

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported)

MAY 20, 2003

CONSUMER PORTFOLIO SERVICES, INC.

(Exact Name of Registrant as Specified in Charter)

CALIFORNIA

001-14116

33-0459135

(State or Other Jurisdiction
of Incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

16355 LAGUNA CANYON ROAD, IRVINE, CA 92618

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (949) 753-6800

NOT APPLICABLE

(Former name or former address, if changed since last report)

This Current Report on Form 8-K contains forward-looking statements that involve risks and uncertainties. These statements relate to future events and therefore are inherently uncertain. Actual performance and results may differ materially from those projected or suggested due to certain risks and uncertainties, including acquisition and transition challenges, assimilation issues in the consolidation process, customer reaction to the acquisition, and operational and other risks relating to the combination of separate businesses. Additional information concerning certain other risks and uncertainties that could cause actual results to differ materially from those projected or suggested, is contained in Consumer Portfolio Services, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward Looking Statements." The forward-looking statements contained herein represent the judgment of Consumer Portfolio Services, Inc. as of the date of this Current Report on Form 8-K, and Consumer Portfolio Services, Inc. cautions against the placement of undue reliance on such statements.

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

On May 20, 2003, the registrant Consumer Portfolio Services, Inc. ("CPS") acquired TFC Enterprises, Inc., a Delaware corporation ("TFCE") and its subsidiaries, by the merger (the "Merger") of CPS Mergersub, Inc., a Delaware corporation ("Mergersub") and a direct, wholly-owned subsidiary of CPS, with and into TFCE. The Merger took place pursuant to an Agreement and Plan of Merger, dated as of March 31, 2003 (the "Merger Agreement"), among CPS, Mergersub and TFCE. In the Merger TFCE became a wholly-owned subsidiary of CPS. CPS thus acquired the assets of TFCE and its subsidiaries, consisting principally of interests in motor vehicle installment sales finance contracts, interests in securitized pools of such contracts, and the facilities for originating and servicing such contracts.

TFCE, through its primary operating subsidiary, The Finance Company, is in the business of purchasing motor vehicle installment sales finance contracts from automobile dealers, and securitizing and servicing such contracts. CPS intends to continue to use the assets acquired in the Merger in the automobile finance business. Attached as Exhibits 99.1 and 99.2 are copies of press releases relating to the Merger described in this Current Report on Form 8-K, which press releases are incorporated herein by reference.

At the closing of the Merger, each share of common stock, \$.01 par value per share, of TFCE, issued and outstanding immediately prior to the closing of the Merger, was cancelled and became a right to receive \$1.87 per share in cash, pursuant to the Merger Agreement, upon surrender of the certificates that evidenced such shares. The total merger consideration payable to stockholders of TFCE was approximately \$21.6 million. The amount of such consideration was agreed to as the result of arms'-length negotiations between CPS and TFCE. The recipients of the total merger consideration had no material relationship with CPS, its directors, its officers or any associates of such directors or officers, to the best of CPS's knowledge. The Merger consideration was paid with existing cash of CPS.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) Financial Statements of Business Acquired.

The financial statements required by Item 7(a) of Form 8-K and Rule 3-05(a) of Regulation S-X will be filed by amendment to this initial report no later than 60 days after the date this report is filed.

(b) Pro Forma Financial Information.

The pro forma financial information required by Item 7(b) of Form 8-K and Article 11 of Regulation S-X will be filed by amendment to this initial report no later than 60 days after the date this report is filed.

(c) Exhibits.

EXHIBIT NUMBER	DESCRIPTION
Exhibit 2.1	Agreement and Plan of Merger, dated as of March 31, 2003, by and among the Registrant, CPS Mergersub, Inc. and TFC Enterprises, Inc. (Incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of TFC Enterprises, Inc. filed on April 1, 2003.)
Exhibit 99.1	Press Release of TFC Enterprises, Inc. dated May 22, 2003. (Incorporated by reference to Exhibit 99.1 to the report on Form 8-K of TFC Enterprises, Inc. filed on May 23, 2003.)
Exhibit 99.2	Press Release of Consumer Portfolio Services, Inc. dated May 21, 2003.

SIGNATURE

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 hereunto duly authorized.

CONSUMER PORTFOLIO SERVICES, INC.

By: /s/ DAVID N. KENNEALLY
David N. Kenneally
Sr. Vice President &
Chief Financial Officer

Dated: June 4, 2003

EXHIBIT INDEX

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Exhibit 99.2	Press Release of Consumer Portfolio Services, Inc. dated May 21, 2003.

CONSUMER PORTFOLIO SERVICES, INC. COMPLETES ACQUISITION OF TFC ENTERPRISES, INC.
Wednesday May 21, 8:35 am ET

TFC COMPLETES TERM SECURITIZATION AND ESTABLISHES \$25 MILLION WAREHOUSE LINE

IRVINE, Calif.--(BUSINESS WIRE)--May 21, 2003--Consumer Portfolio Services, Inc. (Nasdaq:CPSS) today announced it has acquired TFC Enterprises, Inc. (formerly Nasdaq:TFCE).

The acquisition was pursuant to the terms of a previously described plan of merger, in which TFC Enterprises, Inc. shareholders will receive \$1.87 cash for each share of TFC Enterprises stock they now own.

Consumer Portfolio Services also announced that, concurrent with the acquisition, TFC completed a term securitization and established a new \$25 million warehouse credit facility. In the term securitization transaction, qualified institutional buyers purchased \$52,365,000 of Notes backed by automotive receivables originated by TFC. The Notes were issued by TFC Automobile Receivables Trust 2003-1 at an interest rate of 2.69% per annum. Credit enhancement is being provided by Radian Asset Assurance Inc.

The new warehouse credit facility will enable TFC, through a subsidiary, to borrow up to \$25 million to purchase and hold automotive receivables, pending their ultimate disposition in future securitization transactions or otherwise. Funding for the facility is being provided by Westside Funding Corporation, an affiliate of WestLB AG; credit enhancement is being provided by Radian Asset Assurance Inc.

"We are pleased to have completed this acquisition and the related TFC transactions," said Charles E. Bradley, Jr., Chairman and Chief Executive Officer of Consumer Portfolio Services, Inc. "The complementary nature and overall fit of TFC provides an opportunity for CPS to continue to grow and expand its presence in our industry."

About Consumer Portfolio Services, Inc.

Consumer Portfolio Services, Inc. is a consumer finance company that specializes in purchasing, selling and servicing retail automobile installment sale contracts originated by automobile dealers located throughout the United States. The Company is currently active in 38 states. Through its purchase of contracts, the Company provides indirect financing to car dealer customers with limited credit histories, low incomes or past credit problems, who generally would not be expected to qualify for financing provided by banks or by automobile manufacturers' captive finance companies.

Contact:

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