incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on April 16, 2014 (SEC File No. 001-34761)

4.3	Certificate of Adjustment Under Section 11(m) of the Tax Benefit Preservation Plan dated July 12, 2012, which is incorporated by reference to Exhibit 4.3 to the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012 filed with the SEC on November 8, 2012 (SEC File No. 001-34761)
10.1	Third Amendment to Loan Agreement dated as of May 20, 2015 incorporated by reference to Exhibit 10.1 to the May 2015 Form 8-K
10.2	Commercial Promissory Note dated May 20, 2015 ($15,000,000 Term Loan) incorporated by reference to Exhibit 10.2 to the May 2015 Form 8-K
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101.SCH††	XBRL Taxonomy Extension Schema Document
101.CAL††	XBRL Taxonomy Calculation Linkbase Document
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101.PRE††	XBRL Taxonomy Presentation Linkbase Document

* Filed or furnished herewith.

‡ Certain schedules in this Exhibit have been omitted in accordance with Item 601(b)(2) of Regulation S-K. Autobytel will furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request; provided, however, that Autobytel may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedule or exhibit so furnished.

†† Furnished with this report. In accordance with Rule 406T of Regulation S-T, the information in these exhibits shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

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.

AUTOBYTEL INC.

Date: August 6, 2015

By: /s/ Kimberly S. Boren

Kimberly S. Boren
Senior Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

Date: August 6, 2015

By: /s/ Wesley Ozima

Wesley Ozima
Vice President and Controller
(Principal Accounting Officer)

EXHIBIT INDEX

2.1‡	Asset Purchase Agreement dated as of September 30, 2013 by and among Autobytel Inc., a Delaware corporation, Advanced Mobile, LLC, a Delaware limited liability company, and Advanced Mobile Solutions Worldwide, Inc., a Delaware corporation, which is incorporated herein by reference to Exhibit 99.1 to the Current Report on Form 8-K filed with the SEC on October 3, 2013 (SEC File No. 001-34761)
2.2‡	Membership Interest Purchase Agreement dated as of January 13, 2014 by and among Autobytel Inc., a Delaware corporation, AutoNation, Inc., a Delaware corporation, and AutoNationDirect.com, Inc., a Delaware corporation, which is incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on January 17, 2014 (SEC File No. 001-34761)
2.3‡	Stock Purchase Agreement dated as of May 21, 2015 by and among the Company, CDK Global, LLC, a Delaware limited liability company, Dealix Corporation, a California corporation, and Autotegrity, Inc., a Delaware corporation incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on May 27, 2015 (SEC File No. 001-34761) (“ **May 2015 Form 8-K** ”)
3.1	Fifth Amended and Restated Certificate of Incorporation of Autobytel Inc. (formerly Autobytel.com Inc.) 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, Certificate of Designation of Series A Junior Participating Preferred Stock dated July 30, 2004, and Amended Certificate of Designation of Series A Junior Participating Preferred Stock dated April 24, 2009, which are incorporated herein by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009 filed with the SEC on April 24, 2009 (SEC File No. 000-22239); Fourth Certificate of Amendment to Fifth Amended and Restated Certificate of Incorporation of Autobytel dated July 10, 2012, which is incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on July 12, 2012; and Fifth Certificate of Amendment to Fifth Amended and Restated Certificate of Incorporation of Autobytel dated July 3, 2013, which is incorporated herein by reference to Exhibit 3.3 to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013 filed with the SEC on August 1, 2013 (SEC File No. 001-34761)
3.2	Fourth Amended and Restated Bylaws of Autobytel dated October 30, 2014, which is incorporated herein by reference to Exhibit 3.2 to the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014 filed with the SEC on November 5, 2014 (SEC File No. 001-34761)
4.1	Form of Common Stock Certificate of Autobytel, which is incorporated herein by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2001 filed with the SEC on November 14, 2001 (SEC File No. 000-22239)
4.2	Tax Benefit Preservation Plan dated as of May 26, 2010 between Autobytel and Computershare Trust Company, N.A., as rights agent, together with the following exhibits thereto: Exhibit A – Form of Right Certificate; and Exhibit B – Summary of Rights to Purchase Shares of Preferred Stock of Autobytel Inc., which is incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on June 2, 2010 (SEC File No. 000-22239), as amended by Amendment No. 1 to Tax Benefit Preservation Plan dated as of April 14, 2014, between Autobytel Inc. and Computershare Trust Company, N.A., as rights agent, which is incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on April 16, 2014 (SEC File No. 001-34761)
4.3	Certificate of Adjustment Under Section 11(m) of the Tax Benefit Preservation Plan dated July 12, 2012, which is incorporated by reference to Exhibit 4.3 to the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012 filed with the SEC on November 8, 2012 (SEC File No. 001-34761)

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CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement (" **Agreement** ") is entered into effective as of the effective date set forth on the signature page to this Agreement (" **Effective Date** ") by and between Autobytel Inc., a Delaware corporation (" **Company** "), and the individual identified as the consultant on the signature page to this Agreement (" **Consultant** ").

Background

The Company is engaged in the business of providing internet marketing services for the automotive industry. Consultant was formerly employed by the Company as its Senior Vice President, Chief Financial Officer. Consultant's employment with the Company was terminated without cause effective as of March 31, 2015 (" **Employment Termination Date** "). The Company wishes to engage Consultant to provide the transition services described herein on a consulting basis, and in consideration of the covenants and agreements set forth herein, the parties hereto agree as follows.

ARTICLE I
CONSULTING SERVICES

1.1 **Consulting Services** . The Company hereby engages Consultant to perform the transition services (" **Consulting Services** ") set forth on the Consulting Services Schedule attached hereto as Exhibit A (" **Consulting Services Schedule** "), and Consultant hereby accepts the engagement, upon the terms and conditions hereinafter set forth. The parties acknowledge that in deciding to engage Consultant, the Company has relied solely on the experience, expertise and reputation of Consultant. All Consulting Services are to be provided solely by the Consultant and no other employees of or contractors for Consultant.

1.2 **Term** . The engagement of Consultant hereunder shall commence effective as of the Effective Date and shall continue until the first anniversary of the Effective Date (" **Expiration Date** "). This Agreement may be terminated prior to the Expiration Date (i) by Consultant for any reason, with or without cause, upon thirty (30) days prior written notice to Company; or (ii) by either party by reason of a material breach of this Agreement by the other party upon thirty (30) days prior written notice detailing the breach by the breaching party and breaching party fails to cure such breach within thirty (30) days following such written notice. The provisions of Sections 1.5 and Articles III and IV shall survive any termination of this Agreement.

1.3 **Standards of Care and Conduct** . In the performance of the Consulting Services under this Agreement, Consultant shall adhere to those fiduciary standards, ethical practices and standards of care and competence which are customary for professionals rendering consulting and advisory services of the type provided for in this Agreement. In performing the Consulting Services, Consultant shall comply with (i) all applicable laws, rules, regulations and order; (ii) reasonable instructions and directions from the Company; and (iii) the Company's Code of Conduct and other similar policies. Consultant shall avoid engaging in any consulting, employment or other business arrangements with third parties that may constitute or give rise to a conflict of interest with respect to the Company's engagement of Consultant or in the provision of the Consulting Services. Consultant represents and warrants to the Company that Consultant currently does not have any such arrangements that constitute or may give rise to a conflict of interest, and Consultant shall disclose to Company any proposed arrangements that constitute or may give rise to a conflict of interest conflicts of interest prior to entering into any such arrangement. The Company may at its discretion (i) request Consultant to terminate any arrangement that the Company believes does or may constitute a conflict of interest for Consultant in connection with Consultant's engagement by the Company or in the performance of the Consulting Services; or (ii) if Consultant does not terminate such arrangement, terminate this Agreement. Consultant represents and warrants that Consultant's entering into this Agreement and performing the Consulting Services will not conflict with or constitute a breach of any other agreements or obligations Consultant has with or to any third party.

1.4 **Independent Contractor** .

(a) Consultant will perform all Consulting Services as an independent contractor and not as an employee of the Company. Consultant acknowledges and agrees that Consultant is a self-employed independent contractor and that nothing in this Agreement shall be considered to create an employer-employee relationship between the Company and Consultant. Consultant is not eligible to receive and will not receive or participate in any compensation or employee benefit plans or arrangements of any type in which employees of the Company may participate, including but not limited to, any (i) retirement, pension, savings, profit-sharing or other similar plans or arrangements; (ii) any stock option, stock purchase or other equity participation plans or arrangements; (iii) any long-term or short-term bonus or other compensation plans or arrangements; (iv) sick pay, paid non-working holidays, or paid vacations or leave days; (v) overtime; (vi) any life, accident, disability, health or dental insurance or reimbursement plans or arrangements; and (vii) workers' compensation. If Consultant is found, by a court of competent jurisdiction to be an "employee" of the Company, notwithstanding the foregoing, Consultant voluntarily waives any and all rights, if any, to all such compensation or benefits.

(b) As an independent contractor, Consultant is solely responsible for the payment of any and all self-employment taxes and/or assessments imposed on account of the payment of compensation to, or the performance of the Consulting Services by, Consultant pursuant to this Agreement, including, without limitation, any state, federal or foreign unemployment insurance tax, income tax, Social Security (FICA) payments, and disability insurance taxes. The Company shall not, by reason of Consultant's status as an independent contractor and the representations contained herein, make any withholdings or payments of said taxes or assessments with respect to compensation paid Consultant hereunder; provided, however, that if required by law or any governmental agency, the Company shall withhold any such taxes or assessments from the compensation due Consultant, and any such withholding shall be for Consultant's account and shall not be reimbursed by the Company to Consultant. Consultant expressly agrees to treat any compensation earned under this Agreement as self-employment income for federal and state tax purposes, and to make all payments of federal and state income taxes, unemployment insurance taxes, and disability insurance taxes as, when, and to the extent the same may become due and payable with respect to such self-employment compensation earned under this Agreement.

(c) Consultant is not an agent of the Company. Unless otherwise directed by the Company in writing, Consultant is not authorized to (i) waive any right or to incur, assume, or create any debt, obligation, contract, or release of any kind whatsoever in the name or on behalf of the Company or any affiliated entity nor (ii) to hold Consultant out as an employee or agent of the Company or any affiliated entity or to make any statement or representation that Consultant has any such authority.

(d) Consultant shall maintain adequate general liability, errors and omissions and other insurance covering Consultant as required by applicable law, rule or regulation (e.g., workers' compensation).

(e) Consultant represents and warrants to the Company that Consultant is authorized to provide the Consulting Services under applicable laws, rules and regulations.

(f) Consultant shall comply with all applicable laws, rules and regulations in the performance of the Consulting Services, and on request, Consultant shall furnish the Company with appropriate assurances or certificates of compliance.

(e) Consultant shall retain the right to determine the method, details and means of performing the Consulting Services.

1.5 **Indemnification** .

(a) Each party to this Agreement will defend, indemnify and hold harmless the other party and each of its parent company, affiliate companies, officers, directors, employees and agents against and in respect of any loss, debt, liability, damage, obligation, claim, demand, fines, penalties, forfeitures, judgment, or settlement of any nature or kind, known or unknown, liquidated or unliquidated, including without limitation all reasonable costs and expenses incurred (legal, accounting or otherwise) (collectively, " **Damages** ") arising out of, resulting from or based upon any claim, action or proceeding by any third party, including any governmental or regulatory body, alleging facts or circumstances constituting a breach of the obligations, representations or warranties of the indemnifying party set forth in this Agreement.

(b) If a party entitled to indemnification under this Section 1.5 (an " **Indemnified Party** ") makes an indemnification request to the other party, the Indemnified Party shall permit the other party (the " **Indemnifying Party** ") to control the defense and disposition or settlement of the matter at its own expense; provided, however, that the Indemnifying Party may not enter into any settlement thereof with the Indemnified Party's prior written consent (not to be unreasonably withheld or delayed) unless the Indemnified Party is fully and unconditionally released from such claims without any admission of liability and the Indemnified Party is not subject to any injunctive or other equitable relief or other obligations. The Indemnified Party shall be permitted to participate in such defense and represent itself at its own expense with counsel of its own choosing. The Indemnified Party shall notify the Indemnifying Party promptly of any claim for which Indemnifying Party is responsible and shall cooperate with the Indemnifying Party in every commercially reasonable way to facilitate defense of any such claim; provided that the Indemnified Party's failure to notify Indemnifying Party shall not diminish Indemnifying Party's obligations under this Section 1.5 except to the extent that Indemnifying Party is materially prejudiced as a result of such failure.

ARTICLE II
CONSULTING FEES AND EXPENSES

2.1 **Consulting Fees**. In consideration for the performance of the Consulting Services, Consultant shall receive the fees set forth on the Consulting Services Schedule ("**Consulting Fees**").

2.2 **Expenses**. Except as may otherwise be set forth on the Consulting Services Schedule, (i) the Consulting Fees payable to Consultant include any and all costs, fees and expenses which may be incurred by Consultant in its performance of the Consulting Services; and (ii) Consultant shall not be reimbursed for any costs or expenses unless authorized by the Company in writing in advance of Consultant incurring the costs, fees or expenses. As to expenses for which the Company will reimburse Consultant as set forth on the Consulting Services Schedule, the Company shall pay or reimburse Consultant for all reasonable and authorized business expenses incurred by Consultant while engaged under this Agreement so long as said expenses have been incurred for and promote the business of the Company and are normally and customarily incurred by consultants performing similar consulting services in the same or similar market. As a condition to reimbursement under this Section 2.2, Consultant 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. Consultant must submit proper documentation for each such expense within thirty (30) days after the date that Consultant incurs such expense, and the Company will reimburse Consultant for all eligible expenses within thirty (30) days thereafter. Consultant 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.

2.3 **Payments**. Payment of Consulting Fees and approved costs and expenses shall be made on a monthly basis in accordance with the Company's customary accounts payable practice.

2.4 **Reporting**. Concurrently with the execution and delivery of this Agreement, the Consultant has provided Company with a completed IRS Form W-9 for Consultant. The Company will provide Consultant with an IRS Form 1099 each year reflecting the payments made to Consultant under this Agreement.

ARTICLE III
CONFIDENTIALITY AND PROPRIETARY RIGHTS

3.1 **Confidential Information** .

(a) Consultant acknowledges and agrees that the Company has developed and uses and will develop and use Confidential Information and that Consultant will have access to and will participate in the creation or development of Confidential Information in the performance of the Consulting Services. All Confidential Information shall be and remain the sole property of the Company notwithstanding that Consultant may participate in the creation or development of the Confidential Information. For purposes of this Agreement, the term " **Confidential Information** " shall mean all Company business methods, techniques, plans, and know-how; budgets, financing and accounting techniques and projections; advertising, proposals, applications, marketing materials and concepts; customer files and other non-public information regarding customers; methods for developing and maintaining business relationships with customers, suppliers, vendors, and partners; customer and prospect lists; procedure manuals; employees and personnel information.

(b) Consultant shall maintain the confidentiality of the Confidential Information and shall not (i) disclose to any other person or entity Confidential Information in any manner or for any purpose; or (ii) use Confidential Information in any manner or for any purpose which is directly or indirectly in competition with or injurious or adverse to the Company.

(c) Upon termination of this Agreement for any reason, Consultant will promptly surrender to the Company all copies of Confidential Information in Consultant's possession or under Consultant's control, whether any such Confidential Information was prepared by Consultant or by others.

(d) The obligations of Consultant under this Section 3.1 shall continue during the term of this Agreement and for a period of five (5) years after termination of this Agreement; provided that in the case of Confidential Information constituting trades secrets, the obligations shall continue for as long as such Confidential Information remains trade secrets.

3.2 **Ownership of Intellectual Property** .

(a) (i) All Intellectual Property, whether or not patentable or copyrightable, made, conceived, written, developed or first reduced to practice by Consultant, whether solely or jointly with others, during the period of Consultant's engagement by the Company under this Agreement or prior to the Effective Date and which result from the performance of the Consulting Services or similar services performed for the Company or any predecessor company or business, shall be the sole and exclusive property of the Company. To the extent Consultant may retain any interest in any such Intellectual Property by operation of law or otherwise, Consultant hereby irrevocably assigns and transfers to the Company all of Consultant's entire right, title and interest in and to all such Intellectual Property. All copyrights and copyrightable material shall be deemed works for hire, and the Company shall have all right, title and interest in such material, including all moral rights, and shall be the author thereof for all purposes under applicable copyright laws. For purposes of this Agreement, the term " **Intellectual Property** " shall mean all inventions, improvements, discoveries, ideas, designs, software, trademarks, trade names, copyrights and copyrightable subject matter, patents, know-how, mask works, programs, documents, data, trade secrets and Confidential Information.

(ii) Without limiting the generality of the forgoing provisions of this Section 3.2(a), all articles, documents, reports, manuals, programs, software or computer programs and components thereof, and any other deliverables or work products arising from or related to the Consulting Services or similar services or similar services performed for the Company or any predecessor company or business prior to the Effective Date (" **Materials** ") developed or authored by Consultant for the Company under this Agreement or under the provision of similar services performed for the Company or any predecessor company or business prior to the Effective Date, are to be considered Works Made for Hire as that term is defined in Section 101 of the Copyright Act (17 U.S.C. §101) and are and shall be the sole and exclusive property of the Company. Consultant agrees that any and all proprietary rights to the Materials developed hereunder or prior to the Effective Date, including, but not limited to, patent, copyright, trademark and trade secret rights, to the extent they are available, are the sole and exclusive property of the Company, free from any claim or retention of rights thereto on the part of Consultant or any employee or agent of Consultant, as of the Effective Date of this Agreement.

(b) To the extent that any Materials or Intellectual Property developed, authored, created or produced under this Agreement or under the provision of similar services performed for the Company or any predecessor company or business prior to the Effective Date may not be considered Works Made for Hire, or to the extent that Section

3.2(a)(i) or Section 3.2(a)(ii), is declared invalid either in substance or purpose, in whole or in part, Consultant hereby assigns and agrees to irrevocably assign, transfer, grant, convey and relinquish exclusively to the Company, any and all of Consultant's right, title and interest, including ownership of copyright and/or patent rights to any material developed by Consultant under this Agreement or under the provision of similar services performed for the Company or any predecessor company or business prior to the Effective Date without consideration beyond the mutual promises set forth in this Agreement and the payment of fees as provided for by this Agreement. All right, title and interest of every kind and nature, whether now known or unknown, in and to the copyrights, patents, ideas and creations created, written and developed by either Consultant or the Company in the course of providing the Consulting Services under and pursuant to this Agreement or under the provision of similar services performed for the Company or any predecessor company or business prior to the Effective Date, shall be the exclusive property of the Company for any and all purposes and uses, and Consultant shall have no right, title or interest of any kind or nature in or to such material. As part of this Agreement, Consultant agrees to do all things necessary to protect this assignment, including but not limited to, executing an assignment of Consultant's copyright and/or patent interests in the Material and Intellectual Property created, authored and/or developed pursuant to this Agreement or under the provision of similar services performed for the Company or any predecessor company or business prior to the Effective Date.

(c) Consultant represents and warrants that all Materials and Intellectual Property produced under this Agreement or under the provision of similar services performed for the Company or any predecessor company or business prior to the Effective Date were and shall be of original authorship by Consultant or that Consultant has the legal right to convey the entire right, title and interest in such Materials and Intellectual Property as is contemplated by this Agreement. Consultant further represents and warrants no other person, firm, corporation or entity has any rights or interest in the Materials and Intellectual Property Consultant submits or has submitted to the Company or under the provision of similar services performed for the Company or any predecessor company or business prior to the Effective Date. Consultant further warrants that its execution and performance of this Agreement, including, but not limited to, the tangible or intangible products produced as a result of it, shall not infringe upon or violate any patent, copyright, trade secret or other proprietary right of any third party and shall not

constitute a defamation or invasion of the right of privacy or publicity.

(d) Consultant hereby appoints the Company, for the period of Consultant's engagement by the Company, and for five years thereafter, as Consultant's attorney-in-fact for the purpose of executing, in Consultant's name and on Consultant's behalf, such instruments or other documents as may be necessary to transfer, confirm and perfect in the Company the rights Consultant has granted to the Company pursuant to this Section 3.2.

(e) Consultant will assist the Company to obtain for its own benefit patents, copyrights and/or trademarks thereon in any and all jurisdictions as may be designated by the Company, and Consultant will execute when requested, patent, trademark and/or copyright applications and assignments thereof to the Company or persons designated by the Company, and any other lawful documents deemed necessary by the Company to carry out the purposes of this Agreement. Consultant will further assist the Company in every way to enforce any patents, copyrights, trade secrets, and other intellectual property rights of the Company, including, without limitation, testifying in any suit or proceeding involving any of the Intellectual Property or executing any documents deemed necessary by the Company, all without further consideration, but at the expense of the Company.

(f) The obligations and undertakings stated in this Section 3.2 shall continue beyond the termination of Consultant's engagement by the Company, but if Consultant is called upon to render such assistance after the termination of Consultant's engagement, then Consultant shall be entitled to a reasonable per diem fee in addition to reimbursement of any out-of-pocket expenses incurred at the request of the Company.

3.3 **Prohibition on Interference with Relationships**. During the term of this Agreement and for a period of three (3) years thereafter, Consultant shall not, directly or indirectly, without the Company's prior written consent, solicit any person or entity having contractual or other business relationships with the Company, including without limitation, any customer or client, lessee, supplier, business partner or independent contractor, for the purpose of having such person or entity terminate or modify such person's or entity's contractual and/or business relationship with the Company, nor shall Consultant interfere with any of such contractual or business relationships.

3.4 **Prohibition on Solicitation of Company Employees**. During the term of this Agreement and for a three (3)-year period following termination or expiration of this Agreement, Consultant will not directly or indirectly, without the Company's prior written consent, (i) solicit or recruit any of the Company's employees to leave the employ of the Company; or (ii) hire as an employee or engage as an independent contractor, any employee of the Company.

3.5 **Covenants Reasonable**. The parties hereto agree that the nature and duration of the covenants set forth in this Article III are reasonable under the circumstances. In the event any court or arbitrator determines that the nature of any covenant or the duration of any covenant, or both, are unreasonable and to that extent is unenforceable, the parties agree that such covenant shall remain in full force and effect to the greatest extent and duration as would not render the covenant unenforceable.

3.6 **Cooperation and Assistance**. Consultant agrees to reasonably assist and cooperate (including, but not limited to, providing information to the Company and/or testifying in a proceeding) in the investigation and handling of any internal investigation, legislative matter, or actual or threatened court action, arbitration, administrative proceeding, or other claim involving any matter that arose during Consultant’s period of employment by the Company or during the Term of this Agreement. Consultant’s agreement to assist and cooperate shall not affect in any way the content of information or testimony provided by Consultant.

3.7 **Right to Injunctive and Equitable Relief**. Consultant's obligations under this Article III are of a special and unique character which gives them a special value to the Company. The Company cannot be reasonably or adequately compensated in damages in an action at law in the event Consultant breaches such obligations. Therefore, Consultant expressly agrees that the Company shall be entitled to injunctive and other equitable relief in the event of such breach in addition to any other rights or remedies which the Company may possess at law or in equity. The obligations of Consultant and the rights and remedies of the Company under this Article III are cumulative and in addition to, and not in lieu of, any obligations, rights or remedies created by applicable law, including without limitation, applicable copyright and patent laws and laws relating to misappropriation or theft of trade secrets or confidential information.

ARTICLE IV
GENERAL PROVISIONS

4.1 **Notices**. Any notice required or permitted under this Agreement will be considered to be effective in the case of (i) certified mail, when sent postage prepaid and addressed to the party for whom it is intended at its address of record, three (3) days after deposit in the mail; (ii) by courier or messenger service, upon receipt by recipient as indicated on the courier's receipt; or (iii) upon receipt of an Electronic Transmission by the party that is the intended recipient of the Electronic Transmission. The record addresses, facsimile numbers of record, and electronic mail addresses of record for the parties are set forth below, for the Company, or on the Consulting Services Schedule, for Consultant and may be changed from time to time by notice from the changing party to the other party pursuant to the provisions of this Section 4.1.

If to the Company:

Autobytel Inc.
18872 MacArthur Blvd., Suite 200
Irvine, California 92612-1400
Attention: Legal Department
Facsimile No.: 949.862.1323

If to Consultant: As set forth on the Consulting Services Schedule

For purposes of this Section 4.1, " **Electronic Transmission** " means a communication (i) delivered by facsimile, telecommunication or electronic mail when directed to the facsimile number of record or electronic mail address of record, respectively, which the intended recipient has provided to the other party for sending notices pursuant to this Agreement and (ii) that creates a record of delivery and receipt that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

4.2 **Entire Agreement**. This Agreement constitutes the entire agreement of the parties and supersedes all prior written or oral and all contemporaneous oral agreements, understandings, and negotiations between the parties with respect to the subject matter hereof. Notwithstanding the foregoing, the parties acknowledge that Consultant is a former employee of the Company and that Consultant may be entitled to certain post-termination continuation of benefits by reason of that certain Amended and Restated Severance Agreement dated as of September 29, 2008, as amended as of October 19,
2012 between Company and Consultant and that certain Separation Agreement and Release dated as of March 31, 2015 and not by reason of this Agreement or the performance of the Consulting Services. In addition, this Agreement is not intended by the parties to supersede, and does not supersede, any prior or contemporaneous agreements or understandings entered into by the parties in connection Consultant's prior employment with the Company or the termination of such employment, including without limitation that certain Employee Confidentiality Agreement dated as of October 4, 2007 between Company and Consultant and that certain Mutual Agreement To Arbitrate dated October 4, 2007 between Company and Consultant, all of which agreements remain in full force and effect in accordance with their terms.

4.3 **Modifications, Amendments, Waivers and Extensions**. This Agreement may not be modified, changed or supplemented, nor may any obligations hereunder be waived or extensions of time for performance granted, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. No waiver of any default or breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding default or breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

4.4 **Governing Law**. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws, and not the laws pertaining to conflicts or choice of laws, of the State of California applicable to agreements made and to be performed wholly within the State of California.

4.5 **Partial Invalidity**. Any provision of this Agreement which is found to be invalid or unenforceable by any court in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability, and the invalidity or unenforceability of such provision shall not affect the validity or enforceability of the remaining provisions hereof.

4.6 **Dispute Resolution, Forum**.

(a) The parties consent to and agree that any dispute or claim arising hereunder shall be submitted to binding arbitration in Orange County, California, and conducted in accordance with the Judicial Arbitration and Mediation Service (" **JAMS** ") rules of practice then in effect or such other procedures as the parties may agree in writing, and the parties expressly waive any right they may otherwise have to cause any such action or proceeding to be brought or tried elsewhere. The parties hereunder further agree that (i) any request for arbitration shall be made in writing and must be made within a reasonable time after the claim, dispute or other matter in question has arisen; provided however, that in no event shall the demand for arbitration be made after the date that institution of legal or equitable proceedings based on such claim, dispute or other matter would be barred by the applicable statue(s) of limitations; (ii) the appointed arbitrator must be a former or retired judge or attorney at law with at least ten (10) years experience in commercial matters; (iii) costs and fees of the arbitrator shall be borne by both parties equally, unless the arbitrator or arbitrators determine otherwise; (iv) depositions may be taken and other discovery may be obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings; and (v) the award or decision of the arbitrator, which may include equitable relief, shall be final and judgment may be entered on such award in accordance with applicable law in any court having jurisdiction over the matter.

(b) TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(c) The parties acknowledge and agree that money damages may not be a sufficient remedy for a breach of certain provisions of this Agreement, including but not limited to, Article III, and accordingly, a non-breaching party may be entitled to specific performance and injunctive relief as remedies for such

violation. Accordingly, notwithstanding the other provisions of this Section 4.6, the parties agree that a non-breaching party may seek relief in a court of competent jurisdiction for the purposes of seeking equitable relief hereunder, and that such remedies shall not be deemed to be exclusive remedies for a violation of the terms of this Agreement but shall be in addition to all other remedies available to the non-breaching party at law or in equity.

(d) In any action, arbitration or other proceeding by which one party either seeks to enforce its rights under this Agreement or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be entitled to reasonable attorneys' fees, and subject to Section 4.6(a), reasonable costs and expenses incurred to resolve such dispute and to enforce any final judgment.

(e) No remedy conferred on either party by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy, and each and every remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of one or more remedies by a party will not constitute a waiver of the right to pursue other available remedies.

4.7 **Interpretation**. Titles and headings of sections of this Agreement are for convenience of reference only and shall not affect the construction of any provision of this Agreement. No provision of this Agreement shall be construed in favor of or against any party by reason of the extent to which the party or the party's counsel participated in the drafting hereof.

4.8 **Assignment**. This Agreement and the rights, duties, and obligations hereunder may not be assigned or delegated by any party without the prior written consent of the other party. Any assignment or delegation of rights, duties, or obligations hereunder made without the prior written consent of the other party shall be void and be of no effect. Notwithstanding the foregoing provisions of this Section 4.8, the Company may assign or delegate its rights, duties and obligations hereunder to any person or entity controlling, controlled by, or under common control with the Company or any person or entity which acquires substantially all of the business or assets of the Company.

4.9 **Successors and Assigns**. This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of each of the parties and their respective permitted successors and assigns.

4.10 **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument. Signatures on this Agreement may be communicated by facsimile or PDF transmission and shall be binding upon the parties transmitting the same.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first written above.

Effective Date: April 1, 2015
Company

Autobytel Inc.,
a Delaware corporation

By: /s/ Glenn E. Fuller
Glenn E. Fuller
EVP, Chief Legal and Administrative
Officer and Secretary

" **Consultant"**

Curtis E. DeWalt

/s/ Curtis E. DeWalt
Curtis E. DeWalt

Exhibit A
Consulting Services Schedule

Consultant Name : Curtis E. DeWalt

Consultant Contact Information for Notice Purposes : Curtis E. DeWalt

[Personal Information Redated]

Consulting Services :

Provide transition support services for transition of accounting, banking, financial and investor relation functions to new chief financial officer.

The Company and Consultant shall agree in advance upon the number of hours to be spent by Consultant in the performance of the Consulting Services, which agreement may be in the form of a "not to exceed" number of hours during weekly or monthly periods or hours specified for individual projects. In no event shall Consultant exceed the agreed upon hours without Company's prior written approval.

Consulting Fees : Consultant shall be paid at a monthly rate of $12,083.34.

Additional Consulting Consideration :

As additional consideration for the commitments and obligations made by you in this Agreement, the Company agrees that the current 90-day post-employment termination exercise windows for the following outstanding options to purchase common stock of the Company that were awarded to you during your employment by the Company shall be extended, and such 90-day post-employment termination exercise window shall not begin to run until ninety (90) days after the earlier of (i) the Expiration Date and (ii) the termination date of this Agreement (whether terminated by Company (with cause) or Consultant (with or without cause); provided, however, that in no event will the post-termination exercise windows extend beyond the original expiration dates of the options as set forth in the stock option award agreements for such options. The applicable provisions of the stock option award agreements for the following options are hereby amended to provide for the foregoing post-termination exercise window extension.

Plan Name	Grant Date	Grant Price	Original Options Granted	Options Cancelled / Not Awarded	Options Vested	Original Expiration Date
2004 Restricted Stock and Option Plan	10/30/2007	$12.95	23,166	0	23,166	10/30/2017
2004 Restricted Stock and Option Plan	10/30/2007	$12.95	4,834	0	4,834	10/30/2017
1998 Stock Option Plan (Plan Expired)	9/29/2008	$5.30	20,000	0	20,000	9/29/2018
2004 Restricted Stock and Option Plan	3/3/2009	$1.75	20,000	0	20,000	3/3/2019
1999 Employee and Acquisition Related Stock Option Plan(PlanExp)	9/22/2009	$3.10	11,395	0	11,395	9/22/2019
2010 Equity Incentive Plan	1/20/2011	$4.80	18,999	8,280	10,719	1/20/2018
2010 Equity Incentive Plan	12/7/2011	$3.80	2,000	0	2,000	12/7/2018
2010 Equity Incentive Plan	1/10/2012	$3.90	17,629	2,204	15,425	1/10/2019
2010 Equity Incentive Plan	1/24/2013	$4.00	9,213	0	9,213	1/24/2020
2010 Equity Incentive Plan	1/21/2014	$17.64	10,000	0	10,0000	1/21/2021
2010 Equity Incentive Plan	3/17/2014	$14.32	7,400	0	7,400	3/17/2021

Reimbursement for Travel Expenses

Company shall reimburse Consultant for any reasonable, customary and necessary business travel expenses incurred by Consultant for travel required by the Company.

Miscellaneous Expense Reimbursement

Company shall reimburse Consultant for any non-incidental reasonable, customary, and necessary out of pocket expenses incurred by Consultant specifically in connection with the performance of the Consulting Services (e.g., general office supplies and equipment, monthly telephone or internet service provider fees, etc. would not be reimbursable, but specifically identified long-distance telephone charges made on behalf of the Company in the performance of the Consulting Services would be reimbursable); provided that any such reimbursable expenses in excess of $800 per month shall require written approval in advance by the Company.

Company Equipment and Use and Access to Company Systems

During the Term, the Company, in its discretion, may make available to Consultant a Company-standard laptop computer for use in providing the Consulting Services. All such Company equipment shall be returned to the Company at the end of the Term or at any time upon request by the Company. Consultant agrees that Consultant will comply with all Company policies and procedures, including those set forth below, regarding the use of Company equipment and systems as if Consultant were employed by the Company:

Information Security and Consumer Privacy

The Company has implemented IT Policies and Procedures to ensure reasonable controls are in place to assure confidentiality of and to safeguard sensitive and proprietary information. It is the responsibility of every employee to understand and follow these IT Policies and Procedures. Any Policy violations, whether or not resulting in the compromise of sensitive information or the degradation of computing systems, may be subject the employee to disciplinary action up to and including termination of employment, **and** may also be subject the employee to criminal prosecution.

Company Tools

The Company entrusts employees with the use of computers, electronic mail, telephones, mail, written documentation, and similar property. These items are provided to the employees to assist with the efficient operations of the Company. Therefore, all records, files, software, data, and electronic communications contained in these systems also are the property of the Company.

Communications Systems

The Company's communication systems, including computers, handheld devices, networks, telephones, voice mail, instant messaging, and all data, files, and applications, are the property of the Company. All materials and information created, transmitted or stored on or through these systems are the property of the Company, they are not private, and may be accessed by authorized personnel at any time. Users should not have any expectation of privacy with respect to such materials and information. Company communication systems hardware, and any data collected, downloaded and/or created on Company communication systems as described above is the exclusive property of the Company and may not be copied or transmitted to any outside party without prior written management approval or used for any purpose not directly related to the business of the Company.

Upon termination of employment, no employee shall remove any software or data from Company-owned computers unless the employee's supervisor and Human Resources have given authorization. Any unauthorized access or use of the Company computer or other communication systems is strictly prohibited.

The Company reserves the right to assign and/or change "passwords" and personal codes for voice mail, e-mail, and computer. The use of passwords to limit access to these systems is only intended to prevent unauthorized access to these systems and records. Additionally, these systems are subject to inspection, search and/or monitoring by Company personnel for any number of business reasons. Accordingly, these systems and equipment should not be used to transmit confidential personal messages.

System Integrity

Because files or programs introduced from external sources may expose the Company to malicious software such as viruses, employees are not permitted to connect personal computing devices to the Company network, download from the Internet files or software programs including freeware or shareware, or use personal disks or copies of software or data in any form on any Company computer without written authorization from the IT Operations Supervisor or in accordance with IT Policies and Procedures.

Any employee who introduces a virus into the Company's system via use of unauthorized software or data shall be deemed guilty of gross negligence and/or willful misconduct and will be held responsible for the consequences (in accordance with applicable law), as well as be subject to disciplinary action, up to and including termination of employment.

Employees are prohibited from using Company communication systems in any way that may be disruptive, embarrassing or offensive to others, including, but not limited to, the transmission of sexually explicit messages or cartoons, ethnic or racial slurs, or anything that may be construed as harassment or disparagement of others. The Company's Policy Against Sexual Harassment and Other Workplace Harassment applies to e-mail usage and other communications systems usage.

To ensure that electronic and telephone communication systems and business equipment are being used properly and in compliance with this policy and for other business purposes, the Company, without notice, may periodically access, display, copy or listen to any information, files, data, message(s), or communication(s) sent, received, created, or stored through or in its system(s), at any time, in accordance with applicable law.

E-mail Etiquette

Employees should use e-mail to deliver messages in the same professional and courteous business manner they would other messages and correspondence.

Internet Usage

Internet Usage includes, without limitation, accessing the World Wide Web, Instant Messaging, Internet email and chat rooms.

It is the nature of our business to allow Internet usage in daily activities. However, access to the Internet is provided for business purposes. Employees are not to access the Internet for personal reasons during Company time. Employees found to be abusing this tool may be disciplined, up to and including termination of employment.

The Company may monitor Internet use, including reviewing the list of sites accessed by any individual terminal. Your Internet use is not private. No employee should have any expectation of privacy regarding Internet usage. The Company reserves the right to inspect an employee's computer anytime or to use monitoring software in order to monitor Internet and computer use.

All employees are prohibited from accessing or attempting to access any sites that contain sexual, vulgar, derogatory, harassing or offensive material. Unauthorized use of the Internet, including connecting, posting, or downloading sexually-oriented information, engaging in computer-hacking and related activities, and attempting to disable or compromise the security of information contained in the Company's communications systems, is strictly prohibited.

Using the Internet to commit or participate in acts that could be considered sexual harassment, racial harassment, religious harassment or any other form of prohibited or illegal harassment is strictly prohibited. The Company's Policy Against Sexual Harassment and Other Workplace Harassment applies to Internet use.

The Internet should not be used to post, distribute, participate in or exchange offensive jokes, chain letters, pyramid schemes or other similar matter. Some specific examples of prohibited uses include but are not limited to:

- Sending confidential or copyrighted materials without prior authorization.
- Soliciting personal business opportunities, or personal advertising.
- Gambling of any kind.
- Day trading, or otherwise purchasing or selling stocks, bonds or other securities or transmitting, retrieving, downloading or storing messages or images related to the purchase or sale of stocks, bonds or other securities.

BLOGS AND ON-LINE DISCUSSIONS

Personal Blog Guidelines

Autobytel Personal Blog Guidelines have been developed for employees who maintain personal blogs that contain postings about Autobytel's business, products, or fellow employees and the work that they do. They are also applicable to employees who post about the Company on the blogs of others or during employees' participation in on-line forums (such as chat rooms, message boards, and discussion groups). The guidelines outline the legal implications of blogging about the Company and discussing the Company in on-line forums and also include recommended practices to consider when posting about Autobytel. We encourage employees who want to blog or participate in on-line forums to think carefully about what they intend to publish. You should avoid comments about managers or co-workers that are disrespectful, critical, or could be construed as harassing or discriminatory in nature. Verify your facts before you publish. You should not discuss the Company's customers or vendors without their explicit prior approval (and you should work through your supervisor to obtain such approval if necessary). If your blog or post concerns the Company or your job, you should prominently display a disclaimer stating that you are expressing only personal opinions that are not endorsed by and do not represent the opinion or viewpoints of the Company.

Legal Liability

You are legally responsible for anything you post on your blog. Individual bloggers can be held personally responsible for any commentary deemed to be defamatory, obscene, proprietary, or libelous whether they pertain to Autobytel, its employees, or other people. For those reasons, bloggers should exercise caution with regard to exaggeration, colorful language, guesswork, obscenity, copyrighted materials, legal conclusions, and derogatory remarks or characterizations. In short, when you blog on your blog or the blog of others or participate in on-line forums, you post at your own risk! Outside parties can pursue legal actions against you for your postings.

Company Privileged Information

Remember that blogs and other media may be public and accessible to third parties, including the Company's competitors, vendors and customers. Any and all confidential, proprietary, trade secret information or material non-public information about the Company as outlined in the Confidential and Proprietary Information and Inventions Agreement or its personnel is off-limits and cannot be published. In addition, Autobytel logo and trademarks cannot be used, and you may not publish Autobytel policies, strategies, or any non-pubic financial information, product offerings, or similarly private information.

Press Inquiries

Blog postings may generate media coverage. If a member of the media contacts you about an Autobytel related blog posting or requests Autobytel information of any kind, please refer the matter to the Corporate Public Relations Department.

Please remember that the Company may monitor blogs or Company-related chat rooms or discussion groups. If you fail to abide by the above guidelines or the Company's policies, you may be subject to legal or disciplinary action by the Company or others. If you have any questions or concerns about this policy, please contact the Human Resources Department.

INSTANT MESSAGES

The Company e-mail systems are the preferred method of business communication because they comply with our needs for record keeping. Not all of the instant messaging systems are tracked and documented as required by SOX for business communications. Therefore, if you are giving directions, directing activities, communicating changes to business processes or any other actions that have a business impact, please use the e-mail system so that we have appropriate records retention and audit trails.

Violation of this policy may result in disciplinary action, up to and including termination of employment. Please contact the Human Resources Department with any questions regarding this policy.

USER FILE STORAGE

Our "Path to Profitability" includes controlling our infrastructure costs by managing our resources effectively. As our online file space grows, so does the cost of storing, maintaining, and backing up all of this data. The Company is always looking for ways to be more efficient with resources, but we will need your help and cooperation to be successful! The following plan outlines our approach to manage e-mail resources, but the same philosophy applies to all online file storage.

- All users have an allocated amount of storage on the e-mail servers.
- All users have an allocated amount of storage on the file server for business related material (home directory).
- Any accounts using more than their allotted space will be restricted immediately.
- Personal picture and music files must not be placed on the system.
- Users may contact the Service Desk for assistance with setting up storage options such as achiving .pst files and other business required data.
- Users are prohibited from storing any copyrighted, patented, or non-business files on their local PC or home directory. This includes, but is not limited to, MP3 files, movies, sound clips, and pictures.
- Non-secure files relating to job function and needing to be shared should be placed in an appropriate department or public folder.
- Storing consumer or customer information on local PCs or backup media that is not in accordance with IT Policies or Procedures is strictly prohibited.
- When any assistance is needed please email "HelpMe@Autobytel.com" and the Service Desk will assist you.

Keep in mind that there is no personal or private use of computer equipment in the work environment. All computer resources are the property of the Company and may be monitored by authorized personnel at anytime. Employees should have no expectation of privacy with respect to the Company's computer systems.

PERSONAL TELEPHONE CALLS AND USE OF COMPANY SUPPLIES

We have a limited number of telephone lines at the Company, and it is essential that we keep those lines open for business calls. Therefore, we ask our employees to refrain from making or receiving personal calls except, of course, in emergencies.

All employees are also asked to use their personal long distance calling card or personal credit card when making personal long distance calls.

Personal use of Company owned property, such as office supplies, postage, etc., are prohibited. Use your common sense when using Company owned property.

Enforcement

Violations of this policy may result in disciplinary action, up to and including termination of employment. Employees who damage the Company's computer system through its unauthorized use may additionally be liable for the costs resulting from such damage. Employees who misappropriate copyrighted or confidential and proprietary information, or who distribute harassing messages or information, also may be subject to criminal prosecution and/or substantial civil monetary damages.

Exhibit 10.10

18872 MacArthur Blvd., Suite 200
Irvine, CA 92612-1400
Phone: (949) 225-4500
www.autobytel.com

Glenn E. Fuller
Executive Vice President, Chief Legal
and Administrative Officer and Secretary
Direct Line: 949.862.1392
Facsimile: 949.797.0484
glennf@autobytel.com

May 18, 2015

John Vicidomino
[Personal Information Redacted]

Re: Offer of Employment

Dear John:

This letter confirms the terms and conditions upon which Autobytel Inc., a Delaware corporation (" **Company"** or **"Autobytel** ") is offering you employment with Autobytel. Note that this offer of employment and your employment by the Company is contingent upon (i) the closing of the acquisition of Autotegrity, Inc. (" **Autotegrity** ") and Dealix Corporation (" **Dealix** ") by Autobytel from CDK Global, LLC (" **CDK** "); and (ii) various other conditions and requirements that must be completed prior to commencement of employment, which conditions and requirements are set forth below.

1. Employment .

(a) Effective as of the date you commence employment with the Company (" **Commencement Date** "), which date is anticipated at this time to be May 21, 2015, the Company will employ you in the capacity set forth on the Exhibit A attached hereto (" **Offer Letter Schedule** "). In such capacity, you will report to such person or persons as may be designated by the Company from time to time.

(b) Your employment is at will and not for a specified term and may be terminated by the Company or you at any time, with or without cause or good reason and with or without prior, advance notice. This "at-will" employment status will remain in effect throughout the term of your employment by the Company and cannot be modified except by a written amendment to this offer letter that is executed by both parties (which in the case of the Company, must be executed by the Company's Chief Legal Officer) and that expressly negates the "at-will" employment status.

2. Compensation, Benefits and Expenses . As compensation for the services to be rendered by you pursuant to this agreement, you will receive the payments and be entitled to participate in the benefits set forth below, subject to the terms and conditions set forth below or in such payment or benefit plans or arrangements. If at any time a conflict between anything in this letter and the applicable benefit plan arises, the terms of the benefit plan controls. Your compensation and benefits shall be paid or made available in accordance with the Company's normal payroll and other practices and policies of the Company.

(a) The Company hereby agrees to pay you a base salary as set forth on the Offer Letter Schedule.

(b) You shall be entitled to participate in annual incentive compensation plans, if any, that may be adopted by the Company from time to time and that are afforded generally to persons employed by the Company at your employment level and position, geographic location and applicable department or operations within the Company (subject to the terms and conditions of any such annual incentive compensation plans). Should such an annual incentive compensation plan be adopted for any annual period, your target annual incentive compensation opportunity will be as established by the Company for each annual period, which may be up to a percentage set forth on the Offer Letter Schedule of your annualized rate (i.e., 24 X Semi-monthly Rate) based on achievement of objectives specified by the Company each annual incentive compensation period (which may include Company-wide performance objectives; divisional, department or operations performance objectives and/or individual performance objectives, allocated between and among such performance objectives as the Company may determine) and subject to adjustment by the Company based on the Company's evaluation and review of your overall individual job performance in the sole discretion of the Company. Specific annual incentive compensation plan details, target incentive compensation opportunity and objectives for each annual compensation plan period will be established each year. Awards under annual incentive plans may be prorated for a variety of factors, including time employed by the Company during the year, adjustments in base compensation or target award percentage changes during the year, and unpaid leaves. You understand that the Company's annual incentive compensation plans, their structure and components, specific target incentive compensation opportunities and objectives, the achievement of objectives and the determination of actual awards and payouts, if any, thereunder are subject to the sole discretion of the Company.

(c) Upon commencement of employment with the Company you will be granted options to acquire shares of the Company's common stock as set forth on the Offer Letter Schedule. The number of shares, exercise price, vesting, exercise, termination and other terms and conditions of these options shall be governed by and subject to the terms and conditions of the applicable stock option plan and stock option award agreement. The granting and exercise of such options are also subject to compliance with applicable federal and state securities laws.

(d) You shall be entitled to participate in such ordinary and customary benefits plans afforded generally to persons employed by the Company at your employment position and level and geographic location (subject to the terms and conditions of such benefit plans, your enrollment in the plans and making of any required employee contributions required for your participation in such benefits, your ability to qualify for and satisfy the requirements of such benefits plans). Upon commencement of employment with the Company, you will begin accruing vacation under the Company's vacation accrual policy at the rate set forth on the Offer Letter Schedule. Accrual of vacation is subject to a limitation on accrual as set forth in the Company's vacation accrual policy.

(e) You are solely responsible for the payment of any tax liability that may result from any compensation, payments or benefits that you receive from the Company. The Company shall have the right to deduct or withhold from the compensation due to you hereunder any and all sums required by applicable federal, state, local or other laws, rules or regulations, including, without limitation federal and state income taxes, social security or FICA taxes, and state unemployment taxes, now applicable or that may be enacted and become applicable during your employment by the Company.

(f) Upon termination of your employment by either party, whether with or without cause or good reason, you will be entitled to receive only such severance benefits, if any, as are set forth in that certain Severance Benefits Agreement between you and the Company to be dated as of the Employment Commencement Date (" **Severance Benefits Agreement** "), as the Severance Benefits Agreement may be amended, modified or terminated by agreement of the parties. Receipt of any such severance benefits is subject to your compliance with the terms and conditions of the Severance Benefits Agreement.

3. **Pre-Hire Conditions and Requirements .** You have previously submitted an Application for Employment and a Consent to Conduct a Background Check. This offer of employment and your employment by the Company is contingent upon various conditions and requirements for new hires that must be completed prior to commencement of employment. These conditions and requirements include, among other things, the following:

(i) Successful completion of the Company's background check.

(ii) Your acceptance, execution and delivery of this offer letter together with the Company's Employee Confidentiality Agreement and Mutual Agreement to Arbitrate, the forms of which accompany this offer letter and which are hereby incorporated herein by reference. Please sign this offer letter and these other documents and return the signed original documents to Joselyn Chamochumbi in the Company's Human Resources Department.

(iii) Your execution and delivery of your acknowledgment and agreement to the Company's Employee Handbook and the various policies included therein, Securities Trading Policy, Code of Conduct and Ethics. Upon your acceptance of this offer letter, you will be provided instructions how to access online, sign and return these documents.

(iv) Your compliance with all applicable federal and state laws, rules, regulation and orders, including (1) your execution and delivery of an I-9 Employment Eligibility Verification together with complying verification documents; and (2) your execution and delivery of a W-4 Employee's Withholding Allowance Certificate and a M-4 Massachusetts Employee's Withholding Exemption Certificate. Upon your acceptance of this offer letter, you will be provided instructions how to access online, sign and return these documents.

The documents referenced in Sections 3(ii), (iii) and (iv) above are referred to herein as the " **Standard Employee Documents** ."

4. **Amendments and Waivers** . This agreement may be amended, modified, superseded, or cancelled, and the terms and conditions hereof may be waived, only by a written instrument signed by the parties hereto or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power, or privilege hereunder will operate as a waiver thereof, nor will any waiver on the part of any party of any right hereunder, nor any single or partial exercise of any rights hereunder, preclude any other or further exercise thereof or the exercise of any other right hereunder.

5. **Notices**. Any notice required or permitted under this agreement will be considered to be effective in the case of (i) certified mail, when sent postage prepaid and addressed to the party for whom it is intended at its address of record, three (3) days after deposit in the mail; (ii) by courier or messenger service, upon receipt by recipient as indicated on the courier's receipt; or (iii) upon receipt of an Electronic Transmission by the party that is the intended recipient of the Electronic Transmission. The record addresses, facsimile numbers of record, and electronic mail addresses of record for you are set forth on the signature page to this agreement and for the Company as set forth in the letterhead above and may be changed from time to time by notice from the changing party to the other party pursuant to the provisions of this Section 5. For purposes of this Section 5, " **Electronic Transmission** " means a communication (i) delivered by facsimile, telecommunication or electronic mail when directed to the facsimile number of record or electronic mail address of record, respectively, which the intended recipient has provided to the other party for sending notices pursuant to this Agreement and (ii) that creates a record of delivery and receipt that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

6. **Choice of Law**. This agreement, its construction and the determination of any rights, duties or remedies of the parties arising out of or relating to this agreement will be governed by, enforced under and construed in accordance with the laws of the State of Massachusetts, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws of such state.

7. **Severability**. Each term, covenant, condition, or provision of this agreement will be viewed as separate and distinct, and in the event that any such term, covenant, condition or provision will be deemed to be invalid or unenforceable, the arbitrator or court finding such invalidity or unenforceability will modify or reform this agreement to give as much effect as possible to the terms and provisions of this agreement. Any term or provision which cannot be so modified or reformed will be deleted and the remaining terms and provisions will continue in full force and effect.

8. **Interpretation**. Every provision of this agreement is the result of full negotiations between the parties, both of whom have either been represented by counsel throughout or otherwise been given an opportunity to seek the aid of counsel. No provision of this agreement shall be construed in favor of or against any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof. Captions and headings of sections contained in this agreement are for convenience only and shall not control the meaning, effect, or construction of this agreement. Time periods used in this Agreement shall mean calendar periods unless otherwise expressly indicated.

9. **Entire Agreement**. This Agreement, together with the Standard Employee Documents, is intended to be the final, complete and exclusive agreement between the parties relating to the employment of you by the Company and all prior or contemporaneous understandings, representations and statements, oral or written, are merged herein. 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 which the enforcement thereof is or may be sought.

10. **Counterparts; Facsimile or PDF Signature**. This agreement may be executed in counterparts, each of which will be deemed an original hereof and all of which together will constitute one and the same instrument. This agreement may be executed by facsimile or PDF signature by either party and such signature shall be deemed binding for all purposes hereof, without delivery of an original signature being thereafter required.

This offer shall expire on May 20, 2015 unless extended in writing by the Company. Should you wish to accept this offer and its terms and conditions, please confirm your understanding of, agreement to, and acceptance of the foregoing by signing and returning to the undersigned the duplicate copy of this offer letter enclosed herewith.

AUTOBYTEL INC.

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

Accepted and Agreed
as of the date
first written above:

/s/ John Vicidomino
John Vicidomino
11 Denfeld Drive
Westboro, MA 01581

Exhibit A
Offer Letter Schedule

Employment Capacity/Title: Executive Vice President

Anticipated Employment Commencement Date: May 21, 2015

Base Salary: Semi-monthly Rate of $11,041.67, which equates to an annualized rate of $265,000

Annual Incentive Compensation Target: 65%

Stock Options: 40,000

Vacation Accrual Rate : Vacation accrues at a rate equal to 3 weeks (120 hours for full-time employees) per year (5 hours per pay period).

Retention Bonus

CDK Retention Bonus . Upon your employment with the Company becoming effective, CDK's rights and its obligation to pay you a retention bonus in accordance as set forth in, and in accordance with, the attached letter (" **CDK Retention Bonus Letter** ") will be assigned to and assumed by the Company, and all references to CDK in the Former CDK Retention Bonus Letter will, upon your employment with Autobytel becoming effective, shall mean and refer to Autobytel and relate to your employment by Autobytel. Based on the current anticipated purchase price used to calculate Retention Bonuses, your Retention Bonus will be $224,000. If the actual purchase price is different and, as a result, changes the Retention Bonus Amount set forth above, Autobytel will notify you of such change.

_____ _____
Employee Initials Company Initials

AUTOBYTEL INC.

SEVERANCE BENEFITS AGREEMENT

This Severance Benefits Agreement (" **Agreement** ") entered into effective as of May 21, 2015 (" **Effective Date** ") between Autobytel Inc., a Delaware corporation (" **Autobytel** " or **"Company"**), and John Vicidomino (" **Employee** ").

Background

Autobytel has determined that it is in its best interests to provide Employee with certain severance benefits to encourage Employee's continued employment with, and dedication to the business of, the Company.

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 3.

(b) " Arbitration Agreement " means that certain Mutual Agreement to Arbitrate dated as of May 21, 2015 entered into by and between the Company and Employee.

(c) " Cause " shall mean the termination of the Employee's employment by the 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 notifying Employee that, in the opinion of the Company, "Cause" exists to terminate Employee's employment.

(d) " Change of Control " shall mean any of the following events:

(i) When any "person" as defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d) and 14(d) thereof (including a "group" as defined in Section 13(d) of the Exchange Act, but excluding the Company, any Subsidiary or any employee benefit plan sponsored or maintained by the Company or any Subsidiary (including any trustee of such plan acting as trustee)), directly or indirectly, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act, as amended from time to time), of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities.

(ii) When the individuals who, as of the Effective Date, constitute the Board (" **Incumbent Board** "), cease for any reason to constitute at least a majority of the Board; provided however, that any individual becoming a director subsequent to such date, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall, for purposes of this section, be counted as a member of the Incumbent Board in determining whether the Incumbent Board constitutes a majority of the Board.

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another corporation (a " **Business Combination** "), in each case, unless, following such Business Combination:

(1) all or substantially all of the individuals and entities who were the beneficial owners of the then outstanding shares of common stock of the Company and the beneficial owners of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the then outstanding shares of common stock and the combined voting power of the then outstanding securities entitled to vote generally in the election of directors, respectively, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or indirectly or through one or more subsidiaries); and

(2) no person (excluding any employee benefit plan or related trust of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, fifty percent (50%) or more of the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of such corporation except to the extent that such ownership existed prior to the Business Combination.

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(e) " COBRA " shall mean the Consolidated Omnibus Budget Reconciliation Act, as amended, and the rules and regulations promulgated thereunder.

(f) " Code " shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

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

(h) " Disability " shall mean 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.

(i) " Employee's Position " means Employee's position as the Executive Vice President of the Company.

(j) " Employee's Primary Work Location " means Autobytel's Cambridge office located at 198 Broadway, Cambridge, MA 02139

(k) " Good Reason " means any act, decision or omission by the Company that: (A) materially modifies, reduces, changes, or restricts Employee's base salary as in existence as of the Effective Date 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 modifies, reduces, changes, or restricts the Employee's Health and Welfare Benefits as a whole as in existence as of the Effective Date hereof or as of the date prior to any such change, whichever are more beneficial for Employee at the time of the act, decision, or omission by the Company; (C) materially modifies, reduces, changes, or restricts the Employee's authority, duties, or responsibilities commensurate with the Employee's Position but excluding the effects of any reductions in force other than the Employee's own termination; (D) relocates the Employee's primary place of employment without Employee's consent from Employee's Primary Work Location to any other location in excess of a fifty (50) mile radius from the Employee's Primary Work Location other than on a temporary basis or requires any such relocation as a condition to continued employment by Company; (E) constitutes a failure or refusal by any Company Successor to assume this Agreement; or (F) involves or results in any material failure by the Company to comply with any provision of this Agreement, 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 a material breach to the reasonable satisfaction of the Employee within thirty (30) days after Company's receipt of such written notice.

(l) " Health and Welfare Benefits " means all Company medical, dental, vision, life and disability plans in which Employee participates.

(m) " 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 twenty percent (20%) 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 section, 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).

(n) " Severance Period " shall equal twelve (12) months.

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

(p) " Termination Without Cause " means termination of Employee's employment with the Company (i) by the Company (a) for any reason other than (1) death, (2) Disability or (3) those reasons expressly set forth in the definition of "Cause," (b) for no reason at all, or (c) in connection with or as a result of a Change of Control; provided, however, that a termination of Employee's employment with the Company in connection with a Change of 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 provide Employee the right to terminate Employee's employment for Good Reason.

2. **Severance Benefits and Conditions** .

(a) In the event of (i) Termination Without Cause by the Company, or (ii) the termination of Employee's employment with the Company by Employee for Good Reason within 30 days following the earlier of (1) the Company's failure to cure within the 30-day period set forth in the definition of Good Reason, and (2) the Company's notice to Employee that it will not cure the event giving rise to such termination for Good Reason, then (A) Employee shall receive upon such termination a lump sum amount equal to the number of months constituting the Severance Period at the time of termination times the Employee's monthly base salary (determined as the Employee's highest monthly base salary paid to Employee while employed by the Company; base salary does not include any bonus, commissions or other incentive payments or compensation); (B) subject to Section 2(b) below, Employee shall be entitled to a continuation of all Health and Welfare Benefits for Employee and, if applicable, Employee's eligible dependents during the Severance Period at the time they would have been provided or paid had the Employee remained an employee of Company during the Severance Period and at the levels provided prior to the event giving rise to a termination; and (C) the Company shall make available to Employee career transition services at a level and with a provider selected by the Company in accordance with Section 2(g) below.

(b) (i) With respect to Health and Welfare 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 Health and Welfare Benefits, Employee may elect to obtain coverage for such Health and Welfare 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 Health and Welfare 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 have paid assuming Employee elected continuation of benefits under COBRA. The Company's obligation to pay or reimburse for the Health and Welfare Benefits covered by this Section 2(b)(i) shall terminate upon the earlier of (i) the end of the Severance Period; and (ii) Employee's employment by an employer that provides Employee and Employee's eligible dependents with group coverage substantially similar to the Health and Welfare Benefits 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 Health and Welfare 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 Health and Welfare Benefits, Employee may elect to obtain coverage for such Health and Welfare 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. 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 Health and Welfare Benefits at the time of termination of Employee's employment with the Company. The Company's obligation to pay or reimburse for the Health and Welfare Benefits covered by this Section 2(b)(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 the Health and Welfare Benefits 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 Health and Welfare Benefits covered by this Section 2(b)(ii) for Employee if Employee does not qualify for coverage under the Company's existing insurance policies for such Health and Welfare Benefits, for individual coverage, or for dependent coverage.

(c) The payments and benefits set forth in Sections 2(a) and 2(b) are conditioned upon and shall be provided to Employee only if (i) Employee has executed and delivered to the Company a Separation and Release Agreement in favor of the Company and Releasees, which agreement shall be substantially in the form attached hereto as Exhibit A (" **Release** ") no later than the expiration of the applicable period of time allowed for Employee to consider the Release as set forth in Section 17 of the Release (" **Release Consideration Period** "); (ii) Employee has not revoked the Release prior to the expiration of the applicable revocation period set forth in Section 17 of the Release (" **Release Revocation Period** "); and (iii) the Release has become effective and non-revocable no later than the cumulative period of time represented by the sum of the maximum Release Consideration Period and the maximum Release Revocation Period. No payments or benefits set forth in Sections 2(a) or 2(b) shall be due or payable to, or provided to, Employee if the Release has not become effective and non-revocable in accordance with the requirements of this Section 2(c).

(d) Upon satisfaction of the conditions set forth in Section 2(c), but subject to the last sentence of this Section 2(d), all payments under Section 2(a)(A) shall be made to Employee within five (5) business days after the Release becomes effective and non-revocable in accordance with its terms. In any case, the payment under Section 2(a)(A) shall be made no later than two and one-half months after the end of the calendar year in which Employee's Separation from Service occurs, provided that the Release shall have become effective and non-revocable in compliance with Section 2(c) prior to expiration of such two and one-half month period. If the period of time covered by the entire allowed Release Consideration Period, the entire Revocation Period and the entire five business day period described above in this Section 2(d) (considering such periods consecutively) begins in one calendar year and ends in the

following calendar year, all payments under Section 2(a)(A) shall be made to Employee on the first business day of such following calendar year which is five (5) or more business days after the date on which the Release became effective and non-revocable in accordance with its terms.

(e) In addition to the payments and benefits under Sections 2(a) and 2(b), to the extent required by applicable law or the Company's incentive or other compensation plans applicable to Employee, if any, upon any termination of Employee's employment Employee shall receive (i) any amounts earned and due and owing to Employee as of the termination date with respect to any base salary, incentive compensation or commissions; and (ii) any other payments required by applicable law (including payments with respect to accrued and unused vacation time). Payments required under this Section 2(e) are not conditioned upon Employee's signing the Release and shall be made within the time period(s) required by applicable law.

(f) All payments and benefits under this Section 2 are subject to legally required federal, state and local payroll deductions and withholdings.

(g) To receive career transition services, Employee must contact the service provider no later than 30 days after the Release becomes effective.

(h) Other than the payments and benefits provided for in this Section 2, Employee shall not be entitled to any additional payments or benefits from the Company resulting from a termination of Employee's employment with the Company.

3. **Taxes**. 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 and interest arising under Section 409A of the Code). Neither the Company nor any of its employees, directors, or service providers shall have any obligation whatsoever to pay such taxes or interest, to prevent Employee from incurring them, or to mitigate or protect Employee from any such tax or interest 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, without interest, 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. With respect to the reimbursement of expenses to which Employee is entitled under this Agreement, if any, or the provision of in-kind benefits to Employee as specified under this Agreement, if any, such reimbursement of expenses or provision of in-kind benefits shall be subject to the following conditions: (i) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year, except for any medical reimbursement arrangement providing for the reimbursement of expenses referred to in Section 105(b) of the Code, solely to the extent that the arrangement provides for a limit on the amount of expenses that may be reimbursed under such arrangement over some or all of the period in which the reimbursement arrangement remains in effect; (ii) the reimbursement of an eligible expense shall be made no later than the end of the calendar year after the calendar year in which such expense was incurred; (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; and (iv) the right to reimbursement or provision of in-kind benefits shall not apply to any expenses incurred or benefits to be provided beyond the last day of the second taxable year following the year in which Employee's Separation from Service occurred.

4. **Arbitration**. 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, which is incorporated herein by reference.

5. **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 contains the entire integrated understanding between the parties hereto and supersedes any prior employment, severance, or change-in-control protective agreement or other agreement, plan or arrangement between the Company or any predecessor and Employee. 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 the Prior Severance Agreement is hereby terminated and shall have no further force or effect.

6. **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 cable, 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 cable, when sent, 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, Suite 200
Irvine, California, 92612-1400
Facsimile: (949) 862-1323
Attn: Chief Legal Officer

If to the Employee:

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

7. **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.

8. **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.

9. **Non-Disclosure**. Unless required by applicable law, rule, regulation or order or to enforce this Agreement, Employee shall not disclose the existence of this Agreement or the underlying terms to any third party, including without limitation, any former, present or future employee of the Company, other than to Employee's immediate family who have a need to know such matters or to Employee's tax or legal advisors who have a need to know such matters. If Employee does disclose this Agreement or any of its terms to any of Employee's immediate family or tax or legal advisors, then Employee will inform them that they also must keep the existence of this Agreement and its terms confidential. The Company may disclose the existence or terms of the Agreement and its terms and may file this Agreement as an exhibit to its public filings if it is required to due so under applicable law, rule, regulation or order.

10. **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 excised 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.

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

12. **No Third Party Beneficiaries**. Except as otherwise set forth in this Agreement, nothing contained in this Agreement is intended or shall be construed to create rights running to the benefit of any third party.

13. **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.

14. **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.

15. **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.

16. **Interpretation**. Every provision of this Agreement is the result of full negotiations between the parties, both of whom have either been represented by counsel throughout or otherwise been given an opportunity to seek the aid of counsel. Each party hereto further agrees and acknowledges that it is sophisticated in legal affairs and has reviewed this Agreement in detail. Accordingly, no provision of this Agreement shall be construed in favor of or against any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof. Captions and headings of sections contained in this Agreement are for convenience only and shall not control the meaning, effect, or construction of this Agreement. Time periods used in this Agreement shall mean calendar periods unless otherwise expressly indicated.

17. **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.

18. **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.

[Remainder of page intentionally left blank.]

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

EMPLOYEE

/s/ John Vicidomino
John Vicidomino

EXHIBIT A

SEPARATION AND RELEASE AGREEMENT

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

1. **Separation of Employment** . You acknowledge that your employment with the Company ended effective [_____], 201[__] (" **Employment Termination Date** "), and that You will perform no further duties, functions or services for the Company subsequent to the Employment Termination Date. You have resigned or hereby resign from all officer and director positions You held with the Company or any of its subsidiaries effective as of the Employment Termination Date. This Separation and Release Agreement (" **Release** ") is entered into in connection with that certain Severance Benefits Agreement dated effective as of May 21, 2015 by and between the Company and Employee (" **Severance Benefits Agreement** ").

2. **Release Consideration** . In exchange for your promises and obligations in this Release and the Severance Benefits Agreement, including the release of claims set forth below, if You sign and do not revoke this Release and this Release becomes effective, the Company will pay You the amounts, and will provide the benefits, due to You under the Severance Benefits Agreement, minus legally required federal, state and local payroll deductions and withholdings. Payment of any monetary amount provided for in this Section 2 will be made within the time periods required by the Severance Benefits Agreement (except for payments or benefits that will be paid or provided over time as provided therein) and, if no time is specified, within 5 business days after this Release becomes effective.

3. **Acknowledgement of Receipt of Amounts Due** . You acknowledge and agree that You have received all, and that the Company does not owe You any additional, payments, benefits or other compensation as a result of your employment with the Company or your separation from employment with the Company, including, but not limited to, wages, commissions, bonuses, vacation pay, severance pay, expenses, fees, or other compensation or payments of any kind or nature, other than those amounts or benefits, if any, payable or to be provided to You after the date hereof pursuant to the Severance Benefits Agreement after this Release becomes effective.

4. **Return of Company Property** . 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, computers, cell phones, 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. You hereby represent that, other than those materials You have returned to the Company pursuant to this Section 4, You have not copied or caused to be copied, and have not transferred or printed-out or caused to be transferred or printed-out, any software, computer disks, e-mails 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.

5. **Confidentiality and Non-Solicitation/Interference** .

(a) 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. These obligations are in addition to the obligations set forth in any confidentiality or non-disclosure agreement between You and the Company, including, without limitation, that certain Employee Confidentiality Agreement dated as of [_____], [__], which shall remain binding on You after the Employment Termination Date.

(b) Unless required by applicable law, rule, regulation or order or to enforce this Agreement, Employee shall not disclose the existence of the Severance Benefits Agreement or this Release or the underlying terms to any third party, including without limitation, any former, present or future employee of the Company, other than to Employee's immediate family who have a need to know such matters or to Employee's tax or legal advisors who have a need to know such matters. If Employee does disclose this Release, the Severance Benefits Agreement or any of their respective terms to any of Employee's immediate family or tax or legal advisors, then Employee will inform them that they also must keep the existence of this Release, the Severance Benefits Agreement and their respective terms confidential. The Company may disclose the existence or terms of this Release, the Severance Benefits Agreement and their respective terms and may file this Release and the Severance Benefits Agreement as exhibits to its public filings if it is required to due so under applicable law, rule, regulation or order.

(c) For a period of one (1) year immediately following this Release becoming effective, You agree that You will not interfere with Company's business by soliciting an employee to leave Company's employ, or by inducing a consultant or vendor to sever its relationship with Company. You may not, at any time, use the Company's trade secrets to solicit business from any source, including the Company's customers or clients. This Section 5(c) is not intended to, and shall not, prevent You from lawful competition with the Company. You represent and warrant that You have not engaged in any of the foregoing activities prior to the effective date of this Release.

6. **Nondisparagement**. 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 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.

7. **Unconditional General Release of Claims.**

(a) In consideration for the payment and benefits provided for in Section 2, and notwithstanding the provisions of Section 1542 of the Civil Code of California, 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, officers, employees, agents, attorneys, successors, and assigns (and the current, former, and future controlling shareholders, directors, trustees, officers, employees, agents, and attorneys of any such subsidiaries, affiliates, related companies, predecessor companies, and divisions) (all of the foregoing released persons or entities being referred to herein as " **Releasees** "), from any and all claims, complaints, demands, actions, suits, causes of action, obligations, damages and liabilities of whatever kind or nature, whether known or unknown, based on any act, omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution of this Release, including, but not limited to, claims that arise out of or in any way relate to your employment or your separation from employment with the Company.

(b) You acknowledge and agree that the foregoing unconditional and general release includes, but is not limited to, (i) any claims for salary, bonuses, commissions, equity, compensation (except as specified in this Agreement), wages, penalties, premiums, severance pay, vacation pay or any benefits under the Employee Retirement Income Security Act of 1974, as amended; (ii) any claims of harassment, retaliation or discrimination; (iii) any claims based on any federal, state or governmental constitution, statute, regulation or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, the Americans With Disabilities Act, Section 1981 of the Civil Rights Act of 1866, the California Fair Employment and Housing Act, the California Family Rights Act, the Family and Medical Leave Act, the California Constitution, the California Labor Code, the California Industrial Welfare Commission Wage Orders, the California Government Code, the Worker Adjustment and Retraining Notification Act; (iv) whistleblower claims, claims of breach of implied or express contract, breach of promise, misrepresentation, negligence, fraud, estoppel, defamation, infliction of emotional distress, violation of public policy, wrongful or constructive discharge, or any other employment-related tort, and any claims for costs, fees, or other expenses, including attorneys' fees; and (v) any other aspect of your employment or the termination of your employment.

(c) For the purpose of implementing a full and complete release, You expressly acknowledge and agree that this Release resolves all claims You may have against the Company and the Releasees as of the date of this Release, including but limited to claims that You did not know or suspect to exist in your favor at the time of the execution of this Release. You expressly waive any and all rights which You may have under the provisions of Section 1542 of the California Civil Code or any similar state or federal statute. Section 1542 provides as follows:

> "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 known by him or her must have materially affected his or her settlement with the debtor."

(d) This 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.

(e) You hereby certify that You have not experienced a job-related illness or injury for which You have not already filed a claim.

(f) This general release does not waive or release rights or claims arising after You sign this Release.

8. **Covenant Not to Sue .** A "covenant not to sue" is a promise not to sue in court. This covenant differs from a general release of claims in that, besides waiving and releasing the claims covered by this Release, You represent and warrant that You have not filed, and agree that You will not file, or cause to be filed or maintained, any judicial complaint, lawsuit or demand for arbitration involving any claims You have released in this Release, and You agree to withdraw any judicial complaints, lawsuits or demands for arbitration You have filed, or were filed on your behalf, prior to the effective date of this Release. Still, You may sue to enforce this Release. You agree if You breach this covenant, then You must pay the legal expenses incurred by incurred by any Releasee in defending against your suit, including reasonable attorneys' fees, or, at the Company's option, return everything paid to You under this Agreement. In that event, the Company shall be excused from making any further payments or continuing any other benefits otherwise owed to You under paragraph 2 of this Agreement. Furthermore, You give up all rights to individual damages in connection with any administrative or court proceeding with respect to your employment with or termination of employment from, the Company. You also agree that if You are awarded money damages, You will assign your right and interest to such money damages (i) in connection with an administrative charge, to the relevant administrative agency; and (ii) in connection with a lawsuit or demand for arbitration, to the Company.

9. **Cooperation With Company** . You agree to assist and cooperate (including, but not limited to, providing information to the Company and/or testifying truthfully in a proceeding) in the investigation and handling of any internal investigation, governmental matter, or actual or threatened court action, arbitration, administrative proceeding, or other claim involving any matter that arose during the period of your employment. You shall be reimbursed for reasonable expenses actually incurred in the course of rendering such assistance and cooperation. Your agreement to assist and cooperate shall not affect in any way the content of information or testimony provided by You.

10. **No Reemployment .** You acknowledge and agree that the Company has no obligation to employ You or offer You employment in the future and You shall have no recourse against the Company if it refuses to employ You or offer You employment. If You do seek re-employment, then this Release shall constitute sufficient cause for the Company to refuse to re-employ You. Notwithstanding the foregoing, the Company has the right to offer to re-employ You in the future if, in its sole discretion, it chooses to do so.

11. **No Admission of Liability** . This Release 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.

12. **Severability** . Should any provision of this Release be declared or be determined by any court or arbitrator to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected, and said illegal or invalid part, term, or provision shall be deemed not to be part of this Release.

13. **Governing Law**. This Release is made and entered into in the State of Massachusetts and shall in all respects be interpreted, enforced, and governed under the law of that state, without reference to conflict of law provisions thereof.

14. **Interpretation**. The language of all parts in this Release shall be construed as a whole, according to fair meaning, and not strictly for or against any party. The captions and headings contained in this Agreement are for convenience only and shall not control the meaning, effect, or construction of this Agreement.

15. **Knowing and Voluntary Agreement**. You have carefully reviewed this Release and understand the terms and conditions it contains. By entering into this Release, You are giving up potentially valuable legal rights. You specifically acknowledge that You are waiving and releasing any rights You may have under the ADEA. You acknowledge that the consideration given for this waiver and release is in addition to anything of value to which You were already entitled. You acknowledge that You are signing this Release knowingly and voluntarily and intend to be bound legally by its terms.

16. **Entire Agreement**. You hereby acknowledge that no promise or inducement has been offered to You, except as expressly stated in this Release and in the Severance Benefits Agreement, and You are relying upon none. This Release and the Severance Benefits 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.

17. **Period for Review and Consideration/Revocation Rights**.

[**Alternative 1 for Section 17 if Employee is NOT age 40 or over at time of separation from employment**]

You understand that You have seven (7) days after this Release has been delivered to You by the Company to decide whether to sign this Release, although You may sign this Release at any time within the seven (7) day period. If You do sign it, You also understand that You will have an additional three (3) days after the date You deliver this signed Release to the Company and to change your mind and revoke this Release, in which case a written notice of revocation must be delivered to the Company's Chief Legal Officer, Autobytel Inc., 18872 MacArthur Blvd. Suite 200, Irvine, California 92612-1400, on or before the third (3 rd) day after your delivery of this signed Release to the Company (or on the next business day if the third calendar day is not a business day). You understand that this Release will not become effective or enforceable until after that three (3) day period has passed. If You revoke this Release, this Release shall not be effective or enforceable as to any rights You may have under this Release. In the event that You revoke this Release, You will not be entitled to the payments and benefits specified in Paragraph 2.

[**Alternative 2 for Section 17 if Employee is age 40 or over at time of separation from employment, separation from employment is NOT in connection with a group separation, and ADEA Claims are being released**]

You understand that You have twenty-one (21) days after this Release has been delivered to You by the Company to decide whether to sign this Release, although You may sign this Release at any time within the twenty-one (21) day period. If You do sign it, You also understand that You will have an additional seven (7) days after the date You deliver this signed Release to the Company and to change your mind and revoke this Release, in which case a written notice of revocation must be delivered to the Company's Chief Legal Officer, Autobytel Inc., 18872 MacArthur Blvd. Suite 200, Irvine, California 92612-1400, on or before the seventh (7th) day after your delivery of this signed Release to the Company (or on the next business day if the seventh calendar day is not a business day). You understand that this Release will not become effective or enforceable until after that seven (7) day period has passed. If You revoke this Release, this Release shall not be effective or enforceable as to any rights You may have under this Release. In the event that You revoke this Release, You will not be entitled to the payments and benefits specified in Paragraph 2.

[**Alternative 3 for Section 17 if Employee is age 40 or over at time of separation from employment, separation from employment IS in connection with a group termination, and ADEA Claims are being released**]

(a) You understand that You have forty-five (45) days after this Release has been delivered to You by the Company to decide whether to sign this Release, although You may sign this Release at any time within the forty-five (45) day period. If You do sign it, You also understand that You will have an additional seven (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 the Company's Chief Legal Officer, Autobytel Inc., 18872 MacArthur Blvd. Suite 200, Irvine, California 92612-1400, on or before the seventh (7th) day after your delivery of this signed Release to the Company (or on the next business day if the seventh calendar day is not a business day). You understand that this Release will not become effective or enforceable until after that seven (7) day period has passed. If You revoke this Release, this Release shall not be effective or enforceable as to any rights You may have under this Release. In the event that You revoke this Release, You will not be entitled to the payments and benefits specified in Paragraph 2.

(b) You acknowledge that You have received the group information of employees included in the Company's _____ group termination program, the eligibility factors for participation in the program, and the time limits for participation in the program. You also acknowledge that You have received lists of the ages and job titles of employees eligible or selected for the program and employees not eligible or selected for the group termination program. This information is set forth on Appendix A attached hereto and incorporated herein by reference.

18. **Advice of Attorney and Tax Advisor** . Employee acknowledges that: (i) the Company has advised Employee to consult with an attorney and/or tax advisor of Employee's choosing (and at Employee's own cost and expense) before executing this Release, 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 Release. It is the responsibility of Employee to seek independent tax and legal advice with regard to the tax treatment of this Release and the payments and benefits that may be made or provided under this Release and any other related matters. Employee acknowledges that Employee has had a reasonable opportunity to seek and consider advice from Employee's attorney and tax advisors.

PLEASE READ CAREFULLY. THIS RELEASE INCLUDES A GENERAL RELEASE OF ALL CLAIMS, KNOWN AND UNKNOWN. YOU MAY NOT MAKE ANY CHANGES TO THE TERMS OF THIS RELEASE THAT ARE NOT AGREED UPON BY THE COMPANY IN WRITING. ANY CHANGES SHALL CONSTITUTE A REJECTION OF THIS RELEASE BY EMPLOYEE.

Dated:_____, 201_ _____

John Vicidomino

Dated:_____, 201_ **AUTOBYTEL INC.**

By: _____

[Officer's Name]

[Title]

18872 MacArthur Blvd., Suite 200
Irvine, CA 92612-1400
Phone: (949) 225-4500
www.autobytel.com

Exhibit 10.12

Glenn E. Fuller
Executive Vice President, Chief Legal and Administrative Officer and Secretary
Direct Line: 949.862.1392
Facsimile: 949.797.0484
glennf@autobytel.com

June 18, 2015

H. Donald Perkins, Jr.
[Personal Information Redacted]

Re: Offer of Employment

Dear Donald:

This letter confirms the terms and conditions upon which Autobytel Inc., a Delaware corporation (" **Company** ") is offering employment to you. Note that this offer of employment and your employment by the Company is contingent upon various conditions and requirements that must be completed prior to commencement of employment, which conditions and requirements are set forth below.

1. Employment .

(a) Effective as of the date you commence employment with the Company (" **Commencement Date** "), which date is anticipated to be June 18, 2015, the Company will employ you in the capacity set forth on the Exhibit A attached hereto (" **Offer Letter Schedule** "). In such capacity, you will report to such person or persons as may be designated by the Company from time to time.

(b) Your employment is at will and not for a specified term and may be terminated by the Company or you at any time, with or without cause or good reason and with or without prior, advance notice. This "at-will" employment status will remain in effect throughout the term of your employment by the Company and cannot be modified except by a written amendment to this offer letter that is executed by both parties (which in the case of the Company, must be executed by the Company's Chief Legal Officer) and that expressly negates the "at-will" employment status.

2. Compensation, Benefits and Expenses . As compensation for the services to be rendered by you pursuant to this agreement, you will receive the payments and be entitled to participate in the benefits set forth below, subject to the terms and conditions set forth below or in such payment or benefit plans or arrangements. If at any time a conflict between anything in this letter and the applicable benefit plan arises, the terms of the benefit plan controls. Your compensation and benefits shall be paid or made available in accordance with the Company's normal payroll and other practices and policies of the Company.

(a) The Company hereby agrees to pay you a base salary as set forth on the Offer Letter Schedule.

(b) You shall be entitled to participate in annual incentive compensation plans, if any, that may be adopted by the Company from time to time and that are afforded generally to persons employed by the Company at your employment level and position, geographic location and applicable department or operations within the Company (subject to the terms and conditions of any such annual incentive compensation plans). Should such an annual incentive compensation plan be adopted for any annual period, your target annual incentive compensation opportunity will be as established by the Company for each annual period, which may be up to a percentage set forth on the Offer Letter Schedule of your annualized rate (i.e., 24 X Semi-monthly Rate) based on achievement of objectives specified by the Company each annual incentive compensation period (which may include Company-wide performance objectives; divisional, department or operations performance objectives and/or individual performance objectives, allocated between and among such performance objectives as the Company may determine) and subject to adjustment by the Company based on the Company's evaluation and review of your overall individual job performance in the sole discretion of the Company. Specific annual incentive compensation plan details, target incentive compensation opportunity and objectives for each annual compensation plan period will be established each year. Awards under annual incentive plans may be prorated for a variety of factors, including time employed by the Company during the year, adjustments in base compensation or target award percentage changes during the year, and unpaid leaves. You understand that the Company's annual incentive compensation plans, their structure and components, specific target incentive compensation opportunities and objectives, the achievement of objectives and the determination of actual awards and payouts, if any, thereunder are subject to the sole discretion of the Company.

(c) Subject to approval of the Company's Board of Directors, upon commencement of employment with the Company you will be granted options to acquire shares of the Company's common stock as set forth on the Offer Letter Schedule. The number of shares, exercise price, vesting, exercise, termination and other terms and conditions of these options shall be governed by and subject to the terms and conditions of the applicable stock option plan and stock option award agreement. The granting and exercise of such options are also subject to compliance with applicable federal and state securities laws.

(d) You shall be entitled to participate in such ordinary and customary benefits plans afforded generally to persons employed by the Company at your employment position and level and geographic location (subject to the terms and conditions of such benefit plans, your enrollment in the plans and making of any required employee contributions required for your participation in such benefits, your ability to qualify for and satisfy the requirements of such benefits plans). Upon commencement of employment with the Company, you will begin accruing vacation under the Company's vacation accrual policy at the rate set forth on the Offer Letter Schedule. Accrual of vacation is subject to a limitation on accrual as set forth in the Company's vacation accrual policy.

(e) You are solely responsible for the payment of any tax liability that may result from any compensation, payments or benefits that you receive from the Company. The Company shall have the right to deduct or withhold from the compensation due to you hereunder any and all sums required by applicable federal, state, local or other laws, rules or regulations, including, without limitation federal and state income taxes, social security or FICA taxes, and state unemployment taxes, now applicable or that may be enacted and become applicable during your employment by the Company.

(f) Upon termination of your employment by either party, whether with or without cause or good reason, you will be entitled to receive only such severance benefits, if any, as are set forth in that certain Severance Benefits Agreement between you and the Company to be dated as of the Employment Commencement Date (" **Severance Benefits Agreement** "), as the Severance Benefits Agreement may be amended, modified or terminated by agreement of the parties. Receipt of any such severance benefits is subject to your compliance with the terms and conditions of the Severance Benefits Agreement.

3. **Pre-Hire Conditions and Requirements .** You have previously submitted an Application for Employment and a Consent to Conduct a Background Check. This offer of employment and your employment by the Company is contingent upon various conditions and requirements for new hires that must be completed prior to commencement of employment. These conditions and requirements include, among other things, the following:

(i) Successful completion of the Company's background check.

(ii) Your acceptance, execution and delivery of this offer letter together with the Company's Employee Confidentiality Agreement and Mutual Agreement to Arbitrate, the forms of which accompany this offer letter and which are hereby incorporated herein by reference. Please sign this offer letter and these other documents and return the signed original documents to Joselyn Chamochumbi in the Company's Human Resources Department.

(iii) Your execution and delivery of your acknowledgment and agreement to the Company's Employee Handbook and the various policies included therein, Securities Trading Policy, Code of Conduct and Ethics. Upon your acceptance of this offer letter, you will be provided instructions how to access online, sign and return these documents.

(iv) Your compliance with all applicable federal and state laws, rules, regulation and orders, including (1) your execution and delivery of an I-9 Employment Eligibility Verification together with complying verification documents; and (2) your execution and delivery of a W-4 Employee's Withholding Allowance Certificate. Upon your acceptance of this offer letter, you will be provided instructions how to access online, sign and return these documents.

The documents referenced in Sections 3(ii), (iii) and (iv) above are referred to herein as the " **Standard Employee Documents** ."

4. **Amendments and Waivers** . This agreement may be amended, modified, superseded, or cancelled, and the terms and conditions hereof may be waived, only by a written instrument signed by the parties hereto or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power, or privilege hereunder will operate as a waiver thereof, nor will any waiver on the part of any party of any right hereunder, nor any single or partial exercise of any rights hereunder, preclude any other or further exercise thereof or the exercise of any other right hereunder.

5. **Notices**. Any notice required or permitted under this agreement will be considered to be effective in the case of (i) certified mail, when sent postage prepaid and addressed to the party for whom it is intended at its address of record, three (3) days after deposit in the mail; (ii) by courier or messenger service, upon receipt by recipient as indicated on the courier's receipt; or (iii) upon receipt of an Electronic Transmission by the party that is the intended recipient of the Electronic Transmission. The record addresses, facsimile numbers of record, and electronic mail addresses of record for you are set forth on the signature page to this agreement and for the Company as set forth in the letterhead above and may be changed from time to time by notice from the changing party to the other party pursuant to the provisions of this Section 5. For purposes of this Section 5, " **Electronic Transmission** " means a communication (i) delivered by facsimile, telecommunication or electronic mail when directed to the facsimile number of record or electronic mail address of record, respectively, which the intended recipient has provided to the other party for sending notices pursuant to this Agreement and (ii) that creates a record of delivery and receipt that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

6. **Choice of Law**. This agreement, its construction and the determination of any rights, duties or remedies of the parties arising out of or relating to this agreement will be governed by, enforced under and construed in accordance with the laws of the State of California, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws of such state.

7. **Severability**. Each term, covenant, condition, or provision of this agreement will be viewed as separate and distinct, and in the event that any such term, covenant, condition or provision will be deemed to be invalid or unenforceable, the arbitrator or court finding such invalidity or unenforceability will modify or reform this agreement to give as much effect as possible to the terms and provisions of this agreement. Any term or provision which cannot be so modified or reformed will be deleted and the remaining terms and provisions will continue in full force and effect.

8. **Interpretation**. Every provision of this agreement is the result of full negotiations between the parties, both of whom have either been represented by counsel throughout or otherwise been given an opportunity to seek the aid of counsel. No provision of this agreement shall be construed in favor of or against any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof. Captions and headings of sections contained in this agreement are for convenience only and shall not control the meaning, effect, or construction of this agreement. Time periods used in this Agreement shall mean calendar periods unless otherwise expressly indicated.

9. **Entire Agreement**. This Agreement, together with the Standard Employee Documents, is intended to be the final, complete and exclusive agreement between the parties relating to the employment of you by the Company and all prior or contemporaneous understandings, representations and statements, oral or written, are merged herein. 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 which the enforcement thereof is or may be sought.

10. **Counterparts; Facsimile or PDF Signature**. This agreement may be executed in counterparts, each of which will be deemed an original hereof and all of which together will constitute one and the same instrument. This agreement maybe executed by facsimile or PDF signature by either party and such signature shall be deemed binding for all purposes hereof, without delivery of an original signature being thereafter required.

This offer shall expire seven (7) calendar days from the date of this offer letter. Should you wish to accept this offer and its terms and conditions, please confirm your understanding of, agreement to, and acceptance of the foregoing by signing and returning to the undersigned the duplicate copy of this offer letter enclosed herewith..

AUTOBYTEL INC.

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

Accepted and Agreed
as of the date
first written above:

/s/ H. Donald Perkins, Jr.
H. Donald Perkins, Jr.
[Personal Information Redacted]

Exhibit A
Offer Letter Schedule

Employment Capacity/Title: EVP, Strategic and Business Development.

Employment Commencement Date: June 18, 2015

Base Salary: Semi-monthly Rate of Twelve Thousand Two Hundred Ninety-one Dollars and Sixty-seven Cents ($12,291.67), which equates to an annualized rate of Two Hundred Ninety-five Thousand Dollars ($295,000).

Annual Incentive Compensation Target: 65%

Stock Options: 40,000

Vacation Accrual Rate : Vacation accrues at a rate equal to 3 weeks (120 hours for full-time employees) per year (5 hours per pay period).

_____ _____
Employee Initials Company Initials

Exhibit 10.13

AUTOBYTEL INC.

SEVERANCE BENEFITS AGREEMENT

This Severance Benefits Agreement (" **Agreement** ") entered into effective as of June 18, 2015 (" **Effective Date** ") between Autobytel Inc., a Delaware corporation (" **Autobytel** " or **"Company"**), and H. Donald Perkins, Jr. (" **Employee** ").

Background

Autobytel has determined that it is in its best interests to provide Employee with certain severance benefits to encourage Employee's continued employment with, and dedication to the business of, the Company.

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 3.

(b) " Arbitration Agreement " means that certain Mutual Agreement to Arbitrate dated as of June 18, 2015 entered into by and between the Company and Employee.

(c) " Cause " shall mean the termination of the Employee's employment by the 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 notifying Employee that, in the opinion of the Company, "Cause" exists to terminate Employee's employment.

(d) " Change of Control " shall mean any of the following events:

(i) When any "person" as defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d) and 14(d) thereof (including a "group" as defined in Section 13(d) of the Exchange Act, but excluding the Company, any Subsidiary or any employee benefit plan sponsored or maintained by the Company or any Subsidiary (including any trustee of such plan acting as trustee)), directly or indirectly, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act, as amended from time to time), of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities.

(ii) When the individuals who, as of the Effective Date, constitute the Board (" **Incumbent Board** "), cease for any reason to constitute at least a majority of the Board; provided however, that any individual becoming a director subsequent to such date, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall, for purposes of this section, be counted as a member of the Incumbent Board in determining whether the Incumbent Board constitutes a majority of the Board.

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another corporation (a " **Business Combination** "), in each case, unless, following such Business Combination:

(1) all or substantially all of the individuals and entities who were the beneficial owners of the then outstanding shares of common stock of the Company and the beneficial owners of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the then outstanding shares of common stock and the combined voting power of the then outstanding securities entitled to vote generally in the election of directors, respectively, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or indirectly or through one or more subsidiaries); and

(2) no person (excluding any employee benefit plan or related trust of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, fifty percent (50%) or more of the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of such corporation except to the extent that such ownership existed prior to the Business Combination.

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(e) " COBRA " shall mean the Consolidated Omnibus Budget Reconciliation Act, as amended, and the rules and regulations promulgated thereunder.

(f) " Code " shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

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

(h) " Disability " shall mean 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.

(i) " Employee's Position " means Employee's position as the Executive Vice President, Strategic and Business Development.

(j) " Good Reason " means any act, decision or omission by the Company that: (A) materially modifies, reduces, changes, or restricts Employee's base salary as in existence as of the Effective Date 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 modifies, reduces, changes, or restricts the Employee's Health and Welfare Benefits as a whole as in existence as of the Effective Date hereof or as of the date prior to any such change, whichever are more beneficial for Employee at the time of the act, decision, or omission by the Company; (C) materially modifies, reduces, changes, or restricts the Employee's authority, duties, or responsibilities commensurate with the Employee's Position but excluding the effects of any reductions in force other than the Employee's own termination; (D) constitutes a failure or refusal by any Company Successor to assume this Agreement; or (E) involves or results in any material failure by the Company to comply with any provision of this Agreement, 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 a material breach to the reasonable satisfaction of the Employee within thirty (30) days after Company's receipt of such written notice.

(k) " Health and Welfare Benefits " means all Company medical, dental, vision, life and disability plans in which Employee participates.

(l) " 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 twenty percent (20%) 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 section, 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).

(m) " Severance Period " shall equal twelve (12) months.

(n) " Successor Company " means any successor to Autobytel or its assets by reason of any Change of Control.

(o) " Termination Without Cause " means termination of Employee's employment with the Company (i) by the Company (a) for any reason other than (1) death, (2) Disability or (3) those reasons expressly set forth in the definition of "Cause," (b) for no reason at all, or (c) in connection with or as a result of a Change of Control; provided, however, that a termination of Employee's employment with the Company in connection with a Change of 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 provide Employee the right to terminate Employee's employment for Good Reason.

2. **Severance Benefits and Conditions** .

(a) In the event of (i) Termination Without Cause by the Company, or (ii) the termination of Employee's employment with the Company by Employee for Good Reason within 30 days following the earlier of (1) the Company's failure to cure within the 30-day period set forth in the definition of Good Reason, and (2) the Company's notice to Employee that it will not cure the event giving rise to such termination for Good Reason, then (A) Employee shall receive upon such termination a lump sum amount equal to the number of months constituting the Severance Period at the time of termination times the Employee's monthly base salary (determined as the Employee's highest monthly base salary paid to Employee while employed by the Company; base salary does not include any bonus, commissions or other incentive payments or compensation); (B) subject to Section 2(b) below, Employee shall be entitled to a continuation of all Health and Welfare Benefits for Employee and, if applicable, Employee's eligible dependents during the Severance Period at the time they would have been provided or paid had the Employee remained an employee of Company during the Severance Period and at the levels provided prior to the event giving rise to a termination; and (C) the Company shall make available to Employee career transition services at a level and with a provider selected by the Company in accordance with Section 2(g) below.

(b) (i) With respect to Health and Welfare 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 Health and Welfare Benefits, Employee may elect to obtain coverage for such Health and Welfare 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 Health and Welfare 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 have paid assuming Employee elected continuation of benefits under COBRA. The Company's obligation to pay or reimburse for the Health and Welfare Benefits covered by this Section 2(b)(i) shall terminate upon the earlier of (i) the end of the Severance Period; and (ii) Employee's employment by an employer that provides Employee and Employee's eligible dependents with group coverage substantially similar to the Health and Welfare Benefits 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 Health and Welfare 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 Health and Welfare Benefits, Employee may elect to obtain coverage for such Health and Welfare 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. 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 Health and Welfare Benefits at the time of termination of Employee's employment with the Company. The Company's obligation to pay or reimburse for the Health and Welfare Benefits covered by this Section 2(b)(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 the Health and Welfare Benefits 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 Health and Welfare Benefits covered by this Section 2(b)(ii) for Employee if Employee does not qualify for coverage under the Company's existing insurance policies for such Health and Welfare Benefits, for individual coverage, or for dependent coverage.

(c) The payments and benefits set forth in Sections 2(a) and 2(b) are conditioned upon and shall be provided to Employee only if (i) Employee has executed and delivered to the Company a Separation and Release Agreement in favor of the Company and Releasees, which agreement shall be substantially in the form attached hereto as Exhibit A (" **Release** ") no later than the expiration of the applicable period of time allowed for Employee to consider the Release as set forth in Section 17 of the Release (" **Release Consideration Period** "); (ii) Employee has not revoked the Release prior to the expiration of the applicable revocation period set forth in Section 17 of the Release (" **Release Revocation Period** "); and (iii) the Release has become effective and non-revocable no later than the cumulative period of time represented by the sum of the maximum Release Consideration Period and the maximum Release Revocation Period. No payments or benefits set forth in Sections 2(a) or 2(b) shall be due or payable to, or provided to, Employee if the Release has not become effective and non-revocable in accordance with the requirements of this Section 2(c).

(d) Upon satisfaction of the conditions set forth in Section 2(c), but subject to the last sentence of this Section 2(d), all payments under Section 2(a)(A) shall be made to Employee within five (5) business days after the Release becomes effective and non-revocable in accordance with its terms. In any case, the payment under Section 2(a)(A) shall be made no later than two and one-half months after the end of the calendar year in which Employee's Separation from Service occurs, provided that the Release shall have become effective and non-revocable in compliance with Section 2(c) prior to expiration of such two and one-half month period. If the period of time covered by the entire allowed Release Consideration Period, the entire Revocation Period and the entire five business day period described above in this Section 2(d) (considering such periods consecutively) begins in one calendar year and ends in the following calendar year, all payments under Section 2(a)(A) shall be made to Employee on the first business day of such following calendar year which is five (5) or more business days after the date on which the Release became effective and non-revocable in accordance with its terms.

(e) In addition to the payments and benefits under Sections 2(a) and 2(b), to the extent required by applicable law or the Company's incentive or other compensation plans applicable to Employee, if any, upon any termination of Employee's employment Employee shall receive (i) any amounts earned and due and owing to Employee as of the termination date with respect to any base salary, incentive compensation or commissions; and (ii) any other payments required by applicable law (including payments with respect to accrued and unused vacation time). Payments required under this Section 2(e) are not conditioned upon Employee's signing the Release and shall be made within the time period(s) required by applicable law.

(f) All payments and benefits under this Section 2 are subject to legally required federal, state and local payroll deductions and withholdings.

(g) To receive career transition services, Employee must contact the service provider no later than 30 days after the Release becomes effective.

(h) Other than the payments and benefits provided for in this Section 2, Employee shall not be entitled to any additional payments or benefits from the Company resulting from a termination of Employee's employment with the Company.

3. **Taxes** . 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 and interest arising under Section 409A of the Code). Neither the Company nor any of its employees, directors, or service providers shall have any obligation whatsoever to pay such taxes or interest, to prevent Employee from incurring them, or to mitigate or protect Employee from any such tax or interest 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, without interest, 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. With respect to the reimbursement of expenses to which Employee is entitled under this Agreement, if any, or the provision of in-kind benefits to Employee as specified under this Agreement, if any, such reimbursement of expenses or provision of in-kind benefits shall be subject to the following conditions: (i) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year, except for any medical reimbursement arrangement providing for the reimbursement of expenses referred to in Section 105(b) of the Code, solely to the extent that the arrangement provides for a limit on the amount of expenses that may be reimbursed under such arrangement over some or all of the period in which the reimbursement arrangement remains in effect; (ii) the reimbursement of an eligible expense shall be made no later than the end of the calendar year after the calendar year in which such expense was incurred; (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; and (iv) the right to reimbursement or provision of in-kind benefits shall not apply to any expenses incurred or benefits to be provided beyond the last day of the second taxable year following the year in which Employee's Separation from

Service occurred.

4. **Arbitration**. 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, which is incorporated herein by reference.

5. **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 contains the entire integrated understanding between the parties hereto and supersedes any prior employment, severance, or change-in-control protective agreement or other agreement, plan or arrangement between the Company or any predecessor and Employee. 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 the Prior Severance Agreement is hereby terminated and shall have no further force or effect.

6. **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 cable, 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 cable, when sent, 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, Suite 200
Irvine, California, 92612-1400
Facsimile: (949) 862-1323
Attn: Chief Legal Officer

If to the Employee:

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

7. **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.

8. **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.

9. **Non-Disclosure**. Unless required by applicable law, rule, regulation or order or to enforce this Agreement, Employee shall not disclose the existence of this Agreement or the underlying terms to any third party, including without limitation, any former, present or future employee of the Company, other than to Employee's immediate family who have a need to know such matters or to Employee's tax or legal advisors who have a need to know such matters. If Employee does disclose this Agreement or any of its terms to any of Employee's immediate family or tax or legal advisors, then Employee will inform them that they also must keep the existence of this Agreement and its terms confidential. The Company may disclose the existence or terms of the Agreement and its terms and may file this Agreement as an exhibit to its public filings if it is required to due so under applicable law, rule, regulation or order.

10. **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 excised 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.

11. **Governing Law**. This Agreement shall be construed and enforced in accordance with the laws 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.

12. **No Third Party Beneficiaries**. Except as otherwise set forth in this Agreement, nothing contained in this Agreement is intended or shall be construed to create rights running to the benefit of any third party.

13. **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.

14. **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.

15. **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.

16. **Interpretation**. Every provision of this Agreement is the result of full negotiations between the parties, both of whom have either been represented by counsel throughout or otherwise been given an opportunity to seek the aid of counsel. Each party hereto further agrees and acknowledges that it is sophisticated in legal affairs and has reviewed this Agreement in detail. Accordingly, no provision of this Agreement shall be construed in favor of or against any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof. Captions and headings of sections contained in this Agreement are for convenience only and shall not control the meaning, effect, or construction of this Agreement. Time periods used in this Agreement shall mean calendar periods unless otherwise expressly indicated.

17. **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.

18. **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.

[Remainder of page intentionally left blank.]

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

EMPLOYEE

/s/ H. Donald Perkins, Jr.
H. Donald Perkins, Jr.

EXHIBIT A

SEPARATION AND RELEASE AGREEMENT

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

1. **Separation of Employment** . You acknowledge that your employment with the Company ended effective [_____], 201[__] (" **Employment Termination Date** "), and that You will perform no further duties, functions or services for the Company subsequent to the Employment Termination Date. You have resigned or hereby resign from all officer and director positions You held with the Company or any of its subsidiaries effective as of the Employment Termination Date. This Separation and Release Agreement (" **Release** ") is entered into in connection with that certain Severance Benefits Agreement dated effective as of June 18, 2015 by and between the Company and Employee (" **Severance Benefits Agreement** ").

2. **Release Consideration** . In exchange for your promises and obligations in this Release and the Severance Benefits Agreement, including the release of claims set forth below, if You sign and do not revoke this Release and this Release becomes effective, the Company will pay You the amounts, and will provide the benefits, due to You under the Severance Benefits Agreement, minus legally required federal, state and local payroll deductions and withholdings. Payment of any monetary amount provided for in this Section 2 will be made within the time periods required by the Severance Benefits Agreement (except for payments or benefits that will be paid or provided over time as provided therein) and, if no time is specified, within 5 business days after this Release becomes effective.

3. **Acknowledgement of Receipt of Amounts Due** . You acknowledge and agree that You have received all, and that the Company does not owe You any additional, payments, benefits or other compensation as a result of your employment with the Company or your separation from employment with the Company, including, but not limited to, wages, commissions, bonuses, vacation pay, severance pay, expenses, fees, or other compensation or payments of any kind or nature, other than those amounts or benefits, if any, payable or to be provided to You after the date hereof pursuant to the Severance Benefits Agreement after this Release becomes effective.

4. **Return of Company Property** . 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, computers, cell phones, 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. You hereby represent that, other than those materials You have returned to the Company pursuant to this Section 4, You have not copied or caused to be copied, and have not transferred or printed-out or caused to be transferred or printed-out, any software, computer disks, e-mails 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.

5. **Confidentiality and Non-Solicitation/Interference** .

(a) 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. These obligations are in addition to the obligations set forth in any confidentiality or non-disclosure agreement between You and the Company, including, without limitation, that certain Employee Confidentiality Agreement dated as of [_____], [__], which shall remain binding on You after the Employment Termination Date.

(b) Unless required by applicable law, rule, regulation or order or to enforce this Agreement, Employee shall not disclose the existence of the Severance Benefits Agreement or this Release or the underlying terms to any third party, including without limitation, any former, present or future employee of the Company, other than to Employee's immediate family who have a need to know such matters or to Employee's tax or legal advisors who have a need to know such matters. If Employee does disclose this Release, the Severance Benefits Agreement or any of their respective terms to any of Employee's immediate family or tax or legal advisors, then Employee will inform them that they also must keep the existence of this Release, the Severance Benefits Agreement and their respective terms confidential. The Company may disclose the existence or terms of this Release, the Severance Benefits Agreement and their respective terms and may file this Release and the Severance Benefits Agreement as exhibits to its public filings if it is required to due so under applicable law, rule, regulation or order.

(c) For a period of one (1) year immediately following this Release becoming effective, You agree that You will not interfere with Company's business by soliciting an employee to leave Company's employ, or by inducing a consultant or vendor to sever its relationship with Company. You may not, at any time, use the Company's trade secrets to solicit business from any source, including the Company's customers or clients. This Section 5(c) is not intended to, and shall not, prevent You from lawful competition with the Company. You represent and warrant that You have not engaged in any of the foregoing activities prior to the effective date of this Release.

6. **Nondisparagement** . 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 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.

7. **Unconditional General Release of Claims .**

(a) In consideration for the payment and benefits provided for in Section 2, and notwithstanding the provisions of Section 1542 of the Civil Code of California, 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, officers, employees, agents, attorneys, successors, and assigns (and the current, former, and future controlling shareholders, directors, trustees, officers, employees, agents, and attorneys of any such subsidiaries, affiliates, related companies, predecessor companies, and divisions) (all of the foregoing released persons or entities being referred to herein as " **Releasees** "), from any and all claims, complaints, demands, actions, suits, causes of action, obligations, damages and liabilities of whatever kind or nature, whether known or unknown, based on any act, omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution of this Release, including, but not limited to, claims that arise out of or in any way relate to your employment or your separation from employment with the Company.

(b) You acknowledge and agree that the foregoing unconditional and general release includes, but is not limited to, (i) any claims for salary, bonuses, commissions, equity, compensation (except as specified in this Agreement), wages, penalties, premiums, severance pay, vacation pay or any benefits under the Employee Retirement Income Security Act of 1974, as amended; (ii) any claims of harassment, retaliation or discrimination; (iii) any claims based on any federal, state or governmental constitution, statute, regulation or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, the Americans With Disabilities Act, Section 1981 of the Civil Rights Act of 1866, the California Fair Employment and Housing Act, the California Family Rights Act, the Family and Medical Leave Act, the California Constitution, the California Labor Code, the California Industrial Welfare Commission Wage Orders, the California Government Code, the Worker Adjustment and Retraining Notification Act; (iv) whistleblower claims, claims of breach of implied or express contract, breach of promise, misrepresentation, negligence, fraud, estoppel, defamation, infliction of emotional distress, violation of public policy, wrongful or constructive discharge, or any other employment-related tort, and any claims for costs, fees, or other expenses, including attorneys' fees; and (v) any other aspect of your employment or the termination of your employment.

(c) For the purpose of implementing a full and complete release, You expressly acknowledge and agree that this Release resolves all claims You may have against the Company and the Releasees as of the date of this Release, including but limited to claims that You did not know or suspect to exist in your favor at the time of the execution of this Release. You expressly waive any and all rights which You may have under the provisions of Section 1542 of the California Civil Code or any similar state or federal statute. Section 1542 provides as follows:

"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 known by him or her must have materially affected his or her settlement with the debtor."

(d) This 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.

(e) You hereby certify that You have not experienced a job-related illness or injury for which You have not already filed a claim.

(f) This general release does not waive or release rights or claims arising after You sign this Release.

8. **Covenant Not to Sue .** A "covenant not to sue" is a promise not to sue in court. This covenant differs from a general release of claims in that, besides waiving and releasing the claims covered by this Release, You represent and warrant that You have not filed, and agree that You will not file, or cause to be filed or maintained, any judicial complaint, lawsuit or demand for arbitration involving any claims You have released in this Release, and You agree to withdraw any judicial complaints, lawsuits or demands for arbitration You have filed, or were filed on your behalf, prior to the effective date of this Release. Still, You may sue to enforce this Release. You agree if You breach this covenant, then You must pay the legal expenses incurred by incurred by any Releasee in defending against your suit, including reasonable attorneys' fees, or, at the Company's option, return everything paid to You under this Agreement. In that event, the Company shall be excused from making any further payments or continuing any other benefits otherwise owed to You under paragraph 2 of this Agreement. Furthermore, You give up all rights to individual damages in connection with any administrative or court proceeding with respect to your employment with or termination of employment from, the Company. You also agree that if You are awarded money damages, You will assign your right and interest to such money damages (i) in connection with an administrative charge, to the relevant administrative agency; and (ii) in connection with a lawsuit or demand for arbitration, to the Company.

9. **Cooperation With Company** . You agree to assist and cooperate (including, but not limited to, providing information to the Company and/or testifying truthfully in a proceeding) in the investigation and handling of any internal investigation, governmental matter, or actual or threatened court action, arbitration, administrative proceeding, or other claim involving any matter that arose during the period of your employment. You shall be reimbursed for reasonable expenses actually incurred in the course of rendering such assistance and cooperation. Your agreement to assist and cooperate shall not affect in any way the content of information or testimony provided by You.

10. **No Reemployment .** You acknowledge and agree that the Company has no obligation to employ You or offer You employment in the future and You shall have no recourse against the Company if it refuses to employ You or offer You employment. If You do seek re-employment, then this Release shall constitute sufficient cause for the Company to refuse to re-employ You. Notwithstanding the foregoing, the Company has the right to offer to re-employ You in the future if, in its sole discretion, it chooses to do so.

11. **No Admission of Liability** . This Release 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.

12. **Severability** . Should any provision of this Release be declared or be determined by any court or arbitrator to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected, and said illegal or invalid part, term, or provision shall be deemed not to be part of this Release.

13. **Governing Law** . This Release is made and entered into in the State of California and shall in all respects be interpreted, enforced, and governed under the law of that state, without reference to conflict of law provisions thereof.

14. **Interpretation** . The language of all parts in this Release shall be construed as a whole, according to fair meaning, and not strictly for or against any party. The captions and headings contained in this Agreement are for convenience only and shall not control the meaning, effect, or construction of this Agreement.

15. **Knowing and Voluntary Agreement** . You have carefully reviewed this Release and understand the terms and conditions it contains. By entering into this Release, You are giving up potentially valuable legal rights. You specifically acknowledge that You are waiving and releasing any rights You may have under the ADEA. You acknowledge that the consideration given for this waiver and release is in addition to anything of value to which You were already entitled. You acknowledge that You are signing this Release knowingly and voluntarily and intend to be bound legally by its terms.

16. **Entire Agreement**. You hereby acknowledge that no promise or inducement has been offered to You, except as expressly stated in this Release and in the Severance Benefits Agreement, and You are relying upon none. This Release and the Severance Benefits 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.

17. **Period for Review and Consideration/Revocation Rights**.

[**Alternative 1 for Section 17 if Employee is NOT age 40 or over at time of separation from employment**]

You understand that You have seven (7) days after this Release has been delivered to You by the Company to decide whether to sign this Release, although You may sign this Release at any time within the seven (7) day period. If You do sign it, You also understand that You will have an additional three (3) days after the date You deliver this signed Release to the Company and to change your mind and revoke this Release, in which case a written notice of revocation must be delivered to the Company's Chief Legal Officer, Autobytel Inc., 18872 MacArthur Blvd. Suite 200, Irvine, California 92612-1400, on or before the third (3 rd) day after your delivery of this signed Release to the Company (or on the next business day if the third calendar day is not a business day). You understand that this Release will not become effective or enforceable until after that three (3) day period has passed. If You revoke this Release, this Release shall not be effective or enforceable as to any rights You may have under this Release. In the event that You revoke this Release, You will not be entitled to the payments and benefits specified in Paragraph 2.

[**Alternative 2 for Section 17 if Employee is age 40 or over at time of separation from employment, separation from employment is NOT in connection with a group separation, and ADEA Claims are being released**]

You understand that You have twenty-one (21) days after this Release has been delivered to You by the Company to decide whether to sign this Release, although You may sign this Release at any time within the twenty-one (21) day period. If You do sign it, You also understand that You will have an additional seven (7) days after the date You deliver this signed Release to the Company and to change your mind and revoke this Release, in which case a written notice of revocation must be delivered to the Company's Chief Legal Officer, Autobytel Inc., 18872 MacArthur Blvd. Suite 200, Irvine, California 92612-1400, on or before the seventh (7th) day after your delivery of this signed Release to the Company (or on the next business day if the seventh calendar day is not a business day). You understand that this Release will not become effective or enforceable until after that seven (7) day period has passed. If You revoke this Release, this Release shall not be effective or enforceable as to any rights You may have under this Release. In the event that You revoke this Release, You will not be entitled to the payments and benefits specified in Paragraph 2.

[**Alternative 3 for Section 17 if Employee is age 40 or over at time of separation from employment, separation from employment IS in connection with a group termination, and ADEA Claims are being released**]

(a) You understand that You have forty-five (45) days after this Release has been delivered to You by the Company to decide whether to sign this Release, although You may sign this Release at any time within the forty-five (45) day period. If You do sign it, You also understand that You will have an additional seven (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 the Company's Chief Legal Officer, Autobytel Inc., 18872 MacArthur Blvd. Suite 200, Irvine, California 92612-1400, on or before the seventh (7th) day after your delivery of this signed Release to the Company (or on the next business day if the seventh calendar day is not a business day). You understand that this Release will not become effective or enforceable until after that seven (7) day period has passed. If You revoke this Release, this Release shall not be effective or enforceable as to any rights You may have under this Release. In the event that You revoke this Release, You will not be entitled to the payments and benefits specified in Paragraph 2.

(b) You acknowledge that You have received the group information of employees included in the Company's _____ group termination program, the eligibility factors for participation in the program, and the time limits for participation in the program. You also acknowledge that You have received lists of the ages and job titles of employees eligible or selected for the program and employees not eligible or selected for the group termination program. This information is set forth on Appendix A attached hereto and incorporated herein by reference.

18. **Advice of Attorney and Tax Advisor**. Employee acknowledges that: (i) the Company has advised Employee to consult with an attorney and/or tax advisor of Employee's choosing (and at Employee's own cost and expense) before executing this Release, 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 Release. It is the responsibility of Employee to seek independent tax and legal advice with regard to the tax treatment of this Release and the payments and benefits that may be made or provided under this Release and any other related matters. Employee acknowledges that Employee has had a reasonable opportunity to seek and consider advice from Employee's attorney and tax advisors.

PLEASE READ CAREFULLY. THIS RELEASE INCLUDES A GENERAL RELEASE OF ALL CLAIMS, KNOWN AND UNKNOWN. YOU MAY NOT MAKE ANY CHANGES TO THE TERMS OF THIS RELEASE THAT ARE NOT AGREED UPON BY THE COMPANY IN WRITING. ANY CHANGES SHALL CONSTITUTE A REJECTION OF THIS RELEASE BY EMPLOYEE.

Dated:_____,201_

_____
H. Donald Perkins, Jr.

Dated:_____,201_

AUTOBYTEL INC.

BY:_____
[OFFICER'S NAME]
[TITLE]

AUTOBYTEL INC.

Inducement Stock Option Award Agreement

(Non-Qualified Stock Options)

THESE OPTIONS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND OTHER APPLICABLE STATE SECURITIES LAWS WITH RESPECT TO SUCH SECURITY IS THEN IN EFFECT, OR SUCH REGISTRATION UNDER THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS IS NOT REQUIRED DUE TO AVAILABLE EXEMPTIONS FROM SUCH REGISTRATION. SHOULD THERE BE ANY REASONABLE UNCERTAINTY OR GOOD FAITH DISAGREEMENT BETWEEN THE COMPANY AND OPTIONEE AS TO THE AVAILABILITY OF SUCH EXEMPTIONS, THEN OPTIONEE SHALL BE REQUIRED TO DELIVER TO THE COMPANY AN OPINION OF COUNSEL (SKILLED IN SECURITIES MATTERS, SELECTED BY OPTIONEE AND REASONABLY SATISFACTORY TO THE COMPANY) IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE WITH AN AVAILABLE EXEMPTION UNDER THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS.

This Inducement Stock Option Award Agreement (" **Agreement** ") is entered into effective as of the Grant Date set forth on the signature page to this Agreement (" **Grant Date** ") by and between Autobytel Inc., a Delaware corporation (" **Company** "), and the person set forth as Optionee on the signature page hereto (" **Optionee** ").

Optionee has not previously been an employee or director of Company. Company has determined to offer employment to Optionee, and as an inducement material to Optionee's decision to accept such employment offer, Company determined to grant Optionee the Options under the terms and conditions set forth herein.

This Agreement and the stock options granted hereby have not been granted pursuant to Company's 2014 Equity Incentive Plan (" **Plan** "), but certain capitalized identified herein and not defined herein shall have the same meanings as defined in the Plan.

1. Grant of Options . Subject to Optionee's commencement of employment with Company, Company hereby grants to Optionee non-qualified stock options (" **Options** ") to purchase the number of shares of common stock of Company, par value $0.001 per share, set forth on the signature page to this Agreement (" **Shares** "), at the exercise price per Share set forth on the signature page to this Agreement (" **Exercise Price** "). The Options are not intended to qualify as incentive stock options under Section 422 of the Code (as such term is defined in the Plan).

2. Term of Options . Unless the Options terminate earlier pursuant to the provisions of this Agreement, the Options shall expire on the seventh (7 th) anniversary of the Grant Date (" **Option Expiration Date** ").

3. Vesting . The Options shall become vested and exercisable in accordance with the following vesting schedule: (i) thirty-three and one-third percent (33 1/3%) shall vest and become exercisable on the first anniversary after the Grant Date; and (ii) one thirty-sixth (1/36th) shall vest and become exercisable on each successive monthly anniversary thereafter for the following twenty-four (24) months ending on the third anniversary of such vesting commencement date. No installments of the Options shall vest after Optionee's termination of employment for any reason.

4. Exercise of Options .

(a) Manner of Exercise . To the extent vested, the Options may be exercised, in whole or in part, by delivering written notice to Company in accordance with Section 9(f) in such form as Company may require from time to time, or at the direction of Company, through the procedures established with Company's third party option administration service. Such notice shall specify the number of Shares subject to the Options as to which the Options are being exercised and shall be accompanied by full payment of the Exercise Price of such Shares in a manner permitted under the terms of Section 5.5 of the Plan (as if these Options had been granted under the Plan) (including same-day sales through a broker), except that payment in whole or in part in a manner set forth in clauses (ii), (iii) or (iv) of Section 5.5(b) of the Plan (as if these Options had been granted under the Plan), may only be made with the consent of the Committee (as such term is defined in the Plan). The Options may be exercised only in multiples of whole Shares, and no fractional Shares shall be issued.

(b) Issuance of Shares . Upon exercise of the Options and payment of the Exercise Price for the Shares as to which the Options are exercised and satisfaction of all applicable tax withholding requirements, Company shall issue to Optionee the applicable number of Shares in the form of fully paid and nonassessable Shares.

(c) Withholding . No Shares will be issued on exercise of the Options unless and until Optionee pays to Company, or makes satisfactory arrangements with Company for payment of, any federal, state, local or foreign taxes required by law to be withheld in respect of the exercise of the Options. Optionee hereby agrees that Company may withhold from Optionee's wages or other remuneration the applicable taxes. At the discretion of Company, the applicable taxes may be withheld in kind from the Shares otherwise deliverable to Optionee on exercise of the Options, up to Optionee's minimum required withholding rate or such other rate determined by the Committee that will not trigger a negative accounting impact.

d) Compliance with Securities Trading Policy . Shares issued upon exercise of the Options may only be sold, pledged or otherwise transferred in compliance with Company's securities trading policies generally applicable to officers, directors or employees of Company as long as Optionee is subject to such securities trading policy.

(e) Limitation on Number of Resales or Transfers of Shares . The number of Shares that may be resold or transferred to the public or through any public securities trading market at any time may not exceed (i) for any one sale or transfer order, twenty-five percent (25%) of the Average Daily Volume; and (ii) for all sales or transfer volume in any calendar week, twenty-five percent (25%) of the Weekly Volume. For purposes of this Section 4(e), (i) " **Average Daily Volume** " will be determined once at the beginning of each calendar quarter for application during such quarter based on an averaging of the daily volume of sales of Company Common Stock as reported by The NASDAQ Capital Market (provided that if Company's Common Stock is not then listed on The NASDAQ Capital Market, as reported by such trading market on which the Common Stock is traded) for each trading day over the 90-trading day period preceding such determination; and (ii) " **Average Weekly Volume** " is calculated by multiplying the Average Daily Volume by the number of trading days in the calendar week preceding the proposed sale or transfer of Shares.

5. Termination of Options .

(a) Termination Upon Expiration of Option Term . The Options shall terminate and expire in their entirety on the Option Expiration Date. In no event may Optionee exercise the Options after the Option Expiration Date, even if the application of another provision of this Section 5 may result in an extension of the exercise period for the Options beyond the Option Expiration Date.

(b) Termination of Employment .

(i) Termination of Employment Other Than Due to Death, Disability or Cause .

(1) Optionee may exercise the vested portion of the Options for a period of ninety (90) days (but in no event later than the Option Expiration Date) following any termination of Optionee's employment with Company, either by Optionee or Company, other than in the event of a termination of Optionee's employment by Company for Cause, voluntary termination by Optionee without Good Reason or by reason of Optionee's death or Disability. In the event the termination of Optionee's employment is by Company without Cause or by Optionee for Good Reason, any unvested portion of the Options shall become immediately and fully vested as of the date of such termination.

(2) In the event of a voluntary termination of employment with Company by Optionee without Good Reason, (i) unvested Options as of the date of termination shall immediately terminate in their entirety and shall thereafter not be exercisable to any extent whatsoever; and (ii) Optionee may exercise any portion of the Options that are vested as of the date of termination for a period of ninety (90) days (but in no event later than the Option Expiration Date) following the date of termination.

(3) For purposes of this Agreement, the terms " **Cause** " and " **Good Reason** " shall have the meanings ascribed to them in that certain Severance Benefits Agreement dated as of June 18, 2015 by and between Company and Optionee (" **Severance Agreement** "). To the extent Optionee is not entitled to exercise the Options at the date of termination of employment, or if Optionee does not exercise the Options within the time specified in this Agreement for post-termination of employment exercises of the Options, the Options shall terminate.

(i) Termination of Employment for Cause . Upon the termination of Optionee's employment by Company for Cause, unless the Options have earlier terminated, the Options (whether vested or not) shall immediately terminate in their entirety and shall thereafter not be exercisable to any extent whatsoever; provided that Company, in its discretion, may, by written notice to Optionee given as of the date of termination, authorize Optionee to exercise any vested portion of the Options for a period of up to thirty (30) days following Optionee's termination of employment for Cause, provided that in no event may Optionee exercise the Options beyond the Option Expiration Date.

(iii) Termination of Optionee's Employment By Reason of Optionee's Death . In the event Optionee's employment is terminated by reason of Optionee's death, the Options, to the extent vested as of the date of termination, may be exercised at any time within twelve (12) months following the date of termination (but in no event later than the Option Expiration Date) by Optionee's executor or personal representative or the person to whom the Options shall have been transferred by will or the laws of descent and distribution, but only to the extent Optionee could exercise the Options at the date of termination.

(iv) Termination of Optionee's Employment By Reason of Optionee's Disability . In the event that Optionee ceases to be an employee by reason of Optionee's Disability, unless the Options have earlier terminated, Optionee (or Optionee's attorney-in-fact, conservator or other representative on behalf of Optionee) may, but only within twelve (12) months from the date of such termination of employment (and in no event later than the Option Expiration Date), exercise the Options to the extent Optionee was otherwise entitled to exercise the Options at the date of such termination of employment. For purposes of this Agreement, " **Disability** " shall mean Optionee's becoming "permanently and totally disabled" within the meaning of Section 22(e)(3) of the Code or as otherwise determined by the Committee in its discretion. The Committee may require such proof of Disability as the Committee in its sole and absolute discretion deems appropriate, and the Committee's determination as to whether Optionee has incurred a Disability shall be final and binding on all parties concerned.

(c) Change in Control . In the event of a Change in Control (as such term is defined in the Plan), the effect of the Change in Control on the Options shall be determined by the applicable provisions of the Plan (including, without limitation, Article 11 of the Plan), (as if the Options had been granted under the Plan), provided that (i) to the extent the Options are assumed or substituted by the successor company in connection with the Change in Control (or the Options are continued by Company if it is the ultimate parent entity after the Change in Control), the Options will vest and become fully exercisable in accordance with clause (i) of Section 11.2(a) of the Plan (as if the Options had been granted under the Plan), if within twenty-four (24) months following the date of the Change in Control Optionee's employment is terminated by Company or a Subsidiary (or the successor company or a subsidiary or parent thereof) without Cause or by Optionee for Good Reason, and any vested Options (either vested prior to the Change in Control or accelerated by reason of this Section 5(c)) may be exercised for a period of twenty-four (24) months after the date of such termination of employment (but in no event later than the Option Expiration Date); and (ii) any portion of the Options which vests and becomes exercisable pursuant to Section 11.2(b) of the Plan (as if the Options had been granted under the Plan), as a result of such Change in Control will (1) vest and become exercisable on the day prior to the date of the Change in Control if Optionee is then employed by Company or a Subsidiary and (2) terminate on the date of the Change in Control. Notwithstanding the foregoing, if on the date of the Change in Control the Fair Market Value (as such term is defined in the Plan) of one (1) Share is less than the Exercise Price per Share, then the Options shall terminate as of the date of the Change in Control except as otherwise determined by the Committee.

(d) Extension of Exercise Period . Notwithstanding any provisions of this Section 5 to the contrary, if exercise of the Options following termination of employment or service during the time period set forth in the applicable paragraph or sale during such period of the Shares acquired on exercise would violate any of the provisions of the federal securities laws (or any Company policy related thereto), the time period to exercise the Options shall be extended until the later of (i) forty-five (45) days after the date that the exercise of the Options or sale of the Shares acquired on exercise would not be a violation of the federal securities laws (or a related Company policy), or (ii) the end of the applicable time period based on the applicable reason for the termination of employment as set forth in this Section 5; *provided, however* , that in no event shall the exercisability of the Options be extended beyond the Option Expiration Date.

(e) Adjustments . The number of Options may be subject to adjustment as provided in Section 12.2 of the Plan (as if the Options had been granted under the Plan).

(f) Forfeiture upon Engaging in Detrimental Activities . If, at any time within the twelve (12) months after (i) Optionee exercises any portion of the Options; or (ii) the effective date of any termination of Optionee's employment by Company or by Optionee for any reason, Optionee engages in, or is determined by the Committee in its sole discretion to have engaged in, any (i) material breach of any non-competition, non-solicitation, non-disclosure or settlement or release covenant or agreement with Company or any Subsidiary; (ii) activities during the course of Optionee's employment with Company or any Subsidiary constituting fraud, embezzlement, theft or dishonesty; or (iii) activity that is otherwise in conflict with, or adverse or detrimental to the interests of Company or any Subsidiary, then (x) the Options shall terminate effective as of the date on which Optionee engaged in or engages in that activity or conduct, unless terminated sooner pursuant to the provisions of this Agreement, and (y) the amount of any gain realized by Optionee from exercising all or a portion of the Options at any time following the date that Optionee engaged in any such activity or conduct, as determined as of the time of exercise, shall be forfeited by Optionee and shall be paid by Optionee to Company, and recoverable by Company, within sixty (60) days following such termination date of the Options. For purposes of the foregoing, the following will be deemed to be activities in conflict with or adverse or detrimental to the interests of Company or any Subsidiary: (i) Optionee's conviction of, or pleading guilty or nolo contendre to any misdemeanor involving moral turpitude or any elony, the underlying events of which related to Optionee's employment with Company; (ii) knowingly engaged or aided in any act or transaction by Company or a Subsidiary that results in the imposition of criminal, civil or administrative penalties against Company or any Subsidiary; or (iii) misconduct during the course of Optionee's employment by Company or any Subsidiary that results in an accounting restatement by Company due to material noncompliance with any financial reporting requirement under applicable securities laws, whether such restatement occurs during or after Optionee's employment by Company or any Subsidiary.

(g) Reservation of Committee Discretion to Accelerate Option Vesting and Extend Option Exercise Window . The Committee reserves the right, in its sole and absolute discretion, to accelerate the vesting of the Options and to extend the exercise window for Options that have vested (either in accordance with the terms of this Agreement or by discretionary acceleration by the Committee) under circumstances not otherwise covered by the foregoing provisions of this Section 5; provided that in no event may the Committee extend the exercise window for Options beyond the Option Expiration Date. The Committee is under no obligation to exercise any such discretion and may or may not exercise such discretion on a case-by-case basis.

6. Non-Registered Option and Shares .

(a) Optionee hereby acknowledges that the Options and any Shares that may be acquired upon exercise of the Options pursuant hereto are, as of the date hereof, not registered: (i) under the Securities Act of 1933, as amended (" **Securities Act** "), on the ground that the issuance of the Options and the underlying shares is exempt from registration under Section 4(2) of the Securities Act as not involving any public offering or, with respect to Options, because the grant of the Options alone may not constitute an offer or sale of a security under the Securities Act until such time as the Options are exercised or exercisable or (ii) under any applicable state securities law because the grant of the Options does not involve any public offering or is otherwise exempt under applicable state securities laws, and (iii) that Company's reliance on the Section 4(2) exemption of the Securities Act and under applicable state securities laws is predicated in part on the representations hereby made to Company by Optionee. Optionee represents and warrants that Optionee is acquiring the Options and will acquire the Shares for investment for Optionee's own account, with no present intention of reselling or otherwise distributing the same.

(b) If, at the time of issuance of Shares upon exercise of the Options, no registration statement is in effect with respect to such Shares under applicable provisions of the Securities Act and other applicable securities laws, Optionee hereby agrees that Optionee will not sell, transfer, offer, pledge or hypothecate all or any part of the Shares unless and until Optionee shall first have given notice to Company describing such sale, transfer, offer, pledge or hypothecation and there shall be available exemptions from such registration requirements that exist. Should there be any reasonable uncertainty or good faith disagreement between Company and Optionee as to the availability of such exemptions, then Optionee shall be required to deliver to Company (1) an opinion of counsel (skilled in securities matters, selected by Optionee and reasonably satisfactory to Company) in form and substance satisfactory to Company to the effect that such offer, sale, transfer, pledge or hypothecation is in compliance with an available exemption under the Securities Act and other applicable securities laws, or (2) an interpretative letter from the Securities and Exchange Commission to the effect that no enforcement action will be recommended if the proposed offer, sale, transfer, pledge or hypothecation is made without registration under the Securities Act. Company may at its election require that Optionee provide Company with written reconfirmation of Optionee's investment intent as set forth in Section 6(a) with respect to the shares. The shares issued upon exercise of the Options shall bear a legend reading substantially as follows:

"THESE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (" **SECURITIES ACT** "), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND OTHER APPLICABLE STATE SECURITIES LAWS WITH RESPECT TO SUCH SECURITY IS THEN IN EFFECT, OR SUCH REGISTRATION UNDER THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS IS NOT REQUIRED DUE TO AVAILABLE EXEMPTIONS FROM SUCH REGISTRATION. SHOULD THERE BE ANY REASONABLE UNCERTAINTY OR GOOD FAITH DISAGREEMENT BETWEEN THE COMPANY AND OPTIONEE AS TO THE AVAILABILITY OF SUCH EXEMPTIONS, THEN OPTIONEE SHALL BE REQUIRED TO DELIVER TO THE COMPANY AN OPINION OF COUNSEL (SKILLED IN SECURITIES MATTERS, SELECTED BY OPTIONEE AND REASONABLY SATISFACTORY TO THE COMPANY) IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE WITH AN AVAILABLE EXEMPTION UNDER THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS."

(c) The exercise of the Option and the issuance of the Shares upon such exercise shall be subject to compliance by Company and Optionee with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange or securities trading market on which the Shares may be listed for trading at the end of such exercise and issuance.

(d) The inability of Company to obtain approval from any regulatory body having authority deemed by Company to be necessary to the lawful issuance and sale of any Shares pursuant to the Options shall relieve Company of any liability with respect to the nonissuance or sale of the Shares as to which such approval shall not have been obtained. However, Company shall use its best efforts to obtain all such applicable approvals.

7. Miscellaneous .

(a) No Rights of Stockholder . Optionee shall not have any of the rights of a stockholder with respect to the Shares subject to this Agreement until such Shares have been issued upon the due exercise of the Options.

(b) Nontransferability of Options . The Options shall be nontransferable or assignable except to the extent expressly provided in the Plan (as if the Options had been granted under the Plan). Notwithstanding the foregoing, Optionee may by delivering written notice to Company in a form provided by or otherwise satisfactory to Company, designate a third party who, in the event of Optionee's death, shall thereafter be entitled to exercise the Options. This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

(c) Severability . If any provision of this Agreement shall be held unlawful or otherwise invalid or unenforceable in whole or in part by a court of competent jurisdiction, such provision shall (i) be deemed limited to the extent that such court of competent jurisdiction deems it lawful, valid and/or enforceable and as so limited shall remain in full force and effect, and (ii) not affect any other provision of this Agreement or part thereof, each of which shall remain in full force and effect.

(d) Governing Law, Jurisdiction and Venue . This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware other than its conflict of laws principles. The parties agree that in the event that any suit or proceeding is brought in connection with this Agreement, such suit or proceeding shall be brought in the state or federal courts located in New Castle County, Delaware, and the parties shall submit to the exclusive jurisdiction of such courts and waive any and all jurisdictional, venue and inconvenient forum objections to such courts.

(e) Headings . The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(f) Notices. All notices required or permitted under this Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by registered or certified mail, postage prepaid. Notice by mail shall be deemed delivered on the date on which it is postmarked.

Notices to Company should be addressed to:

Autobytel Inc.
18872 MacArthur Blvd., Suite 200
Irvine, CA 92612-1400
Attention: General Counsel

Notices to Optionee should be addressed to Optionee at Optionee's address as it appears on Company's records.

Company or Optionee may by writing to the other party designate a different address for notices. If the receiving party consents in advance, notice may be transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties. Such notices shall be deemed delivered when received.

(g) Agreement Not an Employment Contract. This Agreement is not an employment or service contract, and nothing in this Agreement or in the granting of the Options shall be deemed to create in any way whatsoever any obligation on Optionee's part to continue as an employee of Company or any Subsidiary or on the part of Company or any Subsidiary to continue Optionee's employment or service as an employee.

(h) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original Agreement but all of which, taken together, shall constitute one and the same Agreement binding on the parties hereto. The signature of any party hereto to any counterpart hereof shall be deemed a signature to, and may be appended to, any other counterpart hereof.

(i) Administration. The Committee shall have the power to interpret this Agreement and to adopt such rules for the administration, interpretation and application of this Agreement as are consistent with this Agreement and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee (including determinations as to the calculation, satisfaction or achievement of performance-based vesting requirements, if any, to which the Options are subject) shall be final and binding upon Optionee, Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to this Agreement.

(j) Optionee agrees that Company may impose, and Optionee agrees to be bound by, Company policies and procedures with respect to the ownership, timing and manner of resales of shares of Company's securities, including without limitation, (i) restrictions on insider trading; (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by officers, directors and affiliates of Company following a public offering of Company's securities; (iii) stock ownership or holding requirements applicable to officers and/or directors of Company; and (iv) the required use of a specified brokerage firm for such resales.

(k) Entire Agreement; Modification. This Agreement contains the entire agreement between the parties with respect to the subject matter contained herein and may not be modified except as provided herein or in a written document signed by each of the parties hereto and may be rescinded only by a written agreement signed by both parties.

Remainder of Page Intentionally Left Blank; Signature Page Follows

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Grant Date.

Grant Date:	June 18, 2015
Total Options Awarded:	40,000
Exercise Price Per Share:	$16.16

"Company" Autobytel Inc., a Delaware corporation

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

"Optionee" /s/ H. Donald Perkins, Jr.
H. Donald Perkins, Jr.

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 auditors 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: August 6, 2015

/s/ Jeffrey H. Coats

Jeffrey H. Coats

President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Kimberly S. Boren, 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 auditors 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: August 6, 2015

/s/ Kimberly S. Boren

Kimberly S. Boren,
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, 2015 (the " *Report* "), we, Jeffrey H. Coats, President and Chief Executive Officer of the Company, and Kimberly S. Boren, 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
August 6, 2015

/s/ Kimberly S. Boren

Kimberly S. Boren
Senior Vice President and
Chief Financial Officer
August 6, 2015

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.