

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 1)

CONSUMER PORTFOLIO SERVICES, INC.

(Name of Issuer)

Common Stock, no par value per share

(Title of Class of Securities)

210502 100

(CUSIP Number)

Arthur E. Levine
Levine Leichtman Capital Partners IV, L.P.
335 N. Maple Drive, Suite 240
Beverly Hills, CA 90210
(310) 275-5335

Mitchell S. Cohen, Esq.
Irell & Manella LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, California 90067
(310) 277-1010

(Name, Address and Telephone Number of Persons Authorized to Receive Notices and Communications)

September 16, 2008

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

¹ The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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

1. Names of Reporting Persons.

Levine Leichtman Capital Partners IV, L.P.

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO (See Item 3)

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

State of Delaware

7. Sole Voting Power:

— 0 — Shares

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person
With

8. Shared Voting Power:

3,073,309 Shares (See Item 5)

9. Sole Dispositive Power:

— 0 — Shares

10. Shared Dispositive Power:

3,073,309 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

3,073,309 Shares (See Item 5)

Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

12. Percent of Class Represented by Amount in Row (11)

14.2% (See Item 5)

13. Type of Reporting Person

PN

1. Names of Reporting Persons.

LLCP Partners IV GP, LLC

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

State of Delaware

7. Sole Voting Power:

— 0 — Shares

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person
With

8. Shared Voting Power:

3,073,309 Shares (See Item 5)

9. Sole Dispositive Power:

— 0 — Shares

10. Shared Dispositive Power:

3,073,309 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

3,073,309 Shares (See Item 5)

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

14.2% (See Item 5)

14. Type of Reporting Person

OO

1. Names of Reporting Persons.

Levine Leichtman Capital Partners, Inc.

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(c)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

State of California

7. Sole Voting Power:

— 0 — Shares

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person
With

8. Shared Voting Power:

3,073,309 Shares (See Item 5)

9. Sole Dispositive Power:

— 0 — Shares

10. Shared Dispositive Power:

3,073,309 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

3,073,309 Shares (See Item 5)

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

14.2% (See Item 5)

14. Type of Reporting Person

CO

1. Names of Reporting Persons.

Arthur E. Levine

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(d)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

United States of America

7. Sole Voting Power:

— 0 — Shares

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person
With

8. Shared Voting Power:

3,073,309 Shares (See Item 5)

9. Sole Dispositive Power:

— 0 — Shares

10. Shared Dispositive Power:

3,073,309 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

3,073,309 Shares (See Item 5)

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

14.2% (See Item 5)

14. Type of Reporting Person

IN

1. Names of Reporting Persons.

Lauren B. Leichtman

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(e)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

United States of America

7. Sole Voting Power:

— 0 — Shares

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person
With

8. Shared Voting Power:

3,073,309 Shares (See Item 5)

9. Sole Dispositive Power:

— 0 — Shares

10. Shared Dispositive Power:

3,073,309 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

3,073,309 Shares (See Item 5)

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

14.2% (See Item 5)

14. Type of Reporting Person

IN

SCHEDULE 13D

Pursuant to Rule 13d-2(a) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Levine Leichtman Capital Partners IV L.P., a Delaware limited partnership (the "Partnership"), LLC Partners IV GP, LLC, a Delaware limited liability company (the "General Partner"), Levine Leichtman Capital Partners, Inc., a California corporation ("Capital Corp."), Arthur E. Levine ("Mr. Levine") and Lauren B. Leichtman ("Ms. Leichtman") and, together with the Partnership, the General Partner, Capital Corp. and Mr. Levine, the "Reporting Persons", hereby file this Amendment No. 1 to Schedule 13D (this "Amendment") with the Securities and Exchange Commission (the "Commission").

This Amendment amends and supplements the Schedule 13D originally filed by or on behalf of the Reporting Persons with the Commission on July 9, 2008 (the "Original Schedule 13D").

The Original Schedule 13D relates to the common stock, no par value per share ("Common Stock") of Consumer Portfolio Services, Inc., a California corporation (the "Issuer").

This Amendment is being filed pursuant to a Joint Reporting Agreement dated July 9, 2008, a copy of which is attached as Exhibit 99.1 to the Original Schedule 13D, among and on behalf of the Reporting Persons. Capitalized terms used in this Amendment and not otherwise defined herein have the meanings set forth in the Original Schedule 13D. The item numbers and responses thereto below are in accordance with the requirements of Schedule 13D. All Rule citations used in this Amendment are to the rules and regulations promulgated under the Exchange Act.

Item 4. Purpose of Transaction.

Item 4 of Original Schedule 13D is hereby amended by adding the following to the end of such Item:

On September 16, 2008, the Issuer held a special meeting of shareholders at which the shareholders of the Issuer approved (i) an amendment to the Issuer's articles of incorporation to increase the number of authorized shares of Common Stock of the Issuer from 30 million to 75 million, and (ii) the future issuance of 1,848,309 shares of Common Stock (subject to adjustment pursuant to anti-dilution provisions) pursuant to the Warrants. As a result of these approvals, the restrictions on the issuance of Common Stock by the Issuer upon exercise of the Warrants were eliminated.

On September 24, 2008, the Issuer requested that the Partnership, as an accommodation to the Issuer, agree to terminate the provisions of each Warrant which permit the Partnership to require the Issuer to repurchase such Warrant for an aggregate cash repurchase price based on the excess of the fair market value of the shares of Common Stock issuable upon exercise of the Warrant over the exercise price of such Warrant (such provisions, the "Put Option Provisions").

On September 24, 2008, the Issuer and the Partnership entered into (i) an Amendment to Warrant to Purchase 1,500,000 shares of Common Stock (No. LLC-P-FMV 1) issued by Consumer Portfolio Services, Inc. to Levine Leichtman Capital Partners IV, L.P. ("FMV Warrant Amendment"), and (ii) an Amendment to Warrant to Purchase 275,000 shares of Common Stock (No. LLC-P-P 1) issued by Consumer Portfolio Services, Inc. to Levine Leichtman Capital Partners IV, L.P. ("Penny Warrant Amendment"), and collectively with the FMV Warrant Amendment, the "Warrant Amendments". Pursuant to the Warrant Amendments, the Put Option Provisions terminated as of September 24, 2008.

The Warrant Amendments are attached as Exhibits 99.8 and 99.9 hereto. The description contained in this Item 4 of the Warrant Amendments is qualified in its entirety by reference to the full text of such agreements, the terms of each of which are contained in the exhibits attached hereto and incorporated herein by this reference.

Item 5. Interest in Securities of the Issuer.

Item 5 of Original Schedule 13D is hereby amended and restated to read as follows:

(a) Each Reporting Person is deemed to be the beneficial owner (within the meaning of Rule 13d-3(a) of the Exchange Act) of an aggregate of 3,073,309 shares of Common Stock. Such aggregate number of shares beneficially owned by the Reporting Persons constituted, as of September 16, 2008, approximately 14.2% of the shares of such class (calculated in accordance with Rule 13d-3(d)(1)(i) of the Exchange Act), assuming that 21,578,012 shares of Common Stock were issued and outstanding as of such date. The 21,578,012 share figure is equal to the sum of 19,729,703 (the number of shares of Common Stock issued and outstanding as of July 28, 2008, as reported by the Issuer in its proxy statement dated August 18, 2008) plus the number of shares of Common Stock issuable upon exercise of the Warrants (i.e., 1,848,309 shares of Common Stock). Pursuant to the terms of the Warrants, the number of shares issuable upon exercise of the Warrants is subject to adjustment upon the occurrence of certain events.

(b) The Partnership may be deemed to have (i) sole and dispositive voting power with respect to no shares of Common Stock and (ii) shared voting and dispositive power with all other Reporting Persons with respect to 3,073,309 shares of Common Stock.

By virtue of being the sole general partner of the Partnership, the General Partner may be deemed to have (i) sole and dispositive voting power with respect to no shares of Common Stock and (ii) shared voting and dispositive power with all other Reporting Persons with respect to 3,073,309 shares of Common Stock.

By virtue of being the manager of the General Partner, Capital Corp. may be deemed to have (i) sole and dispositive voting power with respect to no shares of Common Stock and (ii) shared voting and dispositive power with all other Reporting Persons with respect to 3,073,309 shares of Common Stock.

By virtue of being the sole directors and shareholders, and executive officers, of Capital Corp., each of Mr. Levine and Ms. Leichtman may be deemed to have (i) sole and dispositive voting power with respect to no shares of Common Stock and (ii) shared voting and dispositive power with all other Reporting Persons with respect to 3,073,309 shares of Common Stock.

- (c) Other than the transactions described above, none of the Reporting Persons has effectuated any transactions in the Common Stock during the past 60 days.
- (d) Not applicable.
- (e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Item 6 of Original Schedule 13D is hereby amended by adding the following to the end of such Item:

On September 16, 2008, the Issuer held a special meeting of shareholders at which the shareholders of the Issuer approved (i) an amendment to the Issuer's articles of incorporation to increase the number of the Issuer's authorized shares of Common Stock from 30 million to 75 million, and (ii) the future issuance of 1,848,309 shares of Common Stock (subject to adjustment pursuant to anti-dilution provisions) pursuant to the Warrants. As a result of these approvals, the restrictions on the issuance of Common Stock by the Issuer upon exercise of the Warrants were eliminated.

On September 24, 2008, the Issuer requested that the Partnership, as an accommodation to the Issuer, agree to terminate the Put Option Provisions. On September 24, 2008, the Issuer and the Partnership entered into the Warrant Amendments. Pursuant to the Warrant Amendments, the Put Option Provisions terminated as of September 24, 2008.

The Warrant Amendments are attached as Exhibits 99.8 and 99.9 hereto. The description contained in this Item 6 of the Warrant Amendments is qualified in its entirety by reference to the full text of such agreements, the terms of each of which are contained in the exhibits attached hereto and incorporated herein by this reference.

Item 7. Material to be Filed as Exhibits.

<u>Exhibit</u>	<u>Description</u>
99.8	Amendment to Warrant to Purchase 1,500,000 shares of Common Stock (No. LLC-P-FMV 1), effective as of September 24, 2008.
99.9	Amendment to Warrant to Purchase 275,000 shares of Common Stock (No. LLC-P-P 1), effective as of September 24, 2008.

SIGNATURE

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

September 26, 2008

LEVINE LEICHTMAN CAPITAL PARTNERS IV, L.P.,
a Delaware limited partnership

By: LLC Partners IV GP, LLC,
a Delaware limited partnership, its General Partner

By: Levine Leichtman Capital Partners, Inc.,
a California corporation, its General Partner

By: /s/ Steven E. Hartman
Steven E. Hartman
Vice President

LLCP PARTNERS IV GP, LLC,
a Delaware limited liability company

By: Levine Leichtman Capital Partners, Inc.,
a California corporation, its General Partner

By: /s/ Steven E. Hartman
Steven E. Hartman
Vice President

LEVINE LEICHTMAN CAPITAL PARTNERS, INC.,
a California corporation

By: /s/ Steven E. Hartman
Steven E. Hartman
Vice President

/s/ Arthur E. Levine
ARTHUR E. LEVINE

/s/ Lauren B. Leichtman
LAUREN B. LEICHTMAN

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.8	Amendment to Warrant to Purchase 1,500,000 shares of Common Stock (No. LLC-P-FMV 1), effective as of September 24, 2008.
99.9	Amendment to Warrant to Purchase 275,000 shares of Common Stock (No. LLC-P-P 1), effective as of September 24, 2008.

AMENDMENT TO
WARRANT TO PURCHASE 1,500,000 SHARES OF COMMON STOCK
(NO. LLCP-FMV 1)

THIS AMENDMENT TO WARRANT TO PURCHASE 1,500,000 SHARES OF COMMON STOCK is dated as of September 24, 2008 (this "**Amendment**"), by and between CONSUMER PORTFOLIO SERVICES, INC., a California corporation (the "**Company**"), and LEVINE LEICHTMAN CAPITAL PARTNERS IV, L.P., a Delaware limited partnership (the "**Holder**" or "**Purchaser**").

R E C I T A L S

A. The Company and the Holder are parties to that certain Securities Purchase Agreement dated as of June 30, 2008, as amended by a First Amendment to Securities Purchase Agreement dated as of July 10, 2008 (as so amended, and as further amended from time to time, the "**Securities Purchase Agreement**"), by and between the Company and the Holder.

B. At the Closing of the transactions contemplated by Securities Purchase Agreement, the Company issued the Securities to the Holder, including, among others, a Warrant to Purchase 1,500,000 Shares of Common Stock (No. LLCP-FMV 1) (the "**Purchaser Closing FMV Warrant**"). As of the date hereof, the number of Warrant Shares issuable upon exercise of the Purchaser Closing FMV Warrant is 1,564,324 and the Warrant Purchase Price is \$2.4672. Unless otherwise indicated, all capitalized terms used and not otherwise defined herein have the respective meanings ascribed to them in the Securities Purchase Agreement or the Purchaser Closing FMV Warrant, as applicable.

C. At the request of the Company, the Holder has agreed to amend the Purchaser Closing FMV Warrant to terminate the Put Option as of the date hereof, all as provided herein.

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, conditions and provisions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Amendment to Section 2.6 of the Purchaser Closing FMV Warrant. Pursuant to Section 4.7 of the Purchaser Closing FMV Warrant, clause (c) of Section 2.6 (Put Option) of the Purchaser Closing FMV Warrant is hereby amended to read in its entirety as follows:

"(c) The Put Option shall terminate without notice at the close of business on September 24, 2008."

2. Release.

(a) In consideration for the amendments set forth in this Amendment, the Company, for itself and on behalf of the Subsidiary Guarantors and its and their respective successors, assigns, and present and future stockholders, officers, directors, Affiliates, employees, agents and attorneys (collectively, the “**Releasing Parties**”), hereby remises, releases and forever discharges the Holder and its present and former Affiliates, officers, directors, partners (general and limited), stockholders, members, managers, employees, agents, attorneys, successors and assigns, from and against any and all claims, rights, actions, causes of action, suits, liabilities, defenses, damages, losses, costs and expenses (including attorneys’ fees), of whatever nature, type or description, that are based upon, relate to or arise out of any facts, acts, omissions, events or circumstances existing or occurring on or prior to the date hereof, whether arising out of or related to this Amendment, the Securities Purchase Agreement, the Notes, the Guaranties, the Warrants, the Collateral Documents or any other Investment Document, any of the transactions contemplated hereby or thereby, the administration or enforcement of the Obligations or any act, omission or event occurring in connection herewith or therewith, in each case whether known or unknown, existing or potential or suspected or unsuspected.

(b) The Company, for itself and on behalf of the other Releasing Parties, waives any and all claims, rights and benefits it may have under any law of any jurisdiction that would render ineffective a release made by a creditor of claims that the creditor does not know or suspect to exist in its favor at the time of executing the release and that, if known by it, would have materially affected its settlement with the applicable debtor. The Company, for itself and on behalf of the other Releasing Parties, acknowledges that it is aware of the following provisions of section 1542 of the California Civil Code:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

(c) The Company, for itself and on behalf of the other Releasing Parties, expressly and voluntarily waives each and all claims, rights, or benefits it has or may have under section 1542 of the California Civil Code, or any other similar law of any other jurisdiction, to the full extent that it may lawfully waive such claims, rights and benefits in connection with this release. The Company, for itself and on behalf of the other Releasing Parties, acknowledges that (a) it has been represented by independent legal counsel of its own choice throughout all of the negotiation that preceded the execution of this Amendment and that it has executed this Amendment after receiving the advice of such independent legal counsel, and (b) it and its respective counsel have had an adequate opportunity to make whatever investigation or inquiry they deem necessary or desirable in connection with the release contained in this Section 2.

(d) No claim shall be made by the Company or any other Releasing Party against the Holder, or any Affiliates, officers, directors, partners (general and limited), stockholders, members, managers, employees, agents, attorneys, successors and assigns of the Holder, for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or under any other theory of liability arising out of or related to any of the matters being released under this Section 2. The Company, for itself and on behalf of the other Releasing Parties, hereby waives, releases and agrees not to sue upon any claim for such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

3. Certain Representations and Warranties. The Company hereby represents and warrants to the Holder that (a) this Amendment has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligations of the Company, enforceable against it in accordance with its terms, and (b) as of the date hereof: (i) the Purchaser Closing FMV Warrant is fully exercisable, in whole or in part, (ii) the Warrant Shares issuable upon exercise of the Purchaser Closing FMV Warrant have been duly authorized and, when issued, delivered and paid for pursuant to the terms of the Purchaser Closing FMV Warrant, shall be duly and validly issued, fully paid and nonassessable and (iii) no Consents are required in connection with, and no restrictions are otherwise applicable to, the issuance by the Company of any Warrant Shares issuable upon exercise of the Purchaser Closing FMV Warrant.

4. Confirmation; Full Force and Effect. The amendments set forth in Section 1 amend the Purchaser Closing FMV Warrant on and as of the date hereof, and the Purchaser Closing FMV Warrant shall remain in full force and effect, as amended thereby, from and after the date hereof in accordance with its terms. The Company hereby ratifies, approves and affirms in all respects each of the Securities Purchase Agreement, the Notes, the Guaranties, the Warrants (as amended), the Collateral Documents (including the Liens granted in favor of the Holder thereunder) and the other Investment Documents, the terms and other provisions hereof and thereof and the Obligations hereunder and thereunder.

5. Miscellaneous Provisions.

(a) Entire Agreement; Successors and Assigns. This Amendment constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes any and all other prior oral and written, and all contemporaneous oral, agreements, negotiations, discussions and understandings with respect thereto. This Amendment shall inure to the benefit of, and be binding upon, the parties and their respective successors and permitted assigns.

(b) Counterparts. This Amendment may be executed in any number of counterparts and by facsimile transmission, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized representatives as of the date first written above.

COMPANY

CONSUMER PORTFOLIO SERVICES, INC.,
a California corporation

By: /s/ Charles E. Bradley, Jr.
Charles E. Bradley, Jr.
President and Chief Executive Officer

HOLDER

LEVINE LEICHTMAN CAPITAL PARTNERS, INC., a
California corporation

On behalf of LEVINE LEICHTMAN CAPITAL
PARTNERS IV, L.P., a Delaware limited partnership

By: /s/ Steven E. Hartman
Steven E. Hartman
Vice President

ACKNOWLEDGMENT AND CONSENT OF
SUBSIDIARY GUARANTORS

Each of the undersigned hereby acknowledges that it has read the foregoing Amendment and consents to its terms. Each of the undersigned further acknowledges and agrees that the Purchaser Closing FMV Warrant, as amended by the foregoing Amendment, constitutes a Guaranteed Obligation and reaffirms its obligations under the Subsidiary Guaranty and the other Investment Documents to which it is a party, all of which remains in full force and effect.

Dated: September 24, 2008

CPS MARKETING, INC., a California corporation

By: /s/ Jeffrey P. Fritz
Jeffrey P. Fritz
Vice President and Chief Financial Officer

CPS LEASING, INC., a Delaware corporation

By: /s/ Jeffrey P. Fritz
Jeffrey P. Fritz
Vice President and Chief Financial Officer

MERCURY FINANCE COMPANY LLC, a Delaware limited liability company

By: /s/ Jeffrey P. Fritz
Jeffrey P. Fritz
Vice President and Chief Financial Officer

TFC ENTERPRISES LLC, a Delaware limited liability company

By: /s/ Jeffrey P. Fritz
Jeffrey P. Fritz
Vice President and Chief Financial Officer

AMENDMENT TO
WARRANT TO PURCHASE 275,000 SHARES OF COMMON STOCK
(NO. LLCP-P 1)

THIS AMENDMENT TO WARRANT TO PURCHASE 275,000 SHARES OF COMMON STOCK is dated as of September 24, 2008 (this "**Amendment**"), by and between CONSUMER PORTFOLIO SERVICES, INC., a California corporation (the "**Company**"), and LEVINE LEICHTMAN CAPITAL PARTNERS IV, L.P., a Delaware limited partnership (the "**Holder**" or "**Purchaser**").

R E C I T A L S

A. The Company and the Holder are parties to that certain Securities Purchase Agreement dated as of June 30, 2008, as amended by a First Amendment to Securities Purchase Agreement dated as of July 10, 2008 (as so amended, and as further amended from time to time, the "**Securities Purchase Agreement**"), by and between the Company and the Holder.

B. At the Closing of the transactions contemplated by Securities Purchase Agreement, the Company issued the Securities to the Holder, including, among others, a Warrant to Purchase 275,000 Shares of Common Stock (No. LLCP-P 1) (the "**Purchaser Closing Penny Warrant**"). As of the date hereof, the number of Warrant Shares issuable upon exercise of the Purchaser Closing Penny Warrant is 283,985 and the Warrant Purchase Price is \$0.000096836. Unless otherwise indicated, all capitalized terms used and not otherwise defined herein have the respective meanings ascribed to them in the Securities Purchase Agreement or the Purchaser Closing Penny Warrant, as applicable.

C. At the request of the Company, the Holder has agreed to amend the Purchaser Closing Penny Warrant to terminate the Put Option as of the date hereof, all as provided herein.

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, conditions and provisions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Amendment to Section 2.6 of the Purchaser Closing Penny Warrant. Pursuant to Section 4.7 of the Purchaser Closing Penny Warrant, clause (c) of Section 2.6 (Put Option) of the Purchaser Closing Penny Warrant is hereby amended to read in its entirety as follows:

"(c) The Put Option shall terminate without notice at the close of business on September 24, 2008."

2. Release.

(a) In consideration for the amendments set forth in this Amendment, the Company, for itself and on behalf of the Subsidiary Guarantors and its and their respective successors, assigns, and present and future stockholders, officers, directors, Affiliates, employees, agents and attorneys (collectively, the “**Releasing Parties**”), hereby remises, releases and forever discharges the Holder and its present and former Affiliates, officers, directors, partners (general and limited), stockholders, members, managers, employees, agents, attorneys, successors and assigns, from and against any and all claims, rights, actions, causes of action, suits, liabilities, defenses, damages, losses, costs and expenses (including attorneys’ fees), of whatever nature, type or description, that are based upon, relate to or arise out of any facts, acts, omissions, events or circumstances existing or occurring on or prior to the date hereof, whether arising out of or related to this Amendment, the Securities Purchase Agreement, the Notes, the Guaranties, the Warrants, the Collateral Documents or any other Investment Document, any of the transactions contemplated hereby or thereby, the administration or enforcement of the Obligations or any act, omission or event occurring in connection herewith or therewith, in each case whether known or unknown, existing or potential or suspected or unsuspected.

(b) The Company, for itself and on behalf of the other Releasing Parties, waives any and all claims, rights and benefits it may have under any law of any jurisdiction that would render ineffective a release made by a creditor of claims that the creditor does not know or suspect to exist in its favor at the time of executing the release and that, if known by it, would have materially affected its settlement with the applicable debtor. The Company, for itself and on behalf of the other Releasing Parties, acknowledges that it is aware of the following provisions of section 1542 of the California Civil Code:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

(c) The Company, for itself and on behalf of the other Releasing Parties, expressly and voluntarily waives each and all claims, rights, or benefits it has or may have under section 1542 of the California Civil Code, or any other similar law of any other jurisdiction, to the full extent that it may lawfully waive such claims, rights and benefits in connection with this release. The Company, for itself and on behalf of the other Releasing Parties, acknowledges that (a) it has been represented by independent legal counsel of its own choice throughout all of the negotiation that preceded the execution of this Amendment and that it has executed this Amendment after receiving the advice of such independent legal counsel, and (b) it and its respective counsel have had an adequate opportunity to make whatever investigation or inquiry they deem necessary or desirable in connection with the release contained in this Section 2.

(d) No claim shall be made by the Company or any other Releasing Party against the Holder, or any Affiliates, officers, directors, partners (general and limited), stockholders, members, managers, employees, agents, attorneys, successors and assigns of the Holder, for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or under any other theory of liability arising out of or related to any of the matters being released under this Section 2. The Company, for itself and on behalf of the other Releasing Parties, hereby waives, releases and agrees not to sue upon any claim for such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

3. Certain Representations and Warranties. The Company hereby represents and warrants to the Holder that (a) this Amendment has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligations of the Company, enforceable against it in accordance with its terms, and (b) as of the date hereof: (i) the Purchaser Closing Penny Warrant is fully exercisable, in whole or in part, (ii) the Warrant Shares issuable upon exercise of the Purchaser Closing Penny Warrant have been duly authorized and, when issued, delivered and paid for pursuant to the terms of the Purchaser Closing Penny Warrant, shall be duly and validly issued, fully paid and nonassessable and (iii) no Consents are required in connection with, and no restrictions are otherwise applicable to, the issuance by the Company of any Warrant Shares issuable upon exercise of the Purchaser Closing Penny Warrant.

4. Confirmation; Full Force and Effect. The amendments set forth in Section 1 amend the Purchaser Closing Penny Warrant on and as of the date hereof, and the Purchaser Closing Penny Warrant shall remain in full force and effect, as amended thereby, from and after the date hereof in accordance with its terms. The Company hereby ratifies, approves and affirms in all respects each of the Securities Purchase Agreement, the Notes, the Guaranties, the Warrants (as amended), the Collateral Documents (including the Liens granted in favor of the Holder thereunder) and the other Investment Documents, the terms and other provisions hereof and thereof and the Obligations hereunder and thereunder.

5. Miscellaneous Provisions.

(a) Entire Agreement; Successors and Assigns. This Amendment constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes any and all other prior oral and written, and all contemporaneous oral, agreements, negotiations, discussions and understandings with respect thereto. This Amendment shall inure to the benefit of, and be binding upon, the parties and their respective successors and permitted assigns.

(b) Counterparts. This Amendment may be executed in any number of counterparts and by facsimile transmission, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized representatives as of the date first written above.

COMPANY

CONSUMER PORTFOLIO SERVICES, INC.,
a California corporation

By: /s/ Charles E. Bradley, Jr.
Charles E. Bradley, Jr.
President and Chief Executive Officer

HOLDER

LEVINE LEICHTMAN CAPITAL PARTNERS, INC., a
California corporation

On behalf of LEVINE LEICHTMAN CAPITAL
PARTNERS IV, L.P., a Delaware limited partnership

By: /s/ Steven E. Hartman
Steven E. Hartman
Vice President

ACKNOWLEDGMENT AND CONSENT OF
SUBSIDIARY GUARANTORS

Each of the undersigned hereby acknowledges that it has read the foregoing Amendment and consents to its terms. Each of the undersigned further acknowledges and agrees that the Purchaser Closing Penny Warrant, as amended by the foregoing Amendment, constitutes a Guaranteed Obligation and reaffirms its obligations under the Subsidiary Guaranty and the other Investment Documents to which it is a party, all of which remains in full force and effect.

Dated: September 24, 2008

CPS MARKETING, INC., a California corporation

By: /s/ Jeffrey P. Fritz

Jeffrey P. Fritz

Vice President and Chief Financial Officer

CPS LEASING, INC., a Delaware corporation

By: /s/ Jeffrey P. Fritz

Jeffrey P. Fritz

Vice President and Chief Financial Officer

MERCURY FINANCE COMPANY LLC,
a Delaware limited liability company

By: /s/ Jeffrey P. Fritz

Jeffrey P. Fritz

Vice President and Chief Financial Officer

TFC ENTERPRISES LLC,
a Delaware limited liability company

By: /s/ Jeffrey P. Fritz

Jeffrey P. Fritz

Vice President and Chief Financial Officer