UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 4)*

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 II, 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)

February 3, 2003
(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 §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-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 § 240.13d-7 for other parties to whom copies are to be sent.

* 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 the 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 ("Act") 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.
I.R.S. Identification Nos. of above persons (entities only).

Levine Leichtman Capital Partners II, 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 Instruction)

OO (See Item 3)

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

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

8. Shared Voting Power:

4,553,500 Shares (See Item 5)

9. Sole Dispositive Power:

0 Shares

10. Shares Dispositive Power:

4,553,500 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

4,553,500 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)

22.5% (See Item 5)

14. Type of Reporting Person

PN

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

LLCP California Equity Partners II, 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 California

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	
	7. Sole Voting Power — 0 — Shares
	8. Shared Voting Power 4,553,500 Shares (See Item 5)
	9. Sole Dispositive Power — 0 — Shares
	10. Shared Dispositive Power 4,553,500 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

4,553,500 Shares (See Item 5)

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

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

22.5% (See Item 5)

14. Type of Reporting Person

PN

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

Levine Leichtman Capital Partners, Inc.

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 California

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. Sole Voting Power	0 Shares
	8. Shared Voting Power	4,553,500 Shares (See Item 5)
	9. Sole Dispositive Power	0 Shares
	10. Shared Dispositive Power	4,553,500 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

4,553,500 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)

22.5% (See Item 5)

14. Type of Reporting Person

CO

CUSIP No. 210502 100

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

Arthur E. Levine

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

United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	
	7. Sole Voting Power 0 Shares
	8. Shared Voting Power 4,553,500 Shares (See Item 5)
	9. Sole Dispositive Power 0 Shares
	10. Shared Dispositive Power 4,553,500 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

4,553,500 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)

22.5% (See Item 5)

14. Type of Reporting Person

IN

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

Lauren B. Leichtman

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

United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. Sole Voting Power	0 Shares
	8. Shared Voting Power	4,553,500 Shares (See Item 5)
	9. Sole Dispositive Power	0 Shares
	10. Shared Dispositive Power	4,553,500 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

4,553,500 Shares (See Item 5)

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

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

22.5% (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 II, L.P., a California limited partnership (the "Partnership"), LLCP California Equity Partners II, L.P., a California limited partnership (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. 4 to Schedule 13D (this "Amendment") with the Securities and Exchange Commission (the "Commission"), which amends and supplements the Schedule 13D originally filed by or on behalf of the Reporting Persons with the Commission on November 25, 1998 (the "Original Schedule 13D"), as amended by Amendment No. 1 filed with the Commission on April 21, 1999 ("Amendment No. 1"), Amendment No. 2 filed with the Commission on June 2, 1999 ("Amendment No. 2"), and Amendment No. 3 filed with the Commission on March 24, 2000 ("Amendment No. 3"). The Original Schedule 13D, as amended by Amendment No. 1, Amendment No. 2 and Amendment No. 3, is referred to herein as "Amended Schedule 13D." The Amended Schedule 13D relates to the Common Stock, no par value per share, of Consumer Portfolio Services, Inc., a California corporation (the "Issuer").

This Amendment is being filed pursuant to a Joint Reporting Agreement dated November 19, 1998, a copy of which is attached as Exhibit 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 Amended 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 2. Identity and Background.

Item 2 of Amended Schedule 13D is hereby amended and restated in its entirety to read as follows:

(a) Partnership:

The Partnership is a limited partnership formed under the laws of the state of California. The principal business of the Partnership is to seek out opportunities to invest in the securities of middle market companies and to acquire, hold, manage and dispose of such securities in connection with growth financings, restructurings, recapitalizations, mergers, acquisitions and buyouts.

(b) General Partner:

The General Partner is the sole general partner of the Partnership. The principal business of the General Partner is to act as the general partner of the Partnership and to organize and manage the investments made by the Partnership.

(c) Capital Corp.:

Capital Corp. is the sole general partner of the General Partner. The principal business of Capital Corp. is to act as the general partner of the General Partner and of LLCP California Equity Partners, L.P., a California limited partnership, the sole general partner of Levine Leichtman Capital Partners, L.P., a California limited partnership.

(d) Mr. Levine:

Mr. Levine is a director, the President and a shareholder of Capital Corp. The present principal occupation or employment of Mr. Levine is to serve as a director and the President of Capital Corp. Mr. Levine is a citizen of the United States of America. Mr. Levine, together with Ms. Leichtman, are the sole directors and shareholders of Capital Corp.

(e) Ms. Leichtman:

Ms. Leichtman is a director, the Chief Executive Officer and a shareholder of Capital Corp. The present principal occupation or employment of Ms. Leichtman is to serve as a director and the Chief Executive Officer of Capital Corp. Ms. Leichtman is a citizen of the United States of America. Ms. Leichtman, together with Mr. Levine, are the sole directors and shareholders of Capital Corp.

During the last five years, no Reporting Person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

The Reporting Persons may also be members of a “group” within the meaning of Rule 13d-5(b)(1) of the Exchange Act. To the extent that such a group exists, this Schedule 13D shall constitute a single joint filing by the Reporting Persons, as members of such group, pursuant to Rule 13d-1(k)(2) of the Exchange Act.

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 of Amended Schedule 13D is hereby amended by adding the following to the end of such Item:

As described in Item 4 below, on March 8, 2002, the Partnership purchased from the Issuer the Bridge Note (as defined in Item 4 below) and the Term C Note (as defined in Item 4 below) and, on February 3, 2003, the Partnership purchased from the Issuer the Term D Note (as defined in Item 4 below). The source of funds used to purchase the Bridge Note, the Term C Note and the Term D Note was capital contributions made by the partners of the Partnership in the aggregate amount of $68,500,000 in response to capital calls from the Partnership.

Item 4. Purpose of Transaction.

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

In connection with the March 2002 acquisition by the Issuer of MFN Financial Corporation, a Delaware corporation, and its subsidiaries (the "MFN Acquisition"), the Issuer and the Partnership entered into a Second Amended and Restated Securities Purchase Agreement dated as of March 8, 2002, a copy of which is attached as Exhibit 99.1 hereto, which amends and restates the March 2000 Securities Purchase Agreement. Under the Second Amended and Restated Securities Purchase Agreement, among other things, (a) the Partnership waived certain defaults and events of default that occurred under the March 2000 Securities Purchase Agreement and related agreements, (b) the Issuer and the Partnership amended and restated the Amended and Restated Secured Senior Note Due 2003 dated March 15, 2000, pursuant to the terms of a Second Amended and Restated Secured Senior Note Due November 30, 2003, as amended and restated March 8, 2002, in the principal amount of $26,000,000 (the "Term B Note"), a copy of which is attached as Exhibit 99.2 hereto, and (c) the Partnership purchased from the Issuer (i) a Secured Senior Note Due February 28, 2003 in the principal amount of $35,000,000 (the "Bridge Note"), a copy of which is attached as Exhibit 99.3 hereto, and (ii) a 12.00% Secured Senior Note Due 2008 in the principal face amount of $11,241,931 (the "Term C Note"), a copy of which is attached as Exhibit 99.4 hereto. In August 2002, the Issuer and the Partnership amended the Second Amended and Restated Purchase Agreement pursuant to the terms of a First Amendment to Second Amended and Restated Securities Purchase Agreement dated as of August 14, 2002, a copy of which is attached as Exhibit 99.8 hereto.

Further, in connection with the MFN Acquisition, the Issuer, Charles E. Bradley, Sr. and Charles E. Bradley, Jr. (collectively, the "Bradleys") and the Partnership entered into a Second Amended and Restated Investor Rights Agreement dated as of March 8, 2002 (the "Second Amended and Restated Investor Rights Agreement"), a copy of which is attached as Exhibit 99.5 hereto, which amends and restates the Amended Investor Rights Agreement. Pursuant to the Second Amended and Restated Investor Rights Agreement, the parties thereto amended and restated the investment monitoring, management and other rights granted to the Partnership under the Amended Investor Rights Agreement, including the right of the Partnership to cause the Issuer to appoint or elect a representative of the Partnership as a member of the Board of Directors of the Issuer. No representative of the Partnership currently serves as a member of the Board of Directors of the Issuer. See Item 6 below for a more detailed discussion of certain matters covered by the Second Amended and Restated Investor Rights Agreement.

Pursuant to a Second Amendment to Securities Purchase Agreement dated as of February 3, 2003, (a) the Issuer and the Partnership amended further the Second Amended and Restated Securities Purchase Agreement and (b) the Partnership purchased from the Issuer a Secured Senior Note dated February 3, 2003, in the principal amount of $25,000,000 (the "Term D Note"), a copy of which is attached as Exhibit 99.10 hereto.

The Partnership acquired the Term B Note, the Bridge Note, the Term C Note and the Term D Note, and holds all other securities of the Issuer owned by it (including shares of

Common Stock, the Restated Warrant (as defined in Item 5(a) below) and the PENS), in the ordinary course of business for investment purposes and not with the purpose of changing or influencing control of the Issuer. As with other investments held by the Reporting Persons, the Reporting Persons consider various alternatives to increase the value of their equity securities in the Issuer and may from time to time consider implementing such alternatives. The Reporting Persons retain the right, depending on market conditions and/or other factors, to change their investment intent, to acquire from time to time additional shares of Common Stock or PENS (or other debt or equity securities of the Issuer), to exercise all or a portion of the Restated Warrant or any other warrants owned, held or acquired by them and/or to sell or otherwise dispose of from time to time, in open market transactions, private transactions, transactions with affiliates of the Issuer or otherwise, all or part of the Common Stock, the Restated Warrant or other warrants or the Common Stock issuable upon exercise thereof or any other securities of the Issuer beneficially owned by them in any manner permitted by law. In the event of a material change in the present plans or intentions of the Reporting Persons, the Reporting Persons will amend this Schedule 13D to reflect such change.

Except for the foregoing, the Reporting Persons have no plans or proposals which relate to or would result in any of the actions enumerated in clauses (a) through (j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer.

Item 5 of Amended 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 4,553,500 shares of Common Stock (including 1,000 shares of which may be acquired by the Partnership upon exercise of Warrant No. LLB-5 issued April 15, 1999, and restated upon exercise in part as of May 26, 1999 (the “Restated Warrant”), but excluding the 89,015 shares of Common Stock issuable upon conversion of the PENS, assuming that the PENS were convertible as of the date hereof. The PENS are not convertible as of the date hereof or within 60 days hereafter. Such aggregate number of shares beneficially owned by the Reporting Persons constituted, as of February 3, 2003, approximately 22.5% of the shares of such class (calculated in accordance with Rule 13d-3(d)(1)(i) of the Exchange Act and assuming that 20,206,326 shares of Common Stock were issued and outstanding as of such date as represented by the Issuer to the Partnership on such date)

In addition, the Reporting Persons may be deemed to be the beneficial owners, solely for purposes of electing or appointing the LLCP Representative to the Board under the Second Amended and Restated Investor Rights Agreement as described in Items 4 above and 6 below, of the shares of Common Stock beneficially owned by the Bradleys. The Reporting Persons have no pecuniary interest in the shares of Common Stock beneficially owned by the Bradleys and disclaim beneficial ownership of such shares.

(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 4,553,500 shares of Common Stock. In addition, pursuant to the Second Amended and Restated Investor Rights Agreement, solely for purposes of electing or appointing the LLCP Representative to the Board, the Partnership may be deemed to have shared voting power with all other Reporting Persons and the Bradleys with respect to their 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 4,553,500 shares of Common Stock. In addition, pursuant to the Second Amended and Restated Investor Rights Agreement, solely for purposes of electing or appointing the LLCP Representative to the Board, the General Partner may be deemed to have shared voting power with all other Reporting Persons and the Bradleys with respect to their shares of Common Stock.

By virtue of being the sole general partner 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 4,553,500 shares of Common Stock. In addition, pursuant to the Second Amended and Restated Investor Rights Agreement, solely for purposes of electing or appointing the LLCP Representative to the Board, Capital Corp. may be deemed to have shared voting power with all other Reporting Persons and the Bradleys with respect to their 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 4,553,500 shares of Common Stock. In addition, pursuant to the Second Amended and Restated Investor Rights Agreement, solely for purposes of electing or appointing the LLCP Representative to the Board, each of Mr. Levine and Ms. Leichtman may be deemed to have shared voting power with all other Reporting Persons and the Bradleys with respect to their shares of Common Stock.

(c) None of the Reporting Persons has effected any transactions in the Common Stock during the past sixty days.

(d) Not applicable.

(e) Not applicable.

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

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

In connection with the MFN Acquisition, the Issuer and the Partnership entered into the Second Amended and Restated Securities Purchase Agreement which amends and restates the March 2000 Securities Purchase Agreement. Under the Second Amended and

Restated Securities Purchase Agreement, among other things, (a) the Partnership waived certain defaults and events of default that occurred under the March 2000 Securities Purchase Agreement or related agreements, (b) the Issuer and the Partnership amended and restated the Amended and Restated Secured Senior Note Due 2003 dated March 15, 2000, pursuant to the terms of the Term B Note, and (c) the Partnership purchased from the Issuer the Bridge Note and the Term C Note.

In addition, in March 2002, the Issuer, the Partnership and the Issuer's subsidiaries entered into certain amended and restated collateral security documents which, among other things, amended and restated the then existing collateral security agreements and related documents. Under the then existing collateral security documents, as amended and restated by the March 2002 collateral security documents, the Issuer and its subsidiaries granted to the Partnership a first priority continuing security interest and lien in and to substantially all of their assets to secure the full payment and performance of all obligations of the Issuer and its subsidiaries to the Partnership (including the payment of all debt securities). In addition, the Issuer's subsidiaries entered into an amended and restated joint and several continuing guaranty which amended and restated the then existing joint and several continuing subsidiary guaranty pursuant to which the Issuer's subsidiaries guarantied the payment and performance of all obligations of the Issuer and its subsidiaries owing to the Partnership (including the payment of all debt securities).

In connection with the MFN Acquisition, the Issuer, the Bradleys and the Partnership amended and restated the Amended Investor Rights Agreement pursuant to the terms of the Second Amended and Restated Investor Rights Agreement. Under the Second Amended and Restated Investor Rights Agreement, the parties amended and restated the investment monitoring, management and other rights granted to the Partnership under the Amended Investor Rights Agreement, including the right of the Partnership to cause the Issuer to appoint or elect a representative of the Partnership as a member of the Board of Directors of the Issuer, and the Bradleys agreed to vote their respective shares of Common Stock in favor of such representative's appointment or election to the Board. No representative of the Partnership currently serves as a member of the Board of Directors of the Issuer. If at any time no Partnership representative is serving on the Board of Directors, the Partnership may exercise observation rights with respect to all meetings of the Board of Directors. Under the Second Amended and Restated Investor Rights Agreement, the Partnership and the Issuer will continue to participate jointly in the Operating Committee (as defined therein) to review the financial performance and other affairs of the Issuer. Further, Charles E. Bradley, Jr. has granted to the Partnership tag along rights with respect to sales of his shares of Common Stock, the Issuer has granted to the Partnership certain preemptive rights regarding the issuance by it of New Securities (as defined therein) and the Issuer agreed to certain limitations regarding the issuance of its capital stock or equity rights to the Issuer's directors, officers or employees and amendments to, or the adoption of new, stock purchase or option plan, agreements and arrangements of the Issuer.

Pursuant to a Second Amended and Restated Registration Rights Agreement dated as of March 8, 2002, a copy of which is attached as Exhibit 99.6 hereto, the Issuer and the Partnership amended and restated the prior Amended and Restated Registration Rights Agreement. Under the Second Amended and Restated Registration Rights Agreement, the Issuer and the Partnership amended and restated certain demand, piggyback and Form S-3

registration rights previously granted to the Partnership with respect to, among other things, shares of Common Stock owned by the Partnership and shares of Common Stock issuable upon exercise of the Restated Warrant.

The Term C Note provide that payments of principal of, interest on and other amounts owing under the Term C Note are payable from funds on deposit in a "Certificate Distribution Account" that are available for distribution to the holder of a "Class B Certificate." The Issuer is the holder of the Class B Certificate. Pursuant to an Option Agreement dated as of March 8, 2002, between the Issuer and the Partnership, a copy of which is attached as Exhibit 99.7 hereto, the Issuer granted to the Partnership the option to purchase the Class B Certificate solely in exchange for the Term C Note.

The foregoing descriptions of the above-referenced documents are not, and do not purport to be, complete and are qualified in their entirety by reference to copies of the same filed as Exhibit 99.1 through Exhibit 99.10 hereto, respectively, and are incorporated herein in their entirety by this reference.

Item 7. Material to be Filed as Exhibits.

Exhibit	Description
99.1	Second Amended and Restated Securities Purchase Agreement dated as of March 8, 2002, between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P. (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed by Consumer Portfolio Services, Inc. with the Commission on March 25, 2002).
99.2	Second Amended and Restated Secured Senior Note Due November 30, 2003, as amended and restated March 8, 2002, in the principal amount of $26,000,000 issued by Consumer Portfolio Services, Inc. to Levine Leichtman Capital Partners II, L.P. (incorporated herein by reference to Exhibit 4.3 to the Current Report on Form 8-K filed by Consumer Portfolio Services, Inc. with the Commission on March 25, 2002).
99.3	Secured Senior Note Due February 28, 2003 dated March 8, 2002, in the principal amount of $35,000,000 issued by Consumer Portfolio Services, Inc. to Levine Leichtman Capital Partners II, L.P. (incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K filed by Consumer Portfolio Services, Inc. with the Commission on March 25, 2002).
99.4	12.00% Secured Senior Note Due 2008 dated March 8, 2002, issued by Consumer Portfolio Services, Inc. to Levine Leichtman Capital Partners II, L.P. (incorporated herein by reference to Exhibit 4.4 to the Current Report on Form 8-K filed by Consumer Portfolio Services, Inc. with the Commission on March 25, 2002).
99.5	Second Amended and Restated Investor Rights Agreement dated as of March 8, 2002, among Consumer Portfolio Services, Inc., Charles E. Bradley, Sr., Charles E. Bradley Jr. and Levine Leichtman Capital Partners II, L.P.

99.6 Second Amended and Restated Registration Rights Agreement dated as of March 8, 2002, between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P.

99.7 Option Agreement dated as of March 8, 2002, between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P.

99.8 First Amendment to Second Amended and Restated Securities Purchase Agreement dated as of August 14, 2002, between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P.

99.9 Second Amendment to Securities Purchase Agreement dated as of February 3, 2003, between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P.

99.10 Secured Senior Note dated February 3, 2003, in the principal amount of $25,000,000, issued by Consumer Portfolio Services, Inc. to Levine Leichtman Capital Partners II, L.P.

SIGNATURE

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

February 11, 2003

LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P.,
a California limited partnership

By: LLCP California Equity Partners II, L.P.,
a California limited partnership, its General Partner

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

By: /s/ ARTHUR E. LEVINE
Arthur E. Levine
President

LLCP CALIFORNIA EQUITY PARTNERS II, L.P.,
a California limited partnership

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

By: /s/ ARTHUR E. LEVINE
Arthur E. Levine
President

LEVINE LEICHTMAN CAPITAL PARTNERS, INC.,
a California corporation

By: /s/ ARTHUR E. LEVINE
Arthur E. Levine
President

/s/ ARTHUR E. LEVINE

ARTHUR E. LEVINE

/s/ LAUREN B. LEICHTMAN

LAUREN B. LEICHTMAN

EXHIBIT INDEX

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99.2	Second Amended and Restated Secured Senior Note Due November 30, 2003, as amended and restated March 8, 2002, in the principal amount of $26,000,000 issued by Consumer Portfolio Services, Inc. to Levine Leichtman Capital Partners II, L.P. (incorporated herein by reference to Exhibit 4.3 to the Current Report on Form 8-K filed by Consumer Portfolio Services, Inc. with the Commission on March 25, 2002).
99.3	Secured Senior Note Due February 28, 2003 dated March 8, 2002, in the principal amount of $35,000,000 issued by Consumer Portfolio Services, Inc. to Levine Leichtman Capital Partners II, L.P. (incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K filed by Consumer Portfolio Services, Inc. with the Commission on March 25, 2002).
99.4	12.00% Secured Senior Note Due 2008 dated March 8, 2002, issued by Consumer Portfolio Services, Inc. to Levine Leichtman Capital Partners II, L.P. (incorporated herein by reference to Exhibit 4.4 to the Current Report on Form 8-K filed by Consumer Portfolio Services, Inc. with the Commission on March 25, 2002).
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99.10	Secured Senior Note dated February 3, 2003, in the principal amount of $25,000,000, issued by Consumer Portfolio Services, Inc. to Levine Leichtman Capital Partners II, L.P.

Exhibit 99.5

SECOND AMENDED AND RESTATED
INVESTOR RIGHTS AGREEMENT

THIS SECOND AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT is entered into as of the 8th day of March 2002 (this "**Agreement**"), by and among **CONSUMER PORTFOLIO SERVICES, INC**., a California corporation (the "**Company**"), **CHARLES E. BRADLEY, SR.**, an individual ("**C. E. Bradley, Sr.**"), **CHARLES E. BRADLEY, JR.**, an individual ("**C. E. Bradley, Jr.**" and, together with C. E. Bradley, Sr., the "**Bradleys**"), and **LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P.**, a California limited partnership ("**LLCP**").

RECITALS

A. The Company and LLCP are parties to that certain Amended and Restated Securities Purchase Agreement dated as of March 15, 2000, as amended by that certain Consent to Warehouse Financing Transaction and Amendment to Securities Purchase Agreement dated November 16, 2000 (as so amended, the "**First Amended and Restated Securities Purchase Agreement**") pursuant to which, among other things, the Company issued and sold to LLCP the Term A Note and the Company and LLCP amended, restated and combined the Amended November 1998 Primary Note and the April 1999 Note into the Term B Note.

B. In connection with the execution and delivery of the First Amended and Restated Securities Purchase Agreement, the parties entered into that certain Amended and Restated Investor Rights Agreement (the "**First Amended and Restated Investor Rights Agreement**") pursuant to which, among other things, the parties amended and restated the Original Investor Rights Agreement (as such term is defined therein) and the Company and certain other persons granted to LLCP certain investment monitoring, management, tag-along and other rights and benefits, respectively, all as more fully described therein.

C. LLCP currently holds 4,552,000 shares of Common Stock and the Residual Warrant. The Residual Warrant is exercisable into 1,000 shares of Common Stock.

D. The Company and LLCP are entering into that certain Second Amended and Restated Securities Purchase Agreement dated of even date herewith (as amended from time to time, the "**Securities Purchase Agreement**") pursuant to which, on the date hereof, the Company and LLCP are amending and restating the First Amended and Restated Securities Purchase Agreement and the First Amended Term B Note, and the Company is issuing and selling to LLCP, and LLCP is purchasing from the Company, the Bridge Note and the Term C Note, all on the terms and subject to the conditions set forth therein and in the Related Agreements.

E. In connection with the transactions contemplated by the Securities Purchase Agreement, the parties wish to amend and restate the First Amended and Restated Investor Rights Agreement on the terms and subject to the conditions set forth herein. The execution and delivery of this Agreement is a condition precedent to the consummation of the transactions contemplated by the Securities Purchase Agreement.

F. Unless otherwise indicated, all capitalized terms used in this Agreement shall have the respective meanings ascribed to them in the Securities Purchase Agreement. The rules of interpretation and construction specified in Sections 1.2 through 1.6 of the Securities Purchase Agreement shall likewise govern the interpretation and construction of this Agreement.

AGREEMENT

In consideration of the mutual covenants and agreements set forth herein, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby amend and restate the First Amended and Restated Investor Rights Agreement as follows:

1. INVESTMENT MONITORING/MANAGEMENT RIGHTS.

1.1 Election of LLCP Representative to Board.

(a) At the written request of LLCP from time to time, the Company shall take all such steps (whether corporate or otherwise) as may be required or appropriate to cause any individual designated by LLCP (the "**LLCP Representative**") to be duly appointed or elected to the Board of Directors of the Company (the "**Board of Directors**"), effective as of the close of business on the fifth day following receipt by the Company of such written request. In addition, at any future election of directors, the Company agrees to nominate the then current LLCP Representative (or any other individual designated by LLCP) for election as a director and shall otherwise use its best efforts to cause the LLCP Representative to be elected to and remain as a member of the Board of Directors unless and until the LLCP Representative resigns from the Board of Directors.

(b) In furtherance of the foregoing, at every meeting of the shareholders of the Company called with respect to the election of directors, and at every adjournment thereof, and on every action or approval by written consent of the shareholders of the Company with respect to the election of directors, each of C. E. Bradley, Sr. and C. E. Bradley, Jr. agrees to vote any and all shares of Common Stock as to which he has the right to vote and shall, to the extent he has the power to do so, cause each of his respective Affiliates to vote, all of his, its or their shares of Common Stock as to which such Affiliate has the right to vote, for the election of the LLCP Representative at each election of directors; provided, however, that it shall not constitute a violation of this covenant to the extent that a pledgee of any such shares of Common Stock acquires the right to vote such shares pursuant to the terms of any pledge agreement under which such shares have been pledged by C. E. Bradley, Sr., C. E. Bradley, Jr. or any of their respective Affiliates, as the case may be. In the event of the death or resignation of the LLCP Representative at any time, or in the event the LLCP Representative shall not be elected to the Board of Directors at any election of directors for any reason, the Company shall, upon request of LLCP, promptly (and in any event within five (5) days of such request), take such steps as may be necessary, including increasing the size of the Board of Directors and filling the resulting vacancy with an LLCP Representative, as may be necessary to cause the LLCP Representative to be duly appointed or elected as a member of the Board of Directors. To the extent that the Board of Directors delegates any of its duties to an executive committee or other similar committee, the LLCP Representative shall, upon request, be elected to such committee.

(c) The voting agreements provided for in this Section 1.1 are intended to constitute enforceable voting agreements within the scope of Section 706 of the General Corporation Law of the State of California and is coupled with an interest.

1.2 Observation Rights. If, at any time, no LLCP Representative is serving on the Board of Directors for any reason, LLCP shall be entitled to receive notice of, and be entitled to have one (1) representative and one advisor to such representative (or, at LLCP's election, two (2) representatives) attend as observers at, all meetings of the Board of Directors and of all committees thereof and at all meetings of the shareholders of the Company. Notice of such meetings shall be given to LLCP in the same manner and at the same time as that given to the members of the Board of Directors or such committees (which shall not be less than forty-eight (48) hours prior to such meeting unless otherwise agreed to by LLCP) and at the same time as to the shareholders of the Company, as the case may be. LLCP shall be provided with copies of (i) a meeting agenda, if any is prepared, (ii) all information which is provided to the members of the Board of Directors or such committees or to the shareholders of the Company (whether prior to, at, or subsequent to any such meetings), as the case may be, at the same time as such materials are provided to the members of the Board of Directors or such committee or to the shareholders of the Company, as the case may be, and (iii) copies of the minutes of all meetings of the Board of Directors and such committees and of all meetings of shareholders concurrently with the distribution of such minutes to one or more members of the Board of Directors or such committees or shareholders, as the case may be, but in no event later than forty-five (45) days after each such meeting.

1.3 Operating Committee.

(a) The Company shall establish an operating committee (the "**Operating Committee**") to, among other things, (i) review the monthly operating and capital plan of the Company and its subsidiaries for the next fiscal year, (ii) compare budgeted versus actual performance, and (iii) analyze the Company's capital needs over the twelve (12) months following each meeting. The Operating Committee shall also consider such additional financial matters as the Operating Committee shall deem advisable. The Operating Committee shall not constitute a committee designated by the Board of Directors pursuant to the Company's Bylaws or Section 311 of the California Corporations Code, and shall not have any authority to act in the name of or on behalf of the Company or any Subsidiary, but the Operating Committee shall have the right to make suggestions and to recommend actions to the Board of Directors or to the Board of Directors of any Subsidiary of the Company or to any committee of any such Board of Directors, either in writing or by attending, through a representative, a meeting of such Board of Directors or such committee.

(b) The Operating Committee shall at all times be comprised of two (2) members of senior management of the Company, who shall be the President and Chief Executive Officer of the Company and the Chief Financial Officer (or principal accounting officer) of the Company, and two (2) members designated by LLCP. The Company shall cause other members of its senior management to be available at each meeting of the Operating Committee to review financial information and discuss other matters.

(c) Regular meetings of the Operating Committee shall take place on or about the fourth Wednesday of each month (or the next succeeding Business Day, if the fourth Wednesday is not a Business Day).

(d) The financial statements and other materials to be discussed at each monthly meeting described in Section 1.3(c) will consist of the materials included in the monthly information package delivered by the Company to the members of its Board of Directors and to LLCP as provided in Section 8.2(j) of the Securities Purchase Agreement.

1.4 [Intentionally Omitted].

1.5 Termination of Rights Under Sections 1.1, 1.2 and 1.3. LLCP's rights under Sections 1.1, 1.2 and 1.3 shall continue so long as (a) any Indebtedness or other amounts remain outstanding under the Notes or (b) LLCP continues to hold, directly or indirectly, five percent (5.0%) or more of the number of shares of Common Stock outstanding; provided, however, that LLCP's rights under Sections 1.1, 1.2 and 1.3 shall nevertheless continue for a period of two (2) years after the date upon which all Indebtedness and other amounts under the Notes are paid in full and LLCP holds less than five percent (5.0%) of the outstanding shares of Common Stock if LLCP informs the Company in writing that it believes in good faith that it is required to retain such rights to qualify as a "venture capital operating company" for purposes of complying with the requirements of ERISA.

1.6 Indemnification and Insurance. The Company shall, to the maximum extent permitted by Applicable Laws, indemnify and hold harmless the LLCP Representative, each LLCP representative on the Operating Committee, LLCP and LLCP's employees, general and limited partners, principals, agents, attorneys, accountants, representatives and affiliates (collectively, the "**LLCP Parties**") from all costs, expenses, liabilities, claims, damages and losses, including attorneys' fees and the cost of any investigation and preparation incurred in connection therewith (collectively, "**Liabilities and Costs**"), arising out of or in any way related to the fact that any LLCP Party is or was a director or other agent of the Company or any Subsidiary of the Company, served on the Operating Committee or, while a director or other agent, is or was serving at the request of the Company as a director, officer, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise. Upon request by any LLCP Party, the Company shall advance (within ten (10) Business Days of such request) any and all expenses, including any and all attorneys' fees and the cost of any investigation and preparation incurred in connection with any matter for which such LLCP Party is or may be entitled to indemnification hereunder; provided, however, that, if and to the extent that a court of competent jurisdiction finally determines that such LLCP Party is not permitted to be indemnified with respect to such matter under Applicable Laws, the Company shall be entitled to reimbursement of any expenses so advanced. The Company shall also indemnify each LLCP Party from and against any and all Liabilities and Costs incurred in connection with any claim or action brought to enforce such LLCP Party's rights under this Section 1.6, or under Applicable Laws or the Company's Articles of Incorporation or Bylaws now or hereafter in effect relating to indemnification, or for recovery under directors' and officers' liability insurance policies maintained by the Company, regardless of whether such LLCP Party is ultimately determined to be entitled to such indemnification or insurance recovery, as the case may be. If for any reason the foregoing indemnification is not available for any reason or is not sufficient to indemnify and hold the LLCP Parties harmless from all such Liabilities and Costs, then the Company shall contribute to the amount of all such Liabilities and Costs paid or payable by any LLCP Party in such proportion as is appropriate to reflect not only the relative benefits received by the Company, on the one hand, and LLCP, on the other hand, but also the relative fault of each, as well as any other equitable considerations. The Company's reimbursement, indemnity and contribution obligations shall be in addition

to any liability the Company may otherwise have at law or under any other agreement, including without limitation, the Securities Purchase Agreement, and such obligations shall extend, upon the same terms, to all LLCP Parties. This Section 1.6 shall survive indefinitely the termination of this Agreement. At any time that an LLCP Representative is serving on the Board of Directors, the Company shall maintain in force and effect one or more insurance policies providing at least $10,000,000 in insurance coverage for director liability, including coverage for claims under federal and state securities laws. The Company represents and warrants to LLCP that it currently maintains in effect one or more insurance policies providing at least $10,000,000 in insurance coverage for director liability, including coverage for claims arising under federal and state securities laws.

2. TAG ALONG RIGHTS.

2.1 Tag Along Right. Subject to the provisions of Section 2.8, in the event that C. E. Bradley, Jr. or any entity "controlled" by him (within the meaning of the definition of Affiliate in the Securities Purchase Agreement) (each a "**Selling Holder**") receives a bona fide offer from any Person (the "**Buyer**") to purchase any shares of Common Stock from such Selling Holder and such Selling Holder desires to sell or otherwise transfer any such shares of Common Stock pursuant to such bona fide offer, then LLCP shall be given an opportunity to sell or otherwise transfer to the Buyer the LLCP Pro Rata Share (determined in accordance with Section 2.2 and Section 3.1) of any shares of Common Stock which the Buyer agrees to purchase held or beneficially owned by LLCP as provided in this Agreement (the "**Tag Along Rights**").

2.2 TAR Offer. At least fifteen (15) days prior to the consummation of any sale or other transfer by a Selling Holder of any shares of Common Stock, the Selling Holder shall cause the bona fide offer from the Buyer to purchase or otherwise acquire such Selling Holder's shares to be reduced to a writing (the "**TAR Offer**") and shall deliver to LLCP written notice of the TAR Offer, together with a true copy of the TAR Offer (the "**TAR Notice**"). Each TAR Offer shall require the Buyer to offer to purchase or otherwise acquire from LLCP, at the same time, at the same price and on the same terms as apply to the sale or other disposition by the Selling Holder to the Buyer and according to the terms and subject to the conditions of this Agreement, not less than the number of LLCP Shares held by LLCP as shall be equal to the product of (i) the total number of shares of Common Stock which the Buyer desires to purchase or otherwise acquire, multiplied by (ii) a fraction, the numerator of which is the total number of LLCP Shares on the date of the TAR Notice and the denominator of which is the total number of shares of Common Stock held on such date by the Selling Holder plus the total number of LLCP Shares. Pursuant to Section 2.4, the Selling Holder may then sell to the Buyer the number of shares of Common Stock remaining after the shares of Common Stock to be sold by LLCP are subtracted from the total number of shares of Common Stock which the Buyer desires to purchase or otherwise acquire. For example, and without limiting the generality of the foregoing, if a Buyer offers to purchase 100,000 shares of Common Stock from C. E. Bradley, Jr., and he desires to accept such offer, then the aggregate number of Shares which LLCP shall be entitled to sell to the Buyer upon the exercise of the Tag Along Rights shall be equal to 100,000, multiplied by the total number of LLCP Shares, divided by the sum of the total number of LLCP Shares plus the total number of shares of Common Stock held by C. E. Bradley, Jr. In no event shall LLCP be required to make any representation or warranty in connection with the sale to any Buyer other than as to organization and authority of LLCP, title to the shares of Common Stock to be sold by LLCP, and the absence of conflict with laws or material agreements of LLCP.

2.3 Acceptance Notice. If LLCP desires to accept the TAR Offer with respect to any LLCP Shares, LLCP shall deliver to the Selling Holder within fifteen (15) days after receipt of the TAR Notice by LLCP, a written notice stating such acceptance of the TAR Offer and setting forth the number of shares of LLCP Shares that LLCP desires to sell to the Buyer (the "**Acceptance Notice**"). If LLCP does not deliver an Acceptance Notice to the Selling Holder in accordance with the provisions of this Section 2.3, LLCP shall be deemed to have rejected the TAR Offer. The timely delivery of the Acceptance Notice shall constitute LLCP's agreement to sell to the Buyer the lesser of (a) the number of LLCP Shares which LLCP is entitled to sell to the Buyer pursuant to this Section 2 and (b) the number of LLCP Shares which LLCP desires to sell to the Buyer as set forth in the Acceptance Notice. The Acceptance Notice shall also include (i) a written undertaking of LLCP to deliver, at least two (2) Business Days prior to the expected date of the consummation of such sale or other disposition to the Buyer as indicated in the TAR Notice, such documents (including stock assignments and stock certificates, if any) as shall be reasonably required to transfer the LLCP Shares to be sold by LLCP to the Buyer pursuant to the TAR Offer and (ii) a limited power-of-attorney authorizing the Selling Holder to transfer such shares to the Buyer pursuant to the terms of the TAR Offer.

2.4 Consummation. If there is a decrease in the price to be paid by the Buyer for the shares to be purchased from the price set forth in the TAR Offer, which decrease is acceptable to the Selling Holder, or any other material change in terms which are less favorable to the Selling Holder but which are acceptable to the Selling Holder, the Selling Holder shall immediately, but in any event within two (2) Business Days, notify LLCP of such decrease or other change, and LLCP shall have five (5) Business Days from the date of receipt of the notice of such decrease to modify the number of shares of Common Stock it will sell to the Buyer, as previously indicated in the applicable Acceptance Notice, or decline the TAR Offer. If the Selling Holder does not complete any proposed sale or other transfer for any reason, the Selling Holder shall immediately return to LLCP all documents (including stock assignments and stock certificates, if any) and powers-of-attorney which LLCP delivered to the Selling Holder pursuant to this Section 2 or otherwise in connection with such sale or other transfer.

2.5 Closing. The delivery of the stock certificate by the Selling Holder and LLCP to the Buyer in consummation of the sale of shares of Common Stock pursuant to the terms and conditions specified in the TAR Offer, and the payment by the Buyer to the Selling Holder and LLCP in immediately available funds of that portion of the sale proceeds to which the Selling Holder and LLCP are respectively entitled by reason of their participation in such sale shall occur simultaneously at a closing at the principal office of the Company, or such place as the Buyer and the selling parties may agree, at a time and at a date mutually agreeable to the Buyer and the selling parties.

2.6 Subsequent Offering. The exercise or non-exercise of the Tag Along Rights by LLCP with respect to any sale or transfer shall not affect adversely the right of LLCP to exercise the Tag Along Rights with respect to any subsequent sale or transfer.

2.7 Prohibited Sale. In the event of any purported sale of shares of Common Stock by C. E. Bradley, Jr. or any of his Affiliates in contravention of this Section 2 (a "**Prohibited Transfer**"), LLCP shall have the right to (i) require that the Company, or the Company's transfer agent, not enter such transfer on the books and records of the Company or (ii) sell to the Selling Holder the number of shares of Common Stock equal to the number

of LLCP Shares that LLCP could have otherwise sold in connection with the sale by the Selling Holder on the following terms and conditions:

(a) The price per share which such shares are to be sold to such Selling Holder shall be equal to the price per share paid to such Selling Holder by the Buyer of such Selling Holder's shares of Common Stock;

(b) LLCP shall deliver to such Selling Holder within not more than ten (10) business days after receiving notice from such Selling Holder of the Prohibited Transfer, the certificate or certificates representing the shares of Common Stock to be sold, each certificate being properly endorsed for transfer; and

(c) Such Selling Holder, upon receipt of the share certificates delivered pursuant to Section 2.7(b) above, shall within one (1) business day pay in cash (regardless of the form of consideration paid to such Selling Holder by the Buyer) the purchase price therefor, by wire transfer to such account as directed by LLCP or such other means of payment as is directed by LLCP, and shall reimburse LLCP for any additional expenses, including legal fees and expenses, incurred in effecting such purchase and resale.

2.8 Permitted Transfers. Notwithstanding the foregoing, the following transactions shall not be subject to the provisions of this Section 2: (i) sales in a public offering registered under the Securities Act of 1933, as amended (the "**Act**"); (ii) sales pursuant to Rule 144 or any similar successor rule promulgated under the Act; (iii) sales of shares of Common Stock which do not constitute "restricted securities" as such term is defined in Rule 144(a)(3) to the extent C. E. Bradley, Jr. is not an affiliate of the Company at the time of such sale; (iv) sales effected pursuant to a margin call by a broker holding shares of Common Stock as collateral for a margin account; (v) the pledge of shares pursuant to the terms of a bona fide pledge agreement to secure obligations of C. E. Bradley, Jr., provided that no more than 600,000 shares are subject to pledge at any time (which number shall be reduced by the number of shares sold as permitted by the following clause (vi)); (vi) sales effected by a bona fide pledgee pursuant to the terms of a pledge agreement permitted under the foregoing clause (v); (vii) sales by the estate of the holder to a spouse or other family member ("**Family Member**") within one (1) year of the holder's death; (viii) transfers to a trust for the benefit of a Family Member of the transferor, or to an executor, administrator or other personal representative pending distribution to such Family Member or trust; or (ix) by inter vivos transfer to a Family Member of the transferor or to a trust primarily for the transferor's benefit or the benefit of a Family Member of a transferor; provided, however, that the transferee in each of the foregoing clauses (vii), (viii) and (ix) shall be bound by the provisions of this Agreement with respect to such transferred shares and shall, upon request, execute and deliver to LLCP and the Company an instrument, in form and substance reasonably acceptable to LLCP, agreeing to be bound by the provisions of this Agreement with respect to any future transfer. Notwithstanding the foregoing, if C. E. Bradley Jr. sells any shares of Common Stock as contemplated by clauses (i) through (vi) above, the purchaser or transferee of such shares shall not be bound by any obligations under this Agreement.

2.9 Termination of Tag Along Rights. The Tag Along Rights provided for in this Section 2 shall terminate in their entirety at such time as the number of LLCP Shares owned or held, directly or indirectly, by LLCP is less than three percent (3%) of the total number of shares of Common Stock then outstanding.

2.10 Representation, Warranty and Covenant of C. E. Bradley, Jr. C. E. Bradley, Jr. shall give LLCP written notice within two (2) days in the event that he purchases or otherwise acquires, directly or indirectly, any shares of Common Stock (excluding shares purchased or otherwise acquired by C. E. Bradley, Jr. in the open market) after the date hereof, which shares shall, upon such purchase or other acquisition, be legended as required by Section 5.1 (to the extent required to be so legended pursuant to Section 5.1) and shall immediately become subject to the terms and provisions of this Section 2.

2.11 C. E. Bradley, Jr. represents and warrants to LLCP that he has not purchased or otherwise acquired, directly or indirectly, any such shares since November 17, 1998. In addition, each of C.E. Bradley, Sr. and C.E. Bradley, Jr. hereby represents and warrants to LLCP that the execution, delivery and performance of this Agreement by him will not (a) conflict with, or result in a breach or violation of, any agreement, instrument or other document to which he is a party or to which his assets or properties may be bound, or (b) require the Consent of any other Person.

3. RIGHTS OF FIRST PURCHASE; ISSUANCE OF CERTAIN EQUITY SECURITIES TO CERTAIN EMPLOYEES; COMPANY STOCK PLANS.

3.1 The Company hereby grants to LLCP the right to purchase up to the LLCP Pro Rata Share (as such term is defined below) of any New Securities (as such term is defined below) which the Company may from time to time propose to issue or sell, and the Company shall not issue or sell any New Securities without first complying with the provisions of this Section 3. LLCP's right to purchase shall be at the same price applicable to such issuance or sale of New Securities. The term "**LLCP Pro Rata Share**" shall be equal to a percentage, calculated immediately prior to the issuance of any New Securities, based upon a fraction, (a) the numerator of which is equal to (i) the total number of shares of Common Stock owned or held by LLCP immediately prior to such issuance plus (ii) the total number of shares of Common Stock issuable upon exercise of the Residual Warrant and any other Equity Rights held by LLCP immediately prior to such issuance, and (b) the denominator of which is the sum of (i) the total number of shares of Common Stock outstanding immediately prior to such issuance, plus (ii) the total number of shares of Common Stock issuable upon exercise of the Residual Warrant and any other Equity Rights held by LLCP immediately prior to such issuance.

3.2 The term "**New Securities**" shall mean any Capital Stock (including Common Stock or preferred stock) of the Company, whether authorized now or in the future, and any Equity Rights of the Company; provided, however, that the term New Securities shall not include (a) any equity securities issued in a public offering pursuant to an effective registration statement under the Act, provided, however, that such equity security is listed at the time of issuance on a recognized national securities exchange or on the NASDAQ National Market, (b) any Equity Rights to purchase shares of Common Stock granted by the Company, whether prior to or after the date of this Agreement, to directors, officers or key employees of the Company or any of its Affiliates under any Company Stock Plan existing on the date hereof, and shares of Common Stock issuable upon exercise of such Equity Rights, (c) shares of Common Stock issuable upon conversion of the Poole Replacement Note, (d) shares of Common Stock issuable upon exercise of the FSA Warrant or (e) any Equity Rights to purchase shares of Common Stock granted by the Company after the date of this Agreement to directors, officers and key employees of the Company or of any affiliate of the Company under any stock purchase or option plan, agreement or

arrangement adopted by the Board of Directors and, if required, approved by the shareholders of the Company and granted in accordance with Section 3.4.

3.3 If the Company proposes from time to time to undertake any issuance of New Securities, it shall give LLCP written notice (an "**Issuance Notice**") of such proposed issuance, describing the type of New Securities, the proposed offer price and the general terms upon which the Company proposes to issue the same. LLCP shall have thirty (30) days after its receipt of the Issuance Notice to decide whether it wishes to purchase up to the LLCP Pro Rata Share of the New Securities for the price and upon the terms specified in the Issuance Notice by furnishing written notice to the Company (a "**Purchase Notice**"), indicating the number of New Securities to be purchased by LLCP. To the extent that LLCP shall have timely furnished a Purchase Notice to the Company, the Company shall, at the closing of the issuance of such New Securities, sell to LLCP such number of New Securities as LLCP shall have notified the Company that it intends to purchase in the applicable Purchase Notice.

3.4 The Company shall not, without the prior written consent of LLCP, issue any shares of Capital Stock, or grant any Equity Rights, to any director, officer or employee of the Company or any of its Subsidiaries; provided, however, that the Company may, without the consent of LLCP, grant to the persons described below in any calendar year Equity Rights under the Company Stock Plans to purchase the following number of shares of Common Stock: (a) to C. E. Bradley, Jr., Equity Rights to purchase not more than 250,000 shares of Common Stock; (b) to any person (other than C. E. Bradley, Jr.) serving as a President, Chief Executive Officer, Chief Operating Officer or Chairman of the Board of the Company, Equity Rights to purchase not more than 100,000 shares for each such office, (c) to any Person serving as a Senior Vice President of the Company, Equity Rights to purchase not more than 25,000 shares of Common Stock; (d) to any Person serving in a position that is below a Senior Vice President of the Company, Equity Rights to purchase not more than 25,000 shares of Common Stock; (e) to any individual hired by the Company or any Subsidiary after the date hereof in the position of Chief Executive Officer, Chief Operating Officer or Chairman of the Board of the Company, Equity Rights to purchase not more than 80,000 shares of Common Stock at the initial hiring date; and (f) to any individual serving as director of the Company, Equity Rights to purchase not more than 10,000 shares of Common Stock.

3.5 The Company shall not amend, supplement or otherwise modify any existing stock purchase or option plan, agreement or arrangement of the Company, or adopt or approve any stock purchase or option plan, agreement or arrangement of the Company, without the prior affirmative vote or written consent of the shareholders of the Company (including the prior affirmative vote or written consent of LLCP). The Company shall not, and shall not permit any of its Subsidiaries, to issue any Capital Stock or adopt or approve any stock purchase or option plan, agreement or arrangement with respect to its Capital Stock.

3.6 The rights of LLCP under this Section 3 shall terminate on the earlier to occur of (a) the seventh anniversary of the date of this Agreement and (b) the date upon which the number of LLCP Shares directly or indirectly held by LLCP is less than five percent (5.0%) of the number of shares of Common Stock then outstanding.

4. COVENANTS OF THE BRADLEYS.

4.1 Protection and Use of Confidential Information. Each Bradley severally acknowledges and agrees that, in the course of the performance of his duties for the Company, he has or will come into the possession of confidential information which is valuable to the Company by virtue of the fact that such information is not generally known to the public or to the Company's competitors ("**Confidential Information**"). The Confidential Information includes, but is not limited to, trade secrets, business records, vendor lists, dealer lists, information concerning financing sources, information concerning employees, information concerning the Company's products and services, technical data, know how, specifications, processes, computations, development work, business plans, financial projections and other internal financial information, pricing information, information concerning the Company's sales and marketing programs, training materials and computer programs and routines. Each Bradley severally agrees that (i) he will not, at any time either during or after his employment with the Company, in any manner, either directly or indirectly divulge, disclose or communicate any Confidential Information to any Person, (ii) he will not use any Confidential Information for his own benefit or for any other purpose other than for the exclusive benefit of the Company and its Subsidiaries, (iii) all Confidential Information is and shall remain the exclusive property of the Company, (iv) upon the termination of his employment with the Company, he will not, without the prior written approval of the Company, keep or remove any books, drawings, documents, records or other written or printed, photographic, encarded, taped, electrostatically or electromagnetically encoded data or information of whatever nature of the Company, and shall immediately return all such material and other Company property in his possession to the Company; provided, however, that the foregoing shall not prohibit any Bradley from disclosing Confidential Information (i) to the extent such Bradley reasonably believes in good faith that the disclosure of such Confidential Information is in the best interests of the Company or otherwise necessary or appropriate to the effective and efficient discharge of such Bradley's duties to the Company or (ii) to the extent such disclosure is required under Applicable Laws or pursuant to the order of a court or other governmental agency.

4.2 Non-Solicitation. Each Bradley severally agrees that during any period during which he is employed by the Company and for a period of five (5) years after termination of such employment, he shall not, directly or indirectly, either for himself or for any other Person, (i) hire or offer employment to or seek to hire or offer employment to, or otherwise engage as an employee or independent contractor (collectively, an "**Employment Offer**"), any employee of the Company or any Subsidiary of the Company, or any former employee having been employed by the Company or any Subsidiary of the Company within one year prior to such Employment Offer, or in any other way interfere with the relationship between the Company or any Subsidiary of the Company and any employee of the Company, or (ii) request, advise or encourage any customer, dealer, financing source, client, vendor or other person with whom the Company or any Subsidiary of the Company conducts business to withdraw, curtail, reduce or cancel its business with the Company.

5. MISCELLANEOUS.

5.1 Legends; Definition.

(a) Each certificate representing the shares of Common Stock now or hereafter owned by C. E. Bradley, Jr. shall be endorsed with the following legend and the

legend set forth in Section 5.1(b) (provided, however, that C. E. Bradley, Jr. shall not be obligated to legend under this Section 5.1(a) any certificates representing shares of Common Stock acquired by him in open market transactions after the Bridge Note has been indefeasibly paid in full):

> THE SALE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF AN AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT BY AND AMONG CONSUMER PORTFOLIO SERVICES, INC., LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P., AND THE OTHER PARTIES NAMED THEREIN. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

(b) Each certificate representing shares of Common Stock now or hereafter owned by C. E. Bradley, Sr. shall be endorsed with the following legend (provided, however, that (i) after the date upon which all Indebtedness and other amounts owing under the Notes shall have been indefeasibly paid in full, (A) C. E. Bradley, Sr. shall not be obligated to endorse such legend on any such certificate and (B) his voting obligations under Section 1.1 shall terminate and (ii) C. E. Bradley, Sr. shall not be obligated to endorse, and may remove, such legend on any certificates which represent in the aggregate no more than 400,000 shares of Common Stock which are sold by him in any calendar year pursuant to any Rule 144 transactions, and the purchaser or transferee of such shares shall not be bound by any obligations under this Agreement):

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A VOTING AGREEMENT AS SET FORTH IN AN AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT BY AND AMONG CONSUMER PORTFOLIO SERVICES, INC., LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P., AND THE OTHER PARTIES NAMED THEREIN. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

(c) The foregoing notwithstanding, a certificate evidencing shares of Common Stock which were pledged to a third party prior to November 17, 1998, or pursuant to any BofA Pledge Agreement need not be legended as provided in this Section 5.1.

(d) For purposes of this Agreement, the term "**BofA Pledge Agreements**" shall mean the pledge agreements entered into by C. E. Bradley, Sr., Stanwich Financial Services Corp ("**Stanwich**") and Stanwich Partners, Inc. ("**SPI**"), as pledgors, pursuant to which such pledgors pledged to Bank of America, National Association, for itself and as agent ("**BofA**"), the following number of shares of Common Stock in connection with the merger of Stanwich Acquisition Corp. with and into Reunion Industries, Inc. and the relating financial accommodations provided by BofA: C. E. Bradley, Sr.: 17,000 shares; Stanwich: 543,459 shares; and SPI: 50,832 shares.

5.2 Stock Transfer Records. The Company shall make appropriate notations in its stock transfer records of the restrictions on transfer provided for in this Agreement and shall not record any transfers of capital stock not made in strict compliance with the terms of this Agreement. The Company acknowledges that any such transfer shall constitute an Event of Default under the Securities Purchase Agreement.

5.3 Successors and Assigns. The rights and obligations of LLCP under this Agreement shall be freely assignable in connection with any transfer of the Warrant or any portion thereof or of any shares of Common Stock issued upon the exercise thereof in whole or in part; provided, however, that the rights of LLCP under Section 1 may not be assigned except in connection with any such transfer to an affiliate of LLCP. Any assignee of such rights shall be entitled to all of the benefits of this Agreement as if such assignee were an original party hereto. The rights and obligations of the Bradleys hereunder may only be assigned, and shall automatically be assigned, to any Person who takes and holds such shares through a private transaction other than one in which a TAR Offer was made or by will or by the laws of descent and distribution. Such persons shall be conclusively deemed to have agreed to and be bound by all the terms and provisions of this Agreement.

5.4 Entire Agreement. This Agreement and the other agreements referenced herein or furnished pursuant hereto or thereto or in connection herewith or therewith constitute the full and entire agreement and understanding between the parties relating to the subject matter hereof.

5.5 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given if transmitted by telecopier with receipt acknowledged, or upon delivery, if delivered personally or by recognized commercial courier with receipt acknowledged, or upon the expiration of 72 hours after mailing, if mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to LLCP, to:	Levine Leichtman Capital Partners, Inc. 335 North Maple Drive, Suite 240 Beverly Hills, CA 90210 Attention: Arthur E. Levine, President Telephone: (310) 275-5335 Facsimile: (310) 275-1441
If to any assignee of LLCP:	At such assignee's address as shown on the books of the Company
If to the Company or to any Bradley, to:	Consumer Portfolio Services, Inc. 16355 Laguna Canyon Road Irvine, CA 92618 Attention: Charles E. Bradley, Jr. Telephone: (949) 753-6800 Facsimile: (949) 450-3951

or at such other address or addresses as LLCP, such assignee or the Company, as the case may be, may specify by written notice given in accordance with this Section 5.5.

5.6 Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

5.7 Counterparts. This Agreement may be executed in two or more counterparts and by facsimile transmission, each of which shall be an original, but all of which together shall constitute one instrument.

5.8 [Intentionally Omitted].

5.9 Waivers and Amendments. This Agreement or any provision hereof may be changed, waived, discharged or terminated only by a written instrument referring to this Agreement and signed by the parties.

5.10 Remedies. In the event that the Company or any Bradley fails to observe or perform any covenant or agreement to be observed or performed under this Agreement, LLCP may proceed to protect and enforce its rights by suit in equity or action at law, whether for specific performance of any term contained in this Agreement or for an injunction against the breach of any such term or in aid of the exercise of any power granted in this Agreement or to enforce any other legal or equitable right of LLCP, or to take any one or more of such actions. The Company agrees to pay all fees, costs, and expenses, including fees and expenses of attorneys, accountants and other experts retained by LLCP, and all fees, costs and expenses of appeals, incurred or expended by LLCP in connection with the enforcement of this Agreement or the collection of any sums due hereunder, whether or not suit is commenced. None of the rights, powers or remedies conferred under this Agreement shall be mutually exclusive, and each such right, power or remedy shall be cumulative and in addition to any other right, power or remedy whether conferred by this Agreement or now or hereafter available at law, in equity, by statute or otherwise.

5.11 Governing Law. IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE (WITHOUT REGARD TO THE CHOICE OF LAW OR CONFLICTS OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

5.12 [Intentionally Omitted].

5.13 Amendment and Restatement. Effective on and as of the Closing Date, this Agreement shall supersede the First Amended and Restated Investor Rights Agreement insofar as the two are inconsistent. However, the execution and delivery of this Agreement shall not excuse, or constitute a waiver of, any Defaults or Events of Default under the First Amended and Restated Investor Rights Agreement, it being understood that this Agreement is not a termination of the First Amended and Restated Investor Rights Agreement, but is a modification (and, as modified, a continuation) of the First Amended and Restated Investor Rights Agreement. The Company acknowledges and agrees that the First Amended and Restated Investor Rights Agreement, as amended and restated hereby, remains in full force and effect and is affirmed in all respects.

5.14 **WAIVER OF JURY TRIAL. EACH OF THE COMPANY, THE BRADLEYS AND LLCP HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COUNSEL, WAIVES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR OTHER PROCEEDING ARISING OUT OF, CONNECTED WITH OR RELATED TO THIS AGREEMENT, THE SECURITIES PURCHASE AGREEMENT, THE NOTES OR ANY OTHER RELATED AGREEMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION OR ACTIONS**.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Agreement 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

By: /s/ David Kenneally

David Kenneally
Senior Vice President and Chief Financial Officer

LLCP:

LEVINE LEICHTMAN CAPITAL
PARTNERS, INC., a California corporation

On behalf of LEVINE LEICHTMAN
CAPITAL PARTNERS II, L.P., a
California limited partnership

By: /s/ Arthur E. Levine

Arthur E. Levine
President

C. E. BRADLEY, SR.:

/s/ Charles E. Bradley, Sr.

Charles E. Bradley, Sr.

C. E. BRADLEY, SR.:

/s/ Charles E. Bradley, Jr.

Charles E. Bradley, Jr.

Exhibit 99.6

SECOND AMENDED AND RESTATED
REGISTRATION RIGHTS AGREEMENT

THIS SECOND AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT is entered into as of the 8th day of March 2002 (this "**Agreement**"), by and between **LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P.**, a California limited partnership (**"LLCP"**), and **CONSUMER PORTFOLIO SERVICES, INC.**, a California corporation (the "**Company**").

R E C I T A L S

A. The Company and LLCP are parties to that certain Amended and Restated Securities Purchase Agreement dated as of March 15, 2000, as amended by that certain Consent to Warehouse Financing Transaction and Amendment to Securities Purchase Agreement dated November 16, 2000 (as so amended, the "**First Amended and Restated Securities Purchase Agreement**") pursuant to which, among other things, the Company issued and sold to LLCP the Term A Note and the Company and LLCP amended, restated and combined the Amended November 1998 Primary Note and the April 1999 Note into the First Amended Term B Note.

B. In connection with the execution and delivery of the First Amended and Restated Securities Purchase Agreement, the parties entered into that certain Amended and Restated Registration Rights Agreement (the "**First Amended and Restated Registration Rights Agreement**") pursuant to which, among other things, the Company amended and restated the Original Registration Rights Agreement (as such term is defined therein) in which the Company granted to LLCP certain registration and other rights with respect to the Registrable Securities.

C. The Company and LLCP are entering into that certain Second Amended and Restated Securities Purchase Agreement dated of even date herewith (as amended from time to time, the "**Securities Purchase Agreement**") pursuant to which, on the date hereof, the Company and LLCP are amending and restating the First Amended and Restated Securities Purchase Agreement and the First Amended Term B Note, and the Company is issuing and selling to LLCP, and LLCP is purchasing from the Company, the Bridge Note and the Term C Note, all on the terms and subject to the conditions set forth therein and in the Related Agreements.

D. In connection with the transactions contemplated by the Securities Purchase Agreement, the parties wish to amend and restate the First Amended and Restated Registration Rights Agreement on the terms and subject to the conditions set forth herein. The execution and delivery of this Agreement is a condition precedent to the consummation of the transactions contemplated by the Securities Purchase Agreement.

A G R E E M E N T

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby amend and restate the First Amended and Restated Registration Rights Agreement as follows:

1. DEFINITIONS. Unless otherwise indicated, all capitalized terms used in this Agreement shall have the respective meanings ascribed to them in the Securities Purchase Agreement. The rules of interpretation and construction specified in Sections 1.2 through 1.6 of the Securities Purchase Agreement shall likewise govern the interpretation and construction of this Agreement. In addition to the capitalized terms defined elsewhere in this Agreement, the following terms shall have the meanings specified below:

"**Demanding Holders**" shall mean LLCP or, if LLCP does not hold a majority of the Registrable Securities at any time, the holders of a majority of Registrable Securities.

"**FSA Registration Rights Agreement**" shall mean the registration rights granted to FSA Portfolio Management Inc. under Section 11 of the FSA Warrant.

"**Register**," "**registered**" and "**registration**" shall mean a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the applicable rules and regulations thereunder, and such registration statement becoming effective.

"**Registrable Securities**" shall mean (i) the Shares; (ii) any shares of Common Stock issued or issuable to LLCP (or its affiliates) as dividends on, or other distributions with respect to the Shares (whether upon any stock dividend, stock split, recapitalization, merger, consolidation or otherwise); and (iii) any other securities issued or issuable in exchange for, or in replacement of, any of the Shares. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (i) a registration statement covering such securities shall have been declared effective under the Securities Act and such securities shall have been sold pursuant to such registration statement; (ii) such securities shall have been distributed to the public pursuant to Rule 144 or Rule 144A (or any successor provisions) under the Securities Act; or (iii) such securities shall have ceased to be outstanding.

"**Shares**" shall mean (i) any and all shares of Common Stock issued or issuable upon exercise of, or otherwise acquired under, any Warrants (including any Warrant Shares or other shares issued as an "anti-dilution" or other adjustment) and (ii) the March 2000 LLCP Shares. The holder of any Warrant or any portion thereof shall be deemed to be the holder of the shares of Common Stock issuable upon exercise of such Warrant and, to the extent such shares of Common Stock constitute Registrable Securities, such holder shall be deemed to be the holder of such Registrable Securities.

"**Stanwich Amended Registration Rights Agreement**" shall mean that certain Consolidated Registration Rights Agreement dated as of November 17, 1998, between the Company, Stanwich and Poole, as amended by the First Amendment to Consolidated Registration Rights Agreement dated as of March 15, 2000, as further amended from time to time.

"**Underwriter**" shall mean a securities dealer who purchases any Registrable Securities as principal in an underwritten offering and not as part of such dealer's market-making activities.

"**Warrant**" or "**Warrants**" shall mean any LLCP Warrant or any LLCP Warrants.

2. REGISTRATION RIGHTS.

2.1 Demand Registration.

(a) Request for Registration. At any time and from time to time, the Demanding Holders may make a written request for registration under the Securities Act of all or part of their Registrable Securities (a "**Demand Registration**"). Such request for a Demand Registration must specify the number of shares of Registrable Securities proposed to be sold and must also specify the intended method of disposition thereof. Upon any such request, the Demanding Holders shall be entitled to have their Registrable Securities included in the Demand Registration, subject to Section 2.1(d) and the proviso set forth in Section 3.1(a). The Company shall not be obligated to effect more than three (3) Demand Registrations under this Section 2.1(a).

(b) Effective Registration. Except in the case of a withdrawal governed by the last sentence of Section 2.1(e), a registration will not count as a Demand Registration until the registration statement covering the Registrable Securities that are the subject of such Demand Registration shall have become effective and the Company shall have complied with all of its obligations under this Agreement with respect thereto; provided, however, that, after such registration statement has been declared effective, if the offering of Registrable Securities pursuant to such Demand Registration is interfered with by any stop order, injunction or other order or requirement of the SEC or any other Governmental Authority, such Demand Registration will be deemed not to have become effective during the period of such interference.

(c) Underwritten Offering. If the Demanding Holders so elect, the offering of such Registrable Securities pursuant to such Demand Registration shall be in the form of an underwritten offering. The Demanding Holders shall select one or more firms of investment bankers to act as the managing Underwriter or Underwriters in connection with such offering and shall select any additional managers to be used in connection with the offering.

(d) Reduction of Offering. If the managing Underwriter or Underwriters for a Demand Registration that is to be an underwritten offering advises the Company and the Demanding Holders, in writing, that the dollar amount or number of shares of Registrable Securities which the Demanding Holders desire to sell, taken together with all

other shares of Common Stock or other securities which the Company desires to sell and the shares of Common Stock, if any, as to which registration has been requested pursuant to the piggy-back registration rights under the FSA Registration Rights Agreement and the Stanwich Amended Registration Rights Agreement or which other shareholders of the Company desire to sell, exceeds the maximum dollar amount or number that can be sold in such offering without adversely affecting the proposed offering price, the timing, the distribution method or the probability of success of such offering (the "**Maximum Number of Shares**"), then the Company shall include in such registration:

(i) first, the Registrable Securities as to which Demand Registration has been requested by the Demanding Holders (pro rata in accordance with the number of shares of Registrable Securities held by each Demanding Holder, regardless of the number of shares of Registrable Securities which such Demanding Holder has requested be included in such registration) that can be sold without exceeding the Maximum Number of Shares;

(ii) second, to the extent the Maximum Number of Shares has not been reached under the foregoing clause (i), the shares of Common Stock for the account of other persons that the Company is obligated to register pursuant to the FSA Registration Rights Agreement and the Stanwich Amended Registration Rights Agreement (to be allocated among the persons requesting inclusion in such registration pursuant to such agreements pro rata in accordance with the number of shares of Common Stock with respect to which such person has the right to request such inclusion under such agreements, regardless of the number of shares which such person has actually requested be included in such registration) that can be sold without exceeding the Maximum Number of Shares;

(iii) third, to the extent the Maximum Number of Shares has not been reached under the foregoing clauses (i) and (ii), the shares of Common Stock that the Company desires to sell that can be sold without exceeding the Maximum Number of Shares; and

(iv) fourth, to the extent the Maximum Number of Shares has not been reached under the foregoing clauses (i), (ii) and (iii), the shares of Common Stock that other shareholders desire to sell that can be sold without exceeding the Maximum Number of Shares.

(e) Withdrawal. If the Demanding Holders or any of them disapprove of the terms of any underwriting or are not entitled to include all of their Registrable Securities in any offering, such Demanding Holders may elect to withdraw from such offering by giving written notice to the Company and the Underwriter of their request to withdraw prior to the effectiveness of the registration statement. If the Demanding Holders or any of them withdraw from a proposed offering relating to a Demand Registration and, solely as a result of such withdrawal the registration statement is withdrawn prior to being declared effective, such registration shall count as a Demand Registration provided for in Section 2.1(a) unless the withdrawing Demanding Holders pay their pro rata share (based upon the number of shares to be included in such registration statement) of the expenses incurred in connection with such registration statement.

(f) Termination of Demand Registration Rights. LLCP's right to request Demand Registrations pursuant to this Section 2.1 shall terminate upon the earlier to occur of (a) the date upon which LLCP no longer owns or holds at least five percent (5.0%) of Common Stock then outstanding and (b) the fifth year anniversary of the date upon which all Indebtedness and other amounts owing under the Notes have been indefeasibly paid in full. Notwithstanding the foregoing sentence, LLCP's right to request Demand Registrations pursuant to this Section 2.1 shall not terminate as provided above, or shall be reinstated after any such termination, if, at the effective time of termination or thereafter, LLCP requests a registration of Registrable Securities on Form S-3 (or any successor form) under Section 2.3 and the Company is then ineligible to use such Form.

2.2 Piggy-Back Registration.

(a) Piggy-Back Rights. If at any time the Company proposes to file a registration statement under the Securities Act with respect to an offering of equity securities, or securities convertible or exchangeable into equity securities, by the Company for its own account or by shareholders of the Company for their account (or by the Company and by shareholders of the Company) other than a registration statement (i) on Form S-4 or S-8 (or any substitute or successor form that may be adopted by the SEC), (ii) filed in connection with any employee stock option or other benefit plan, (iii) for an exchange offer or offering of securities solely to the Company's existing shareholders, or (iv) for a dividend reinvestment plan, then the Company shall (x) give written notice of such proposed filing to the holders of Registrable Securities as soon as practicable but in no event less than thirty (30) days before the anticipated filing date, which notice shall describe the amount and type of securities to be included in such offering, the intended method(s) of distribution, and the name of the proposed managing Underwriter or Underwriters, if any, of the offering; and (y) offer to the holders of Registrable Securities in such notice the opportunity to register such number of shares of Registrable Securities as such holders may request in writing within fifteen (15) days following receipt of such notice (a "**Piggy-Back Registration**"). The Company shall cause such Registrable Securities to be included in such registration and shall use its best efforts to cause the managing Underwriter or Underwriters of a proposed underwritten offering to permit the Registrable Securities requested to be included in a Piggy-Back Registration to be included on the same terms and conditions as any similar securities of the Company and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method of distribution thereof.

(b) Reduction of Offering.

(i) If the managing Underwriter or Underwriters for a Piggy-Back Registration that is to be an underwritten offering of shares for the Company's account advises the Company and the holders of Registrable Securities in writing that the dollar amount or number of shares of Common Stock which the Company desires to sell, taken together with the Registrable Securities as to which registration has been requested hereunder and the shares of Common Stock, if any, as to which registration has been requested pursuant to the piggy-back registration rights under the FSA Registration Rights Agreement or the Stanwich Amended Registration Rights Agreement or which other shareholders of the Company desire to sell,

exceeds the Maximum Number of Shares, then the Company shall include in such registration:

(A) first, the shares of Common Stock or other securities that the Company desires to sell that can be sold without exceeding the Maximum Number of Shares;

(B) second, to the extent the Maximum Number of Shares has not been reached under the foregoing clause (A) of this clause (i), the Registrable Securities as to which registration has been requested hereunder and the shares of Common Stock, if any, as to which registration has been requested pursuant to the piggy-back registration rights granted under the FSA Registration Rights Agreement and the Stanwich Amended Registration Rights Agreement (to be allocated among the persons requesting inclusion in such registration pursuant to such agreements pro rata in accordance with the number of shares of Common Stock with respect to which such person has the right to request such inclusion under such agreements, regardless of the number of shares which such person has actually requested be included in such registration) that can be sold without exceeding the Maximum Number of Shares; and

(C) third, to the extent the Maximum Number of Shares has not been reached under the foregoing clauses (A) and (B) of this clause (i), the shares of Common Stock that other shareholders desire to sell that can be sold without exceeding the Maximum Number of Shares.

(ii) If the managing Underwriter or Underwriters for a Piggy-Back Registration that is to be an underwritten offering of shares for the account of persons having demand registration rights under the Stanwich Amended Registration Rights Agreement account advises the Company and the holders of Registrable Securities in writing that the dollar amount or number of shares of Common Stock which such persons desire to sell, taken together with the Registrable Securities as to which registration has been requested hereunder, the shares of Common Stock, if any, as to which registration has been requested pursuant to the piggy-back registration rights under the FSA Registration Rights Agreement and the shares of Common Stock, if any, which the Company or other shareholders of the Company desire to sell, exceeds the Maximum Number of Shares, then the Company shall include in such registration:

(A) first, the shares of Common Stock for the account of persons having demand registration rights under the Stanwich Amended Registration Rights Agreement that can be sold without exceeding the Maximum Number of Shares;

(B) second, to the extent the Maximum Number of Shares has not been reached under clause (A) of this clause (ii), the Registrable Securities as to which registration has been requested by the holders of Registrable Securities hereunder and the shares of Common Stock, if any, as

to which registration has been requested pursuant to the piggy-back registration rights granted under the FSA Registration Rights Agreement (to be allocated among the persons requesting inclusion in such registration pursuant to such agreements pro rata in accordance with the number of shares of Common Stock with respect to which such person has the right to request such inclusion under such agreements, regardless of the number of shares which such person has actually requested be included in such registration) that can be sold without exceeding the Maximum Number of Shares;

(C) third, to the extent the Maximum Number of Shares has not been reached under clauses (A) and (B) of this clause (ii), the shares of Common Stock, if any, that the Company desires to sell that can be sold without exceeding the Maximum Number of Shares; and

(D) fourth, to the extent the Maximum Number of Shares has not been reached under clauses (A), (B) and (C) of this clause (ii), the shares of Common Stock, if any, which other shareholders desire to sell that can be sold without exceeding the Maximum Number of Shares.

(iii) If the managing Underwriter or Underwriters for a Piggy-Back Registration that is to be an underwritten offering of shares for the account of persons having demand registration rights under the FSA Registration Rights Agreement account advises the Company and the holders of Registrable Securities in writing that the dollar amount or number of shares of Common Stock which such persons desire to sell, taken together with the Registrable Securities as to which registration has been requested hereunder, the shares of Common Stock, if any, as to which registration has been requested pursuant to the piggy-back registration rights under the Stanwich Amended Registration Rights Agreement and the shares of Common Stock, if any, which the Company or other shareholders of the Company desire to sell, exceeds the Maximum Number of Shares, then the Company shall include in such registration:

(A) first, the shares of Common Stock for the account of persons having demand registration rights under the FSA Registration Rights Agreement that can be sold without exceeding the Maximum Number of Shares;

(B) second, to the extent the Maximum Number of Shares has not been reached under clause (A) of this clause (iii), the Registrable Securities as to which registration has been requested by the holders of Registrable Securities hereunder and the shares of Common Stock, if any, as to which registration has been requested pursuant to the piggy-back registration rights granted under the Stanwich Amended Registration Rights Agreement (to be allocated among the persons requesting inclusion in such registration pursuant to such agreements pro rata in accordance with the number of shares of Common Stock with respect to which such person has the right to request such inclusion under such agreements, regardless of the number of shares which such person has actually requested be included in

such registration) that can be sold without exceeding the Maximum Number of Shares; and

(C) third, to the extent the Maximum Number of Shares has not been reached under clauses (A) and (B) of this clause (iii), the shares of Common Stock, if any, that the Company desires to sell that can be sold without exceeding the Maximum Number of Shares; and

(D) fourth, to the extent the Maximum Number of Shares has not been reached under clauses (A), (B) and (C) of this clause (iii), the shares of Common Stock, if any, which other shareholders desire to sell that can be sold without exceeding the Maximum Number of Shares.

(c) Withdrawal. Any holder of Registrable Securities may elect to withdraw such holder's request for inclusion of Registrable Securities in any Piggy-Back Registration by giving written notice to the Company of such request to withdraw prior to the effectiveness of the registration statement. The Company may also elect to withdraw a registration statement at any time prior to the effectiveness of the registration statement. Notwithstanding any such withdrawal, the Company shall pay all expenses incurred by the holders of Registrable Securities in connection with such Piggy-Back Registration as provided in Section 3.3.

2.3 Registrations on Form S-3. Notwithstanding anything to the contrary, the holders of Registrable Securities may at any time request in writing that the Company register the resale of any or all of such Registrable Securities on Form S-3 (or any similar short-form registration which may be available at such time). Upon receipt of such written request, the Company will promptly give written notice of the proposed registration to all other holders of Registrable Securities, and, as soon as practicable thereafter, effect the registration of all or such portion of such holder's or holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other holder or holders joining in such request as are specified in a written request given within 15 days after receipt of such written notice from the Company; provided, however, that the Company shall not be obligated to effect any such registration pursuant to this Section 2.3 if (i) the Company is not eligible to use a Form S-3 (or any successor form) to register such Registrable Securities; (ii) the holders propose to effect an underwritten offering, (iii) the holders propose to sell Registrable Securities at an anticipated aggregate price to the public (net of any underwriters' discounts or commissions) of less than $500,000, (iv) the Company shall furnish to the holders a certificate signed by the Chief Executive Officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than sixty (60) days after receipt of the request of the holder or holders under this Section 2.3; provided, however, that in the event the Company elects to exercise such right with respect to any registration, it shall not have the right to exercise such right again prior to the date which is ten months after the date on which the registration statement relating to such deferred registration is declared effective; or (v) the Company has effected four (4) registrations pursuant to this Section 2.3. The Company shall use its best efforts to maintain

each registration statement under this Section 2.3 effective for sixty (60) days or until the Registrable Securities covered thereby have been sold, whichever shall first occur. Registrations effected pursuant to this Section 2.3 shall not be counted as Demand Registrations effected pursuant to Section 2.1.

2.4 Purchase (and Exercise) of Warrants by the Underwriters. Notwithstanding any other provision of this Agreement to the contrary, in connection with any Demand Registration or Piggy-Back Registration which is to be an underwritten offering, to the extent all or any portion of the Registrable Securities to be included in such registration consist of shares of Common Stock issuable upon exercise of any Warrant or any portion thereof, the holders of such Registrable Securities may require that the Underwriter or Underwriters purchase (and exercise) such Warrant or any portion thereof rather than require the holders of the Registrable Securities to exercise such Warrant or portion thereof in connection with such registration unless the Underwriters inform such holders that such a purchase and exercise of such Warrant will materially and adversely affect the proposed offering. The Company shall take all such action and provide all such assistance as may be reasonably requested by the holders of Registrable Securities to facilitate any such purchase (and exercise) of any Warrant agreed to by the Underwriter or Underwriters, including issuing the Common Stock issuable upon the exercise of such Warrant or any portion thereof to be issued within such time period as will permit the Underwriters to make and complete the distribution contemplated by the underwriting.

3. REGISTRATION PROCEDURES.

3.1 Filings; Information. If and whenever the Company is required to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 2, the Company shall use its best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof as expeditiously as practicable, and in connection with any such request:

(a) Filing Registration Statement. The Company shall, as expeditiously as possible, prepare and file, within sixty (60) days after receipt of a request for a Demand Registration pursuant to Section 2.1, with the SEC a registration statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and shall use its best efforts to cause such registration statement to become and remain effective for the period required by Section 3.1(c); provided, however, that the Company shall have the right to defer such registration for up to sixty (60) days if the Company shall furnish to the holders a certificate signed by the Chief Executive Officer of the Company stating that, in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such registration statement to be effected at such time; provided, further, that in the event the Company elects to exercise such right with respect to any registration, it shall not have the right to exercise such right again prior to the date which is twelve (12) months after the date on which the registration statement relating to such deferred registration is declared effective.

(b) Copies. The Company shall, prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish without charge to the holders of Registrable Securities included in such registration, and such holders' legal counsel, copies of such registration statement as proposed to be filed, each amendment and supplement to such registration statement (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus), and such other documents as the holders of Registrable Securities included in such registration or legal counsel for any such holder may request in order to facilitate the disposition of the Registrable Securities owned by such holders.

(c) Amendments and Supplements. The Company shall prepare and file with the SEC such amendments, including post-effective amendments, and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and in compliance with the provisions of the Securities Act until all Registrable Securities and other securities covered by such registration statement have been disposed of in accordance with the intended methods of disposition set forth in such registration statement (which period shall not exceed the sum of 120 days plus any period during which any such disposition is interfered with by any stop order, injunction or other order or requirement of the SEC or any governmental agency or court) or such securities have been withdrawn.

(d) Notification. After the filing of the registration statement, the Company shall promptly, and in no event more than two Business Days, notify the holders of Registrable Securities included in such registration statement, and confirm such advice in writing, (i) when such registration statement becomes effective, (ii) when any post-effective amendment to such registration statement becomes effective, (iii) of any stop order issued or threatened by the SEC (and the Company shall take all actions required to prevent the entry of such stop order or to remove it if entered) and (iv) of any request by the SEC for any amendment or supplement to such registration statement or any prospectus relating thereto or for additional information or of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of the securities covered by such registration statement, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and promptly make available to the holders of Registrable Securities included in such registration statement any such supplement or amendment; except that before filing with the SEC a registration statement or prospectus or any amendment or supplement thereto, including documents incorporated by reference, the Company shall furnish to the holders of Registrable Securities included in such registration statement and to the legal counsel for any such holders, copies of all such documents proposed to be filed sufficiently in advance of filing to provide such holders and legal counsel with a reasonable opportunity to review such documents and comment thereon, and the Company shall not file any registration statement or prospectus or amendment or supplement thereto, including documents incorporated by reference to which such holders or legal counsel, shall object on a timely basis in light of the requirements of the Securities Act or any other applicable laws and regulations.

(e) State Securities Laws Compliance. The Company shall use its best efforts to (i) register or qualify the Registrable Securities covered by the registration statement under such securities or blue sky laws of such jurisdictions in the United States as the holders of Registrable Securities included in such registration statement (in light of their intended plan of distribution) may request and (ii) cause such Registrable Securities covered by the registration statement to be registered with or approved by such other governmental agencies or authorities in the United States as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be necessary or advisable to enable the holders of Registrable Securities included in such registration statement to consummate the disposition of such Registrable Securities in such jurisdictions; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (e), or subject itself to taxation in any such jurisdiction.

(f) Agreements for Disposition. The Company shall enter into customary agreements (including, if applicable, an underwriting agreement in customary form) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities. The representations, warranties and covenants of the Company in any underwriting agreement which are made to or for the benefit of any Underwriters shall also be made to and for the benefit of the holders of Registrable Securities included in such registration statement. No holder of Registrable Securities included in such registration statement shall be required to make any representations or warranties in the underwriting agreement except, if applicable, with respect to such holder's organization, good standing, authority, title to Registrable Securities, lack of conflict of such sale with such holder's material agreements and organizational documents, and with respect to written information relating to such holder that such holder has furnished in writing expressly for inclusion in such registration statement.

(g) Cooperation. The Chief Executive Officer, the President of the Company, the Chief Financial Officer of the Company, any Senior Vice President of the Company and any other members of the management of the Company shall cooperate fully in any offering of Registrable Securities hereunder, which cooperation shall include, without limitation, the preparation of the registration statement with respect to such offering and all other offering materials and related documents, and participation in meetings with Underwriters, attorneys, accountants and potential investors.

(h) Records. The Company shall make available for inspection by the holders of Registrable Securities included in such registration statement, any Underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other professional retained by any holder of Registrable Securities included in such registration statement or any Underwriter, all financial and other records, pertinent corporate documents and properties of the Company, as shall be necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information requested by any of them in connection with such registration statement.

(i) Opinions and Comfort Letters. The Company shall furnish to each holder of Registrable Securities included in any registration statement a signed counterpart,

addressed to such holder, of (i) any opinion of counsel to the Company delivered to any Underwriter and (ii) any comfort letter from the Company's independent public accountants delivered to any Underwriter. In the event no legal opinion is delivered to any Underwriter, the Company shall furnish to each holder of Registrable Securities included in such registration statement, at any time that such holder elects to use a prospectus, an opinion of counsel to the Company to the effect that the registration statement containing such prospectus has been declared effective and that no stop order is in effect.

(j) Earnings Statement. The Company shall comply with all applicable rules and regulations of the SEC and the Securities Act, and make available to its shareholders, as soon as practicable, an earnings statement covering a period of twelve (12) months, beginning within three (3) months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

(k) Listing. The Company shall use its best efforts to cause all Registrable Securities included in any registration to be listed on such exchanges or otherwise designated for trading in the same manner as similar securities issued by the Company are then listed or designated or, if no such similar securities are then listed or designated, in a manner satisfactory to the holders of a majority of the Registrable Securities included in such registration.

3.2 Obligation to Suspend Distribution. Upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3.1(d)(iv), each holder of Registrable Securities included in any registration shall immediately discontinue disposition of such Registrable Securities pursuant to the registration statement covering such Registrable Securities until such holder receives the supplemented or amended prospectus contemplated by Section 3.1(d)(iv), and, if so directed by the Company, each such holder will deliver to the Company all copies, other than permanent file copies then in such holder's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice.

3.3 Registration Expenses. The Company shall pay all costs and expenses incurred in connection with any Demand Registration pursuant to Section 2.1, any Piggy-Back Registration pursuant to Section 2.2 and any registration pursuant to Section 2.3, and all expenses incurred in performing or complying with the Company's obligations under this Section 3, whether or not the registration statement becomes effective, in each case including: (i) all registration and filing fees; (ii) fees and expenses of compliance with securities or blue sky laws (including fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities); (iii) printing expenses; (iv) the Company's internal expenses (including all salaries and expenses of its officers and employees); (v) the fees and expenses incurred in connection with the listing of the Registrable Securities as required by Section 3.1(k); (vi) National Association of Securities Dealers, Inc. fees; (vii) fees and disbursements of counsel for the Company and fees and expenses for independent certified public accountants retained by the Company (including the expenses or costs associated with the delivery of any opinions or comfort letters requested pursuant to Section 3.1(i)); (viii) the fees and expenses of any special experts retained by the Company in connection with such registration; (ix) one-half of the cost for

selling stockholder errors and omissions insurance for the benefit of the holders of Registrable Securities included in such registration which the holders of a majority of such Registrable Securities may elect to purchase (with the other one-half of such cost to be paid by the holders of Registrable Securities included in such registration, pro rata in accordance with the number of shares included in such registration), and (x) all fees and expenses incurred by the holders of Registrable Securities included in such registration statement in connection with its participation in such registration, including the fees and expenses of such holders' legal counsel, accountants and other experts. The Company shall have no obligation to pay any underwriting fees, discounts or selling commissions attributable to the Registrable Securities being sold by holders of Registrable Securities, which expenses shall be borne by such holders.

3.4 Information. The holders of Registrable Securities shall provide such information as reasonably requested by the Company in connection with the preparation of any registration statement, including amendments and supplements thereto, in order to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 2.

4. INDEMNIFICATION AND CONTRIBUTION.

4.1 Indemnification by the Company. The Company agrees to indemnify and hold harmless (i) LLCP (including its general and limited partners), each holder of Registrable Securities and Levine Leichtman Capital Partners, Inc., and (ii) the respective officers, employees, affiliates, directors, partners, members and agents, and each person, if any, who controls LLCP, any holder of Registrable Securities or Levine Leichtman Capital Partners, Inc. within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each, an "**LLCP Indemnified Party**"), from and against any loss, claim, damage or liability and any action in respect thereof to which any LLCP Indemnified Party may become subject under the Securities Act or the Exchange Act or any other statute or common law, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (a) any untrue statement or alleged untrue statement of a material fact made in connection with the sale of Registrable Securities or shares of Common Stock, whether or not such statement is contained or incorporated by reference in any registration statement or prospectus relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus, (b) any omission or alleged omission to state a material fact required to be stated in any registration statement or prospectus or necessary to make the statements therein not misleading, or (c) any violation by the Company of any federal, state or common law, rule or regulation applicable to the Company and relating to action required of or inaction by the Company in connection with such registration. The Company also shall promptly, but in no event more than ten (10) Business Days after request for payment, pay directly or reimburse each LLCP Indemnified Party for any legal and other expenses incurred by such LLCP Indemnified Party in investigating or defending or preparing to defend against any such loss, claim, damage, liability or action. The Company also shall indemnify any Underwriter of the Registrable Securities, their officers, affiliates, directors, partners, members and agents and each person who controls such Underwriters on substantially the same basis as that of the indemnification provided above in this Section 4.1.

The indemnity agreement contained in this Section 4.1 shall not apply to amounts paid in settlement of any such loss, claim, damage or liability or any action in respect thereof if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable to any holder of Registrable Securities included in any registration for any loss, claim, damage, liability or any action in respect thereof to the extent that it arises solely from or is based solely upon and is in conformity with information related to such holder furnished in writing by such holder expressly for use in connection with such registration, nor shall the Company be liable to any holder of Registrable Securities included in any registration for any loss, claim, damage or liability or any action in respect thereof to the extent it arises solely from or is based solely upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Securities delivered in writing by such holder after the Company had provided written notice to such holder that such registration statement or prospectus contained such untrue statement or alleged untrue statement of a material fact, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading after the Company had provided written notice to such holder that such registration statement or prospectus contained such omission or alleged omission.

4.2 Indemnification by Holders of Registrable Securities. Each holder of Registrable Securities shall indemnify and hold harmless the Company, its officers, directors, partners, members and agents and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such holder, but solely with reference to information related to such holder furnished in writing by such holder expressly for use in any registration statement or prospectus relating to Registrable Securities of such holder included in any registration, or any amendment or supplement thereto, or any preliminary prospectus. Each holder of Registrable Securities included in any registration hereunder shall also indemnify and hold harmless any Underwriter of such holder's Registrable Securities, their officers, directors, partners, members and agents and each person who controls such Underwriters on substantially the same basis as that of the indemnification of the Company provided in this Section 4.2; provided, however, that in no event shall any indemnity obligation under this Section 4.2 exceed the dollar amount of the net proceeds (after payment of any underwriting fees, discounts or commissions) actually received by such holder from the sale of Registrable Securities which gave rise to such indemnification obligation under such registration statement or prospectus.

4.3 Conduct of Indemnification Proceedings. Promptly after receipt by any person of any notice of any loss, claim, damage or liability or any action in respect of which indemnity may be sought pursuant to Section 4.1 or 4.2, such person (the "**Indemnified Party**") shall, if a claim in respect thereof is to be made against any other person for indemnification hereunder, notify such other person (the "**Indemnifying Party**") in writing of the loss, claim damage, liability or action; provided, however, that the failure by the Indemnified Party to notify the Indemnifying Party shall not relieve the Indemnifying Party from any liability which the Indemnifying Party may have to such Indemnified Party hereunder, except to the extent the Indemnifying Party is actually prejudiced by such failure. If the Indemnified Party is seeking indemnification with respect to any claim or action brought against the Indemnified Party, then the Indemnifying Party shall be entitled to

participate in such claim or action, and, to the extent that it wishes, jointly with all other Indemnifying Parties, to assume the defense thereof with counsel satisfactory to the Indemnified Party. After notice from the Indemnifying Party to the Indemnified Party of its election to assume the defense of such claim or action, the Indemnifying Party shall not be liable to the Indemnified Party for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that in any action in which both the Indemnified Party and the Indemnifying Party are named as defendants, the Indemnified Party shall have the right to employ separate counsel (but no more than one such separate counsel) to represent the Indemnified Party and its controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the Indemnified Party against the Indemnifying Party, with the fees and expenses of such counsel to be paid by such Indemnifying Party if, based upon the written opinion of counsel of such Indemnified Party, representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, consent to entry of judgment or effect any settlement of any claim or pending or threatened proceeding in respect of which the Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such judgment or settlement includes an unconditional release of such Indemnified Party from all liability arising out of such claim or proceeding.

4.4 Contribution. If the indemnification provided for in the foregoing Sections 4.1, 4.2 and 4.3 is unavailable to any Indemnified Party in respect of any loss, claim, damage, liability or action referred to herein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage, liability or action in such proportion as is appropriate to reflect the relative fault of the Indemnified Parties and the Indemnifying Parties in connection with the actions or omissions which resulted in such loss, claim, damage, liability or action, as well as any other relevant equitable considerations. The relative fault of any Indemnified Party and any Indemnifying Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such Indemnified Party or such Indemnifying Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 4.4 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of any loss, claim, damage, liability or action referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 4.4, no holder of Registrable Securities shall be required to contribute any amount in excess of the dollar amount of the net proceeds (after payment of any underwriting fees, discounts or commissions) actually received by such holder from the sale of Registrable Securities which

gave rise to such contribution obligation. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

5. UNDERWRITING AND DISTRIBUTION.

5.1 Rule 144. The Company covenants that it shall file any reports required to be filed by it under the Securities Act and the Exchange Act and shall take such further action as the holders of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 or Rule 144A under the Securities Act, as such Rules may be amended from time to time, or any similar Rule or regulation hereafter adopted by the SEC.

5.2 Restrictions on Sale by the Company and Others. The Company agrees (i) not to effect any sale or distribution of any securities similar to those being registered in accordance with Section 2.1, or any securities convertible into or exchangeable or exercisable for such securities, during the ninety (90) days prior to, and during the one hundred twenty (120)-day period beginning on, the effective date of any Demand Registration (except as part of such Demand Registration to the extent permitted by Section 2.1(d)); and (ii) that any agreement entered into after November 17, 1998, pursuant to which the Company issues or agrees to issue any privately placed securities shall contain a provision under which holders of such securities agree not to effect any sale or distribution of any such securities during the periods described in (i) above, in each case including a sale pursuant to Rule 144 or 144A under the Securities Act (except as part of any such registration, if permitted); provided, however, that the provisions of this Section 5.2 shall not prevent the conversion or exchange of any securities pursuant to their terms into or for other securities and shall not prevent the issuance of securities by the Company under any employee benefit, stock option or stock subscription plans.

6. MISCELLANEOUS.

6.1 Other Registration Rights. The Company represents and warrants that, except as provided in the Stanwich Amended Registration Rights Agreement, no Person has any right to require the Company to register any shares of the Company's Capital Stock for sale or to include shares of the Company's Capital Stock in any registration filed by the Company for the sale of shares of Capital Stock for its own account or for the account of any other Person. Since November 17, 1998, the Company represents that it has not entered into, and from and after the date hereof the Company will not enter into at any time, without the prior written consent of LLCP, (i) any agreement granting any demand registration right (i.e., the right to require the Company to register the sale of any shares of the Company's Capital Stock) other than demand registration rights under the FSA Registration Rights Agreement or (ii) any agreement granting any piggy-back registration right (i.e., the right to require the Company to register the sale of any shares of the Company's Capital Stock in any registration filed by the Company for the sale of shares of Capital Stock for its own account or for the account of any other person) which is inconsistent with, equal to (except pursuant to the FSA Registration Rights Agreement) or superior to any registration rights granted hereunder. Since November 17, 1998, the Company represents that it has not amended, and

from and after the date hereof the Company will not amend at any time, without the prior written consent of LLCP, the Stanwich Amended Registration Rights Agreement or the FSA Registration Rights Agreement so as to cause the registration rights granted therein to be inconsistent with, equal to or superior to the rights granted to the holders of Registrable Securities hereunder or to otherwise adversely affect the registration rights granted to the holders of Registrable Securities hereunder.

6.2 Successors and Assigns. The rights and obligations of LLCP under this Agreement shall be freely assignable in whole or in part. Each such assignee, by accepting such assignment of the rights of the assignor hereunder shall be deemed to have agreed to and be bound by the obligations of the assignor hereunder. The rights and obligations of the Company hereunder may not be assigned.

6.3 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given if transmitted by telecopier with receipt acknowledged, or upon delivery, if delivered personally or by recognized commercial courier with receipt acknowledged, or upon the expiration of 72 hours after mailing, if mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to LLCP:

c/o Levine Leichtman Capital Partners, Inc.
335 North Maple Drive, Suite 240
Beverly Hills, CA 90210
Attention: Arthur E. Levine, President
Telephone: (310) 275-5335
Facsimile: (310) 275-1441

If to any assignee of LLCP:

At such assignee's address as shown on the books of the Company.

If to the Company:

Consumer Portfolio Services, Inc.
16355 Laguna Canyon Road
Irvine, CA 92618
Attention: Charles E. Bradley, Jr., President
Telephone: (949) 753-6800
Facsimile: (949) 450-3951

or at such other address or addresses as LLCP, such assignee or the Company, as the case may be, may specify by written notice given in accordance with this Section.

6.4 Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

6.5 Counterpart. This Agreement may be executed in two or more counterparts and by facsimile transmission, each of which shall be an original, but all of which together shall constitute one instrument.

6.6 [Intentionally Omitted]

6.7 Waivers and Amendments. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated except by a written instrument expressly referring to this Agreement and to the provisions so modified or limited and executed by the parties.

6.8 Remedies. In the event that the Company fails to observe or perform any covenant or agreement to be observed or performed under this Agreement, LLCP or any other holder of Registrable Securities may proceed to protect and enforce its rights by suit in equity or action at law, whether for specific performance of any term contained in this Agreement or for an injunction against the breach of any such term or in aid of the exercise of any power granted in this Agreement or to enforce any other legal or equitable right, or to take any one or more of such actions. The Company agrees to pay all fees, costs, and expenses, including fees and expenses of attorneys, accountants and other experts, and all fees, costs and expenses of appeals, incurred by LLCP or any other holder of Registrable Securities in connection with the enforcement of this Agreement or the collection or any sums due hereunder, whether or not suit is commenced. None of the rights, powers or remedies conferred under this Agreement shall be mutually exclusive, and each such right, power or remedy shall be cumulative and in addition to any other right, power or remedy whether conferred by this Agreement or now or hereafter available at law, in equity, by statute or otherwise.

6.9 Governing Law. IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE (WITHOUT REGARD TO THE CHOICE OF LAW OR CONFLICTS OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

6.10 Amendment and Restatement. Effective on and as of the Closing Date, this Agreement shall supersede the First Amended and Restated Registration Rights Agreement insofar as the two are inconsistent. However, the execution and delivery of this Agreement shall not excuse, or constitute a waiver of, any Defaults or Events of Default under the First Amended and Restated Registration Rights Agreement, it being understood that this Agreement is not a termination of the First Amended and Restated Registration Rights Agreement, but is a modification (and, as modified, a continuation) of the First Amended and Restated Registration Rights Agreement. The Company acknowledges and agrees that the First Amended and Restated Registration Rights Agreement, as amended and restated hereby, remains in full force and effect and is affirmed in all respects.

6.11 Termination of Registration Rights. This Agreement, and the rights and obligations of the parties hereunder, shall terminate on the seventh anniversary of the date

hereof; provided, however, that the rights and obligations of the parties under Section 4 (Indemnification and Contribution) shall expressly survive the termination hereof.

6.12 **WAIVER OF JURY TRIAL. EACH OF THE COMPANY AND LLCP HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COUNSEL, WAIVES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR OTHER PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS AGREEMENT, THE SECURITIES PURCHASE AGREEMENT, ANY OTHER RELATED AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION, SUIT OR OTHER PROCEEDING.**

IN WITNESS WHEREOF, the parties have caused this Agreement 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

By: /s/ David Kenneally

David Kenneally
Senior Vice President and Chief Financial Officer

LLC

LEVINE LEICHTMAN CAPITAL PARTNERS, INC., a California corporation

On behalf of LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P., a California limited partnership

By: /s/ Arthur E. Levine

Arthur E. Levine
President

Exhibit 99.7

OPTION AGREEMENT

This **OPTION AGREEMENT**, dated as of March 8, 2002 (this "**Agreement**"), is made by and between **CONSUMER PORTFOLIO SERVICES, INC.**, a California corporation (the "**Optionor**"), and **LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P.**, a California limited partnership (the "**Optionee**").

R E C I T A L S

A. The parties are entering into that certain Second Amended and Restated Securities Purchase Agreement dated of even date herewith (as amended from time to time, the "**Securities Purchase Agreement**") pursuant to which, on the date hereof, the Optionor and the Optionee are amending and restating the First Amended and Restated Securities Purchase Agreement and the First Amended Term B Note, and the Optionor is issuing and selling to the Optionee, and the Optionee is purchasing from the Optionor, the Bridge Note and the Term C Note, all on the terms and subject to the conditions set forth therein and in the Related Agreements.

B. The Optionor is the sole and exclusive beneficial owner and owner of record of the Class B Certificate.

C. The Term C Note provide that payments of principal of, interest on and other amounts owing under the Term C Note are payable from funds on deposit in the Certificate Distribution Account (as defined in the CPS 2001-A Sale and Servicing Agreement) that are available for distribution to the holder of the Class B Certificate.

D. The Optionor wishes to grant an option to the Optionee to purchase the Class B Certificate, all of the terms and subject to the conditions set forth herein.

A G R E E M E N T

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

Section 1. Definitions. Unless otherwise indicated, all capitalized terms used in this Agreement shall have the respective meanings ascribed to them in the Securities Purchase Agreement. The rules of interpretation and construction specified in Sections 1.2 through 1.6 of the Securities Purchase Agreement shall likewise govern the interpretation and construction of this Agreement.

Section 2. Grant of Option. On the terms and subject to the conditions set forth in this Agreement, the Optionor hereby grants to the Optionee an irrevocable right and option (the "**Option**") to purchase the Class B Certificate solely in exchange for the Term C Note.

Section 3. Exercise of Option. This Option may be exercised by the Optionee at any time after the date hereof (and until the date upon which all principal of, and accrued interest and other amounts owing under the Term C Note shall have been indefeasibly paid in full) upon five (5) days' prior written notice delivered to the Optionor. On the fifth day following delivery of such written notice to the Optionor, the Optionor shall deliver to the Optionee the original copy of the Class B Certificate, together with all necessary transfer documentation, against delivery of the original copy of the Term C Note.

Section 4. Representations, Warranties and Covenants. The Optionor hereby represents and warrants to, and covenants with, the Optionee that:

(a) The Optionor is the sole and exclusive beneficial owner and owner of record of the Class B Certificate, free and clear of any and all security interests and Liens (other than Liens in favor of the Optionee);

(b) The Optionor has not sold, assigned, pledged, hypothecated or otherwise transferred any right or interest, in whole or in part, in or to the Class B Certificate (or to any distributions on account of the Class B Certificate) to any Person;

(c) The Optionee will not sell, assign, pledge, hypothecate or otherwise transfer any right or interest, in whole or in part, in or to the Class B Certificate (or to any distributions on account of the Class B Certificate) to any Person;

(d) The Optionor will cause the Class B Certificate to bear the following legend (or a substantially similar legend):

"THIS CERTIFICATE IS SUBJECT TO AN OPTION TO PURCHASE UNDER THAT CERTAIN OPTION AGREEMENT DATED AS OF MARCH 8, 2002, A COPY OF WHICH IS AVAILABLE AT THE REGISTERED OWNER'S PRINCIPAL OFFICES."

(e) Upon exercise of the Option, the Optionee will obtain good and marketable title to and ownership of the Class B Certificate, free and clear of any and all security interests and Liens (other than Liens in favor of the Optionee), and will be entitled to the rights of a "Certificateholder" of the Class B Certificate under that certain Amended and Restated Trust Agreement dated as of September 1, 2001, between CPSI and Wilmington Trust Company, as "Owner Trustee."

(f) No consent of any Person is required in connection with the grant by the Optionor, or the exercise by the Optionee, of the Option hereunder.

Section 5. Further Assurances. From time to time after the date hereof, the parties agree to execute and deliver such additional instruments and other documents, and to take all such other actions, as may be reasonably necessary or appropriate to carry out the intent of this Agreement.

Section 6. Successors and Assigns; Amendments. This Agreement shall inure to the benefit of, and be binding upon, the parties and respective successors and assigns.

Neither party may assign its rights or delegate its obligations hereunder without the prior written consent of the parties; provided, however, that the Optionee may assign or transfer any or all of its rights hereunder (including the Option) without the consent of the Optionor. This Agreement may be amended or supplemented only by a writing signed by the parties.

Section 7. Governing Law. IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE (WITHOUT REGARD TO THE CHOICE OF LAW OR CONFLICTS OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

Section 8. Severability. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein.

Section 9. Waiver of Trial by Jury Trial. **EACH PARTY HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COUNSEL, WAIVES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR OTHER PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS AGREEMENT, THE SECURITIES PURCHASE AGREEMENT, THE NOTES OR ANY OTHER RELATED AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION, SUIT OR OTHER PROCEEDING.**

[REST OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first written above.

OPTIONOR

CONSUMER PORTFOLIO SERVICES, INC., a California corporation

By: /s/ Charles E. Bradley, Jr.

Charles E. Bradley, Jr.
President and Chief Executive Officer

By: /s/ David Kenneally

David Kenneally
Senior Vice President and Chief Financial Officer

OPTIONEE

LEVINE LEICHTMAN CAPITAL PARTNERS, INC., a California corporation

On behalf of **LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P.**, a California limited partnership

By: /s/ Arthur E. Levine

Arthur E. Levine
President

Exhibit 99.8

FIRST AMENDMENT TO
SECOND AMENDED AND RESTATED
SECURITIES PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO SECOND AMENDED AND RESTATED SECURITIES PURCHASE AGREEMENT is dated as of the 14th day of August 2002 (this "**Amendment**"), by and between CONSUMER PORTFOLIO SERVICES, INC., a California corporation (the "**Company**"), and LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P., a California limited partnership (the "**Purchaser**").

R E C I T A L S

A. The Company and the Purchaser are parties to that certain Second Amended and Restated Securities Purchase Agreement dated as of March 8, 2002 (the "**Securities Purchase Agreement**"), pursuant to which, among other things, the parties amended and restated the First Amended and Restated Securities Purchase Agreement and the First Amended Term B Note, and the Company issued and sold to the Purchaser the Bridge Note and the Term C Note, all on the terms and subject to the conditions set forth therein. Unless otherwise indicated, capitalized terms not otherwise defined herein have the meanings ascribed to them in the Securities Purchase Agreement.

B. The Company has advised the Purchaser that Events of Default have occurred and are continuing under Sections 10.1(b) and/or 10.1(c) of the Securities Purchase Agreement by virtue of the fact that (i) the Company has failed to achieve the applicable LLCP Coverage Ratio as of the end of the calendar month ended June 30, 2002, and (ii) the Company has failed to deliver to the Purchaser the documents and other items listed on Exhibit A attached hereto (the matters referred to in clauses (i) and (ii) above shall collectively be referred to herein as the "**Specified Defaults**"). Pursuant to Section 10.2 of the Securities Purchase Agreement, if any Event of Default under Section 10.1(b) or 10.1(c) of the Securities Purchase Agreement occurs and is continuing, the Purchaser may, by written notice to the Company, declare all amounts owing under the Notes, and all other Obligations, to be due and payable, as well as exercise all other rights, remedies and powers provided for under the Securities Purchase Agreement, the other Investment Documents, Applicable Law or otherwise.

C. The Company has requested that the Purchaser waive the Specified Defaults and, further, amend the financial covenant set forth in Section 8.15(b) of the Securities Purchase Agreement, all effective on and as of June 30, 2002, and the Purchaser is willing to do so on the terms and subject to the conditions set forth herein.

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. Limited Waiver of Specified Defaults. Subject to the terms and conditions set forth herein, pursuant to Section 10.5 of the Securities Purchase Agreement, the Purchaser waives the Specified Defaults, effective on and as of the Amendment Effective Date.

2. Amendments to Securities Purchase Agreement. Effective on and as of the Amendment Effective Date, the Securities Purchase Agreement shall be amended as follows:

(a) Amendment of Definition of LLCP Coverage Ratio. The definition of the term "LLCP Coverage Ratio" set forth in Section 1.1 of the Securities Purchase Agreement shall be amended in its entirety, effective on and as of June 30, 2002, by replacing such definition with the following:

> "'**LLCP Coverage Ratio**' shall mean, as of any specified date, a fraction, expressed as a percentage, the numerator of which shall be equal to the sum of (i) all cash, plus (ii) all restricted cash, plus (iii) all servicing fees receivable, plus (iv) all investments in credit enhancements (i.e., the Company's residual interests in Securitization Transactions), but excluding investments in credit enhancements relating to any Warehouse Financing Transactions, plus (v) all automobile finance receivables, net of allowance for credit losses, minus all indebtedness outstanding with respect to any Securitization Transactions that the Company treats as financings on the consolidated balance sheet of the Company and its Subsidiaries as of such date, in each of clauses (i) through (v) above as shown on the consolidated balance sheet of the Company and its Subsidiaries as of such date, and the denominator of which shall be equal to all Indebtedness outstanding under the Notes as of such date."

(b) Amendment of Section 8.15 (Financial Covenants). Clause (b) (LLCP Coverage Ratio) of Section 8.15 of the Securities Purchase Agreement shall be amended, effective on and as of June 30, 2002, by replacing such clause in its entirety with the following new clause (b):

> "(b) LLCP Coverage Ratio. Commencing with the calendar month ending June 30, 2002, and for each calendar month thereafter, the Company shall not permit, and cause its Subsidiaries not to permit, the LLCP Coverage Ratio to be less than two hundred percent (200%) at and as of the last day of each such calendar month."

3. Conditions Precedent. The effectiveness of the waiver set forth in Section 1 above and the amendments set forth in Section 2 above shall be subject to the satisfaction of each of the following conditions precedent (the date upon which the last of such conditions precedent to be satisfied shall be referred to herein as the "**Amendment Effective Date**"):

(a) [Intentionally Omitted];

(b) The Purchaser shall have received a revised Compliance Certificate (pursuant to Section 7.2(i) of the Securities Purchase Agreement) with respect to the calendar month ended June 30, 2002;

(c) [Intentionally Omitted];

(d) [Intentionally Omitted];

(e) The Company shall have reimbursed the Purchaser for (or otherwise paid) all actual and estimated costs and expenses, including attorneys' fees and expenses, expended or incurred by the Purchaser in connection with the negotiation, preparation and execution of this Amendment and other matters described in Section 9.5 of the Securities Purchase Agreement and the applicable provisions of the Notes occurring prior to the Amendment Effective Date and that remain unreimbursed (or unpaid);

(f) The Purchaser shall have received an Officers' Certificate, in form and substance satisfactory to the Purchaser, dated as of the Amendment Effective Date and duly executed by the President and Chief Executive Officer and the Chief Financial Officer of the Company, to the effect that (i) each of the representations and warranties of the Company contained in Section 4 is true and correct in all material respects as of the date hereof and are true and correct on and as of the Amendment Effective Date, with the same effect as if made on and as of the Amendment Effective Date, and (ii) the Company has satisfied or fulfilled each of the conditions set forth in this Section 3; and

(g) The Purchaser shall have received a revised Schedule 3.2 (Subsidiaries) to the Securities Purchase Agreement setting forth, among other things, a true, correct and complete list of all direct and indirect the Subsidiaries of the Company on and as of the date hereof.

4. Representations and Warranties. In order to induce the Purchaser to waive the Specified Defaults and amend the Securities Purchase Agreement as provided herein, the Company represents and warrants to the Purchaser that:

(a) The Company is duly incorporated and validly existing as a corporation in good standing under the laws of the State of California and has the requisite corporate power and authority to enter into and perform this Amendment and to consummate the transactions contemplated hereby. This Amendment has been duly authorized, executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms;

(b) The Company has obtained all consents, authorizations and approvals from any Governmental Authority or other Person necessary or required to enter into, deliver and perform this Amendment and to consummate the transactions contemplated hereby;

(c) The execution, delivery and performance by the Company of this Amendment and the consummation of the transactions contemplated hereby do not and will not violate, conflict with or result in the breach of any of the provisions of, or constitute (with or without notice or lapse of time or both) a default under, or result in the imposition of any Lien upon any of the assets or properties of the Company or any of its Subsidiaries under, (x) the charter or bylaws of the Company or any of its Subsidiaries, as in effect on the date hereof; (y) any lease, credit agreement, indenture, note, mortgage, instrument or other agreement to which the Company or any of its Subsidiaries is a party or by which any of their properties or assets are bound or (z) any Applicable Laws; and

(d) Except for the Specified Defaults, no Default or Event of Default has occurred and is continuing (or will result from the execution, delivery or performance of this Amendment or the transactions contemplated hereby).

5. Post-Amendment Effective Date Deliveries. Not later than the close of business on Friday, August 30, 2002, the Company shall deliver to the Purchaser each of the documents and other items listed on Exhibit A attached hereto. The Company expressly acknowledges and agrees that the Company's failure to deliver one or more of such documents or other items shall constitute a material breach of the Company's obligations under the Securities Purchase Agreement as of the Amendment Effective Date.

6. CPS Auto Receivables Trust 2002-B Securitization Transaction. The Company covenants and agrees with the Purchaser that, on or prior to the close of business on September 16, 2002, it shall consummate a CPS Securitization Transaction (referred to as CPS Auto Receivables Trust 2002-B) involving the pooling and sale to a Special Purpose Entity of Automobile Contracts in the aggregate Automobile Principal Balance of not less than $100.0 million on terms and conditions no less favorable to the Company than those applicable to CPS Auto Receivables Trust 2002-A.

7. Confirmation; Full Force and Effect. Section 2 of this Amendment shall amend the Securities Purchase Agreement effective on and as of Amendment Effective Date, and the Securities Purchase Agreement shall remain in full force and effect as amended hereby from and after the Amendment Effective Date in accordance with its terms. The Company hereby ratifies, approves and affirms in all respects the terms and other provisions of, and its obligations under, the Securities Purchase Agreement, as amended hereby, the Notes and the other Investment Documents (including the grants of Liens in favor of the Purchaser under the Collateral Documents).

8. No Other Amendments. This Amendment is being delivered without prejudice to the rights, remedies or powers of the Purchaser under or in connection with the Securities Purchase Agreement, the other Investment Documents, Applicable Laws or otherwise and, except as set forth in Section 2 above, shall not constitute or be deemed to

constitute an amendment or other modification of, or a supplement to, the Securities Purchase Agreement or any other Investment Document. In addition, except as provided in Section 1 hereof, nothing contained in this Amendment is intended to or shall be construed as a waiver of any breach, violation, Default or Events of Default, whether past, present or future, under the Securities Purchase Agreement or any other Investment Document, or a forbearance by the Purchaser of any of its rights, remedies or powers against the Company, or the Collateral, and the Purchaser hereby expressly reserves all of its rights, powers and remedies under or in connection with the Securities Purchase Agreement and the other Investment Documents, whether at law or in equity, including, without limitation, the right to declare all Obligations to be due and payable.

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

10. Governing Law. IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE (WITHOUT REGARD TO THE CHOICE OF LAW OR CONFLICTS OF LAW PROVISIONS THEREOF).

11. 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.

[REST OF THE PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto 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

By: /s/ David Kenneally

David Kenneally
Senior Vice President and Chief Financial Officer

PURCHASER

LEVINE LEICHTMAN CAPITAL PARTNERS, INC.,
a California corporation

On behalf of LEVINE LEICHTMAN CAPITAL
PARTNERS II, L.P., a California limited partnership

By: /s/ Arthur E. Levine

Arthur E. Levine
President

ACKNOWLEDGMENT, CONSENT AND AFFIRMATION
OF SUBSIDIARY GUARANTY

The undersigned Guarantors hereby acknowledge that each has read the foregoing First Amendment to Securities Purchase Agreement and hereby consents to the terms thereof. Further, each of the undersigned Guarantors hereby (a) confirms that it is a party to the Subsidiary Guaranty, (b) ratifies, approves and affirms in all respects the terms and other provisions of, and its obligations under, the Subsidiary Guaranty and the Collateral Documents and other Investment Documents to which it is a party (including the grants of Liens in favor of the Purchaser under the Collateral Documents to which it is a party) and (c) acknowledges that the Subsidiary Guaranty, the Collateral Documents and such other Investment Documents remain in full force and effect in accordance with their respective terms.

GUARANTORS

CPS LEASING, INC., a Delaware corporation

By: /s/ Mark Creatura

Name: Mark Creatura
Its: VP

CPS MARKETING, INC., a California corporation

By: /s/ Mark Creatura

Name: Mark Creatura
Its: VP

MFN FINANCIAL CORPORATION, a Delaware corporation and the surviving corporation of the MFN Merger

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE COMPANY LLC, a Delaware limited liability company

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE CORPORATION OF ALABAMA, an Alabama corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE COMPANY OF ARIZONA, an Arizona corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE COMPANY OF COLORADO, a Delaware corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE COMPANY OF DELAWARE, a Delaware corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE COMPANY OF FLORIDA, a Delaware corporation

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

MERCURY FINANCE COMPANY OF GEORGIA, a Delaware corporation

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

MERCURY FINANCE COMPANY OF ILLINOIS, a Delaware corporation

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

MERCURY FINANCE COMPANY OF INDIANA, a Delaware corporation

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

MERCURY FINANCE COMPANY OF KENTUCKY, a Delaware corporation

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

MERCURY FINANCE COMPANY OF LOUISIANA, a Delaware corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE COMPANY OF MICHIGAN, a Delaware corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE COMPANY OF MISSISSIPPI, a Delaware corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE COMPANY OF MISSOURI, a Missouri corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE COMPANY OF NEVADA, a Nevada corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE COMPANY OF NEW YORK, a Delaware corporation

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

MERCURY FINANCE COMPANY OF NORTH CAROLINA, a Delaware corporation

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

MERCURY FINANCE COMPANY OF OHIO, a Delaware corporation

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

MERCURY FINANCE COMPANY OF OKLAHOMA, a Delaware corporation

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

MERCURY FINANCE COMPANY OF PENNSYLVANIA, a Delaware corporation

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

MERCURY FINANCE COMPANY OF SOUTH CAROLINA, a Delaware corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE COMPANY OF TENNESSEE, a Tennessee corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MFC FINANCE COMPANY OF TEXAS, a Delaware corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE COMPANY OF VIRGINIA, a Delaware corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

MERCURY FINANCE COMPANY OF WISCONSIN, a Delaware corporation

By: /s/ David Kenneally

Name: David Kenneally

Title: CFO

GULFCO INVESTMENT INC., a Louisiana corporation

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

GULFCO FINANCE COMPANY, a Louisiana corporation

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

MIDLAND FINANCE CO., an Illinois corporation

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

MFN INSURANCE COMPANY, a company organized and existing under the laws of Turks and Caicos

By: /s/ Mark Creatura

Name: Mark Creatura

Title: VP

Exhibit 99.9

SECOND AMENDMENT TO
SECURITIES PURCHASE AGREEMENT

THIS SECOND AMENDMENT TO SECURITIES PURCHASE AGREEMENT is dated as of the 31st day of January 2003 (this "**Amendment**"), by and between CONSUMER PORTFOLIO SERVICES, INC., a California corporation (the "**Company**"), and LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P., a California limited partnership (the "**Purchaser**").

R E C I T A L S

A. The Company and the Purchaser are parties to that certain Second Amended and Restated Securities Purchase Agreement dated as of March 8, 2002, as amended by a First Amendment dated as of August 14, 2002 (as so amended, the "**Securities Purchase Agreement**"), pursuant to which, among other things, the parties amended and restated the First Amended and Restated Securities Purchase Agreement and the First Amended Term B Note, and the Company issued and sold to the Purchaser the Bridge Note and the Term C Note, all on the terms and subject to the conditions set forth therein and in the Related Agreements.

B. The Company has requested that the Purchaser make an additional investment in the Company in the amount of $25,000,000. Accordingly, the Company is willing to issue and sell the Term D Note (as defined below) to the Purchaser, and the Purchaser is willing to purchase the Term D Note, all on the terms and subject to the conditions set forth herein and in the Term D Note.

C. Unless otherwise indicated, all capitalized terms used and not otherwise defined herein have the respective meanings ascribed to them in the Securities Purchase Agreement. In addition, all rules of construction set forth in Sections 1.2 through 1.6 of the Securities Purchase Agreement are hereby incorporated herein by this reference.

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. Purchase and Sale of Securities.

(a) Authorization. The Company has authorized the issuance, sale and delivery to the Purchaser of a Secured Senior Note in the principal amount of $25,000,000, in substantially the form of Exhibit A attached hereto (the "**Term D Note**"). The Indebtedness evidenced by the Term D Note, including the payment of principal, premium, if any, and interest, shall constitute Senior Indebtedness of the Company and shall rank pari passu in right of payment and rights upon liquidation to all other Senior Indebtedness of

the Company, including all Indebtedness evidenced by the Term B Note, the Bridge Note and the Term C Note.

(b) Purchase of Term D Note. Subject to the terms and conditions contained herein, and in reliance upon the representations, warranties, covenants and agreements contained herein, on the Second Amendment Effective Date, the Company shall issue, sell and deliver to the Purchaser, and the Purchaser shall purchase from the Company, the Term D Note. The aggregate purchase price to be paid by the Purchaser for the Term D Note shall be $25,000,000 (the "**Term D Note Purchase Price**") payable in accordance with Section 1(c).

(c) Closing. The closing of the issuance, sale and delivery of the Term D Note and the other transactions contemplated by this Amendment shall take place at the offices of Irell & Manella LLP, 1800 Avenue of the Stars, Suite 900, Los Angeles, California 90067, on the Second Amendment Effective Date. At the closing, the Company shall deliver to the Purchaser the Term D Note, duly executed by the Company, against delivery by the Purchaser of the Term D Note Purchase Price (net of amounts permitted to be withheld pursuant to Sections 4(a)(v) and (ix)) by wire transfer in immediately available funds to such bank as the Company may request in writing (which request shall be made in writing at least one (1) Business Day prior to the Second Amendment Effective Date) for credit to an account designated by the Company in such request.

(d) Use of Proceeds. The proceeds to be received by the Company from the issuance and sale of the Term D Note hereunder shall be used solely for working capital purposes.

2. Amendments to Securities Purchase Agreement. Effective on and as of the Second Amendment Effective Date (as defined below), pursuant to Section 11.1 of the Securities Purchase Agreement, the Securities Purchase Agreement shall be amended as follows:

(a) Section 1.1 of the Securities Purchase Agreement shall be amended by adding the following new definitions to Section 1.1 in alphabetical order:

"'**First Amendment**' shall mean that certain First Amendment to Second Amended and Restated Securities Purchase Agreement dated as of August 14, 2002, as amended from time to time."

"'**Qualified Default Covenants**' shall mean the agreements, covenants and obligations of the Company set forth in Sections 7.4, 7.6, 7.7, 7.8, 7.9, 7.12, 7.13, 7.14, 7.18, 7.21, 7.22, 8.8, 8.16 and 8.17."

"'**Second Amendment**' shall mean that certain Second Amendment to Second Amended and Restated Securities Purchase Agreement dated as of January 31, 2003, as amended from time to time."

"'**Second Amendment Effective Date**' shall have the meaning set forth in the Second Amendment."

"'**Term D Note**' shall mean a Secured Senior Note in the principal amount of $25,000,000, in substantially the form attached as Exhibit A to the Second Amendment."

(b) Section 1.1 of the Securities Purchase Agreement shall be further amended by amending the following existing definitions to read in their entirety as follows, respectively:

"'**CPS Master Spread Account Agreement**' shall mean, with respect to any CPS Securitization Transaction, any and all master spread account agreements, as amended or supplemented from time to time as permitted hereunder, entered into by the Company or its Subsidiaries in connection with such CPS Securitization Transaction, including (i) that certain Master Spread Account Agreement, as amended and restated, dated as of December 1, 1998, among CPSR, FSA, and Wells Fargo Bank Minnesota, National Association (f/k/a Norwest Bank Minnesota, National Association), as 'Trustee' and as 'Collateral Agent,' as amended by Amendment No. 1 dated as of September 7, 2001, among CPSR, FSA, Bank One Trust Company, N.A., in its capacity as 'Trustee' and as 'Collateral Agent' with respect to the 'Bank One Collateral,' and Wells Fargo Bank Minnesota, National Association (f/k/a Norwest Bank Minnesota, National Association), in its capacity as 'Collateral Agent' with respect to the 'Wells Fargo Collateral,' as supplemented by a Series 2001-A Supplement, dated as of September 7, 2001, among CPSR, FSA and Bank One Trust Company, N.A., as 'Trustee' and as 'Collateral Agent,' and as supplemented by a NPF Supplement No. 2, dated as of January 9, 2003, among CPSR, FSA and Bank One Trust Company, N.A., as 'Trustee' and as 'Collateral Agent,' and as further amended or supplemented from time to time as permitted hereunder, and (ii) that certain Master Spread Account Agreement, as amended and restated, dated as of August 1, 2002, among CPS Auto Receivables Two Corp., XLCA, Bank One Trust Company, N.A., as 'Trustee' and as 'Collateral Agent,' and CPS Auto Receivables Trust 2002-B, as supplemented by a Series 2002-C Supplement, dated as of December 19, 2002, among CPS Auto Receivables Two Corp., XLCA, Bank One Trust Company, N.A., as 'Trustee' and as 'Collateral Agent,' and CPS Auto Receivables Trust 2002-C, and as further amended or supplemented from time to time as permitted hereunder."

"'**MFN Collateral Documents**' shall have the meaning set forth in Section 7.23. Without limiting the foregoing, the term 'MFN Collateral Documents' shall include that certain Security Agreement (MFN) dated as of March 22, 2002, between the 'Grantors' (as defined therein) and the Purchaser, that certain Stock Pledge and Control Agreement (MFN) dated as of March 22, 2002, between the 'Pledgors' (as defined therein) and the Purchaser, that certain Intellectual Property Security Agreement (MFN) dated as of March 22, 2002, between the 'Grantors' (as defined therein)

and the Purchaser, and all UCC financing statements, control and other agreements, instruments and documents executed or delivered from time to time by MFN or any of its Subsidiaries to secure the Obligations to Purchaser or any other obligations of the Company, any Subsidiaries or any other obligor under the Securities Purchase Agreement, the Notes or any Related Agreement, in each case as amended from time to time."

"'**MFN Master Spread Account Agreement**' shall mean, with respect to any MFN Securitization Transaction, any and all master spread account agreements, as amended or supplemented from time to time as permitted hereunder, entered into by MFN or its Subsidiaries in connection with such MFN Securitization Transaction, including that certain Master Spread Account Agreement dated as of June 1, 2001, among MFN Securitization LLC, as 'Seller,' XLCA, as 'Insurer,' MFN Auto Receivables Trust 2001-A, as 'Issuer,' and Wells Fargo Bank Minnesota, National Association, as 'Trust Collateral Agent' and 'Collateral Agent,' as supplemented by a Series 2001-A Supplement dated as of June 1, 2001, and as further amended or supplemented from time to time as permitted hereunder."

"'**Notes**' shall mean, collectively, the Term B Note, the Bridge Note, the Term C Note and the Term D Note, in each case as amended from time to time, and shall also include, where applicable, any additional note or notes issued by the Company in connection with any Assignments thereof. The term '**Note**' shall refer to any of the foregoing individually, as applicable."

"'**Obligations**' or '**Obligations to Purchaser**' shall mean any and all Indebtedness, claims, liabilities or obligations of the Company and any of its Subsidiaries owing from time to time to the Purchaser or any Affiliate of the Purchaser (or any successor, assignee or transferee of the Purchaser or such Affiliate) of whatever nature, type or description, arising under or with respect to the Prior LLCP Documents, this Agreement, the Notes (including the Term B Note, the Bridge Note, the Term C Note and the Term D Note), the Amended and Restated Registration Rights Agreement, the Amended and Restated Investor Rights Agreement, the Subsidiary Guaranty, the Collateral Documents, the Option Agreement, the Indemnity Side Letter and the other Related Agreements, and any and all agreements, instruments or other documents heretofore or hereafter executed or delivered in connection with any of the foregoing, of whatever nature, character or description, including any claims for rescission or other damages under applicable federal and state securities laws, in each case whether due or not due, direct or indirect, joint and/or several, absolute or contingent, voluntary or involuntary, liquidated or unliquidated, determined or undetermined, now or hereafter existing, amended, renewed, extended, exchanged, restated, refinanced, refunded or restructured, whether or not from time to time decreased or

extinguished and later increased, created or incurred, whether for principal, interest, premiums, fees, costs, expenses (including attorneys' fees) or other amounts incurred for administration, collection, enforcement or otherwise, whether or not arising after the commencement of any proceeding under the Bankruptcy Laws (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding, and whether or not recovery of any such obligation or liability may be barred by any statute of limitations or such Indebtedness, claim, liability or obligation may otherwise be unenforceable."

"'**Securitization Transaction**' shall mean any and all transactions, whether now existing or hereafter arising or entered into, by the Company or any of its Subsidiaries involving the pooling and sale of Automobile Contracts to a Special Purpose Entity, including the pooling and sale of Automobile Contracts to a Special Purpose Entity in connection with any Warehouse Financing Transaction, including (A) Alton Grantor Trust 1993-1, Alton Grantor Trust 1993-2, Alton Grantor Trust 1993-3, Alton Grantor Trust 1993-4, CPS Auto Grantor Trust 1994-1, CPS Auto Grantor Trust 1994-2, CPS Auto Grantor Trust 1994-3, CPS Auto Grantor Trust 1994-4, CPS Auto Grantor Trust 1995-1, CPS Auto Grantor Trust 1995-2, CPS Auto Grantor Trust 1995-3, CPS Auto Grantor Trust 1995-4, CPS Auto Grantor Trust 1996-1, FASCO Auto Grantor Trust 1996-2, CPS Auto Grantor Trust 1996-2A, CPS Auto Grantor Trust 1996-3, CPS Auto Grantor Trust 1997-1, CPS Auto Grantor Trust 1997-2, CPS Auto Receivables Trust 1997-3, CPS Auto Receivables Trust 1997-4, CPS Auto Receivables Trust 1997-5, CPS Grantor Trust 1998-1, CPS Auto Receivables Trust 1998-2, CPS Auto Receivables Trust 1998-3, CPS Auto Receivables Trust 1998-4, CPS Auto Receivables Trust 2001-A (the '**CPS 2001-A Securitization Transaction**'), CPS Auto Receivables Trust 2002-A, CPS Auto Receivables Trust 2002-B, CPS Auto Receivables Trust 2002-C, and any such future securitization transactions involving the Company or any of its Subsidiaries (other than MFN and its Subsidiaries covered by clause (B) below) (collectively, the '**CPS Securitization Transactions**'), or (B) MFN Auto Receivables Trust 2001-A, MFN Auto Receivables Trust 2002-A and any such future securitization transactions involving MFN or any of its Subsidiaries (collectively, the '**MFN Securitization Transactions**')."

"'**Subsidiary**' and '**Subsidiaries**' shall mean, with respect to any Person, any other Person of which more than fifty percent (50%) of the total voting power of Capital Stock entitled to vote (without regard to the occurrence of any contingency) in the election of directors (or other Persons performing similar functions) are at the time directly or indirectly owned by such first Person. Unless otherwise indicated, the term '**Subsidiary**' and '**Subsidiaries**' shall include any direct or indirect

subsidiaries of the Company, including the Subsidiaries listed on Schedule 3.2."

"'**Subsidiary Guarantors**' or '**Guarantors**' shall mean the direct or indirect Subsidiaries that are or become 'Guarantors' under the Subsidiary Guaranty."

"'**Subsidiary Guaranty**' or '**Guaranty**' shall mean that certain Amended and Restated Joint and Several General and Continuing Guaranty dated as of March 8, 2002, as modified by that certain Joinder Agreement dated as of March 22, 2002, duly executed by the Subsidiary Guarantors in favor of the Purchaser, as amended from time to time."

"'**Trigger Event**' shall mean a 'Trigger Event,' a 'Level 1 Trigger Event,' a 'Level 2 Trigger Event,' a 'Level 3 Trigger Event' or any other term or definition having a substantially similar meaning, as defined or used in any Securitization Transaction Document or other agreement executed in connection with any Securitization Transaction, including the CPS Master Spread Account Agreement or MFN Master Spread Account Agreement, as applicable."

"'**Warehouse Financing Transaction**' shall mean any transaction entered into in the ordinary course of the Company's business, in each case consistent with the Company's past practices, pursuant to which (i) the Company or one or more of its Subsidiaries sells Automobile Contracts to any entity which is established by the Company for the limited purpose of buying and reselling such Automobile Contracts, and (ii) such entity purchases such Automobile Contracts from the Company or such selling Subsidiary from time to time for cash or other consideration at least equal to the fair market value of such Automobile Contracts and finances the purchase of such Automobile Contracts through borrowings under a 'warehouse financing' facility established with a third party that engages in similar financing transactions in the ordinary course of its business and under which such entity is the sole borrower (with no recourse to either the Company or any other Subsidiary other than for breaches of customary representations and warranties in connection with sales of Automobile Contracts), including the transactions contemplated by (A) that certain Sale and Servicing Agreement dated as of March 7, 2002, among CPS Warehouse Trust, CPS, Systems & Services Technologies, Inc. and Bank One Trust Company (referred to as the 'XLCA/West LB' warehouse financing transaction) and (B) that certain Sale and Servicing Agreement dated as of January 9, 2003, among CPS Funding LLC, CPS, Systems & Services Technologies, Inc. and Bank One Trust Company."

(c) Section 3.2(a) of the Securities Purchase Agreement shall be amended to read in its entirety as follows:

(a) Schedule 3.2 sets forth a true, correct and complete list of all direct and indirect Subsidiaries of the Company as of the date hereof, in each case setting forth, as to each such Subsidiary, its name, the jurisdiction of its organization, the address of its principal executive offices, the authorized number of shares of its Capital Stock, the number of outstanding shares of its Capital Stock and the number of such outstanding shares owned, directly or indirectly, by the Company and the Subsidiaries. Each Subsidiary is an entity duly organized, validly existing and, if applicable, in good standing (other than Mercury Finance Company of Tennessee) under the laws of the jurisdiction of its incorporation, and has all power and authority, including all Licenses and Permits, necessary to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted. No Subsidiary of MFN is material to the business, condition (financial or otherwise) or operations of MFN other than Mercury Finance Company and the "bankruptcy remote special purpose" entities created by MFN for purposes of the MFN Securitization Transactions completed through the date hereof.

(d) Section 3.5(c) of the Securities Purchase Agreement shall be amended to read in its entirety as follows:

"(c) The outstanding principal balances of the Term B Note, the Bridge Note and the Term C Note are as set forth on Schedule 3.11(c). The Term B Note, the Bridge Note and the Term C Note each remains in full force and effect. The Indebtedness evidenced by the Term B Note, the Bridge Note and the Term C Note constitutes 'Senior Indebtedness' (as such term is defined in the RISRS Indenture, the PENS Indenture and the Stanwich Debt Documents) and, immediately following the issuance, sale and delivery of the Term D Note, the Indebtedness evidenced by the Term D Note will also constitute 'Senior Indebtedness' (as such term is defined in the RISRS Indenture, the PENS Indenture and the Stanwich Debt Documents), and there will be no agreement, indenture, instrument or other document to which the Company or any of its Subsidiaries is a party or by which it or they may be bound that requires the subordination in right of payment or rights upon liquidation of any Indebtedness under the Notes or any other Obligations to Purchaser to the repayment of any other existing or future Indebtedness of the Company or any of its Subsidiaries."

(e) The second sentence of Section 3.7(a) of the Securities Purchase Agreement shall be amended to read in its entirety as follows:

"Schedule 3.7(a) also sets forth, as of the date hereof, (i) the number of shares of Common Stock reserved for issuance under the Company Stock Plans, including the number of options to purchase shares of Common Stock available for future grants, the number of options to purchase shares of Common Stock that have been exercised and the number of options to purchase shares of Common Stock that are outstanding (including the number of options to purchase shares of Common Stock which are exercisable); (ii) the aggregate number of shares of Common Stock reserved for issuance upon conversion of the PENS and the Stanwich Indebtedness; and (iii) the number of shares of Common Stock reserved for issuance upon exercise of the Residual Warrant."

(f) Section 7.3 of the Securities Purchase Agreement shall be amended to read in its entirety as follows:

"7.3 Performance of Related Agreements. The Company shall perform, comply with and observe all of its covenants and other obligations under each of the Related Agreements (other than as provided in Section 7.1) to which it is a party in accordance with its terms."

(g) Section 7.6(b) of the Securities Purchase Agreement shall be amended to read in its entirety as follows:

"(b) In addition, the Company shall continue to maintain the existing key man life insurance policy (with terms no less favorable to the Company than those existing as of the Second Amendment Effective Date) on the life of Charles E. Bradley, Jr., the President and Chief Executive Officer of the Company, with a death benefit of not less than $10,000,000, until the Obligations to Purchaser have been indefeasibly paid in full. Such key man life insurance policy shall continue to name the Company as the owner and name the Purchaser as the irrevocable beneficiary thereunder. Each of the insurance policies required to be maintained under this Section 7.6 shall provide for at least thirty (30) days' prior written notice to the Purchaser of the cancellation or substantial modification thereof."

(h) Section 8.1(h) of the Securities Purchase Agreement shall be amended to read in its entirety as follows:

"(h) Unsecured Indebtedness (not covered by any other clause under this Section 8.1) in an amount not to exceed $1,000,000;"

(i) Section 8.3 of the Securities Purchase Agreement shall be amended to read in its entirety as follows:

"8.3 Limitations on Investments. The Company shall not, and shall not permit any Subsidiary to, directly or indirectly, make or own any Investment, except:

(a) Permitted Investments;

(b) The Investments and Guarantees set forth on Schedule 3.11(a);

(c) Automobile Contracts;

(d) Investments permitted under Section 8.14; and

(e) Any other Investments not to exceed $1,000,000 in the aggregate."

(j) Section 10.1(b) of the Securities Purchase Agreement shall be amended to read in its entirety as follows:

"(b) (i) The Company shall breach or fail to perform, comply with or observe any agreement, covenant or obligation required to be performed by it (other than the agreements, covenants or obligations covered by Section 10.1(a)) under Section 7.1 (Payments with Respect to Notes), clauses (a), (b), (i), (j) or (k) of Section 7.2 (Information Covenants), Section 7.15 (Securities and Exchange Act Compliance), Section 7.20 (Payment of Certain Indebtedness), Section 8.1 (Limitations on Indebtedness), Section 8.6 (Observance of Stanwich Subordination Provisions), Section 8.9 (Limitations on Transactions with Affiliates) Section 8.10 (Restrictions on Fundamental Changes) and Section 8.15 (Financial Covenants);

(ii) The Company shall breach or fail to perform, comply with or observe any agreement, covenant or obligation required to be performed by it under Section 7.2 (Information Covenants) (other than clauses (a), (b), (i), (j) or (k)) and such breach or failure shall not have been remedied within three (3) Business Days after written notice thereof by the Purchaser to the Company;

(iii) The Company shall breach or fail to perform, comply with or observe any agreement, covenant or obligation required to be performed by it under any Qualified Default Covenant and such breach or failure shall not have been remedied within thirty (30) days after written notice thereof by the Purchaser to the Company; provided, however, that if such breach or failure shall not have been remedied within such thirty (30) day period, the Company shall not be deemed to

be in default with respect to such breach or failure if, and only if, the Company thereafter uses, and continues to use, its good faith reasonable efforts to cure such breach or failure;

(iv) The Company shall breach or fail to perform, comply with or observe any agreement, covenant or obligation required to be performed by it under Section 8.2 (Limitations on Liens) and such breach or failure shall not have been remedied within thirty (30) days after written notice thereof by the Company to the Purchaser or written notice thereof by the Purchaser to the Company; or"

(k) Section 10.1(c) of the Securities Purchase Agreement shall be amended to read in its entirety as follows:

"(c) The Company or any of its Subsidiaries shall breach or fail to perform, comply with or observe any agreement, covenant or obligation required to be performed by it under this Agreement or any Related Agreement (other than the agreements, covenants or obligations covered by Sections 10.1(a) and (b)) and such breach or failure shall not have been remedied within thirty (30) days after written notice thereof by the Purchaser to the Company; or"

(l) Section 10.1(d) of the Securities Purchase Agreement shall be amended to read in its entirety as follows:

"(d) Any representation or warranty made by the Company or any of its Subsidiaries under, relating to or in connection with this Agreement or any Related Agreement shall be false or misleading in any material respect when made (or deemed made); or"

(m) Clause (ii) of Section 10.1 of the Securities Purchase Agreement shall be amended to read in its entirety as follows:

"(ii) (A) in the case of clause (b)(i) above, immediately upon the occurrence of any such breach of failure; (B) in the case of clause (b)(ii) above, as of the close of business on such third Business Day, if such breach or failure shall not have been cured by such date; (C) in the case of clause (b)(iii) above, as of the close of business on such thirtieth day, if such breach or failure shall not have been cured by such date or, if the Company has not cured such breach or failure by such date and thereafter fails to use its good faith reasonable efforts to cure such breach or failure, as of the close of business of the date that the Purchaser notifies the Company in writing that of its determination that the Company has failed to use its good faith reasonable efforts to cure such breach or failure; and (D) in the case of clause (b)(iv) above, as of the close of business on such thirtieth day, if such breach or failure shall not have been cured by such date;"

3. Amendments to Disclosure Schedules. Effective on and as of the Second Amendment Effective Date, pursuant to Section 11.1 of the Securities Purchase Agreement, each of the Disclosure Schedules to the Securities Purchase Agreement listed in Exhibit B attached hereto shall be amended by the corresponding Disclosure Schedule attached to Exhibit B as provided for in such corresponding Disclosure Schedule (it being understood that such corresponding Disclosure Schedules shall update the existing Disclosure Schedules through the Second Amendment Effective Date).

4. Closing; Conditions Precedent.

(a) Conditions to Purchaser's Obligations. The obligations of the Purchaser to purchase the Term D Note, and the effectiveness of the amendments set forth in Sections 2 and 3, shall be subject to the satisfaction, in the Purchaser's sole discretion, of each of the following conditions precedent (the date upon which the last of such conditions precedent to be so satisfied shall be referred to herein as the "**Second Amendment Effective Date**"):

(i) Effective Date. The last of the conditions precedent set forth in this Section 4(a) to be so satisfied shall occur not later than 12:00 noon (Los Angeles time) on Monday, February 3, 2003.

(ii) Representations and Warranties. The Purchaser shall have received an Officers' Certificate, in form and substance satisfactory to the Purchaser, dated as of the Second Amendment Effective Date and duly executed by the President and Chief Executive Officer and the Chief Financial Officer of the Company, to the effect that (i) after giving effect to the amendments to the Disclosure Schedules attached as Exhibit B to the Second Amendment, each of the representations and warranties of the Company contained in the Securities Purchase Agreement and this Amendment was true and correct on and as of the date made and is true and correct on and as of the Second Amendment Effective Date, with the same effect as if made on and as of the Second Amendment Effective Date, (ii) each of the covenants and agreements of the Company required to be performed or satisfied under the Second Amendment on or before the Second Amendment Effective Date has been performed or satisfied on or before the Second Amendment Effective Date, (iii) the Company has satisfied or fulfilled each of the conditions set forth in this Section 4(a), (iv) no Default or Event of Default has occurred and is continuing or will result from the execution, delivery or performance of this Amendment, the issuance, sale or delivery of the Term D Note or the consummation of the other transactions contemplated hereby and (v) since December 31, 2002, no Material Adverse Change has occurred.

(iii) No Legal Prohibitions. The consummation of the transactions contemplated by this Amendment shall not be prohibited by or violate any Applicable Laws and shall not subject any party to any Tax, penalty or liability, under or pursuant to any Applicable Laws. Without limiting the generality of the foregoing, the consummation of the transactions contemplated hereby shall otherwise comply with all applicable requirements of federal securities and state securities or "blue sky" laws.

(iv) Term D Note. The Purchaser shall have received the Term D Note, dated as of the Second Amendment Effective Date and duly executed by the Company and acknowledged and consented to by the Subsidiary Guarantors.

(v) Closing Fee. The Purchaser shall have received a non-refundable closing fee, payable in cash, in the amount of $1,000,000 (provided that such closing fee may be withheld by the Purchaser from the payment of the Term D Note Purchase Price).

(vi) Opinion of Counsel. The Purchaser shall have received (A) an opinion letter of Andrews & Kurth LLP, special counsel to the Company, dated the Second Amendment Effective Date and addressed to the Purchaser, in form and substance satisfactory to the Purchaser and its legal counsel, and (B) an opinion letter of Mark A. Creatura, Esq., General Counsel to the Company, dated the Second Amendment Effective Date and addressed to the Purchaser, in form and substance satisfactory to the Purchaser and its legal counsel.

(vii) No Material Adverse Change. Since December 31, 2002, there shall not have occurred any Material Adverse Change.

(viii) Certified Board Resolutions. The Purchaser shall have received a Secretary's Certificate from the Company and each Subsidiary Guarantor, in form and substance satisfactory to the Purchaser, duly executed by the Secretary of the Company or such Subsidiary Guarantor, as the case may be, certifying as to the resolutions of the Board of Directors of the Company or such Subsidiary Guarantor, as the case may be, approving the execution and delivery of this Amendment, the issuance, sale and delivery of the Term D Note and the other transactions contemplated by this Amendment.

(ix) Fees and Expenses. The Company shall have reimbursed the Purchaser for all actual and estimated fees, costs and expenses, including attorneys' fees and expenses, expended or incurred by the Purchaser in connection with the negotiation, preparation, execution and performance of this Amendment, that remain unreimbursed (provided that such fees, costs and expenses may be withheld by the Purchaser from the payment of the Term D Note Purchase Price and, at the direction of the Purchaser, the Company shall pay directly to the Purchaser's third party service providers all such costs and expenses incurred by the Purchaser).

(x) Solvency Certificate. The Purchaser shall have received a Solvency Certificate, in form and substance satisfactory to the Purchaser, duly executed by the President and Chief Executive Officer and the Chief Financial Officer of the Company.

(xi) Good Standing Certificates. The Purchaser shall have received a good standing certificate of the Company and each Subsidiary issued by the Secretary of State of its state or jurisdiction of incorporation or organization and a good standing tax certificate, issued by the Franchise Tax Board (if incorporated or organized under the laws of the State of California) or, if available, by a similar state taxing authority

(if incorporated or organized in any other state or other jurisdiction), in each case dated as of a recent practicable date prior to the Second Amendment Effective Date;

(xii) Insurance Certificates. The Purchaser shall have received certificates of insurance with respect to the insurance policies required to be maintained by the Company and its Subsidiaries pursuant to Section 7.6 of the Securities Purchase Agreement (including the directors and officers liability insurance and the key man life insurance policy on the life of Charles E. Bradley, Jr.), together with additional insured and lender's loss payable endorsements in favor of the Purchaser, all in form and substance satisfactory to the Purchaser.

(xiii) Corporate Proceedings. All proceedings taken prior to or at the closing in connection with the issuance and sale of the Term D Note and the consummation of the other transactions contemplated hereby, and all papers and other documents relating thereto, shall be in form and substance satisfactory to the Purchaser and its legal counsel, and the Purchaser shall have received copies of such documents and papers, all in form and substance satisfactory to the Purchaser and its counsel, all such documents, where appropriate, to be counterpart originals and/or certified by proper authorities, corporate officials and other Persons.

(b) Conditions to Company's Obligations. The obligations of the Company to issue and sell the Term D Note to the Purchaser, and the effectiveness of the amendments set forth in Sections 2 and 3, shall be subject to the satisfaction of each of the following conditions precedent:

(i) Representations and Warranties. The representations and warranties of the Purchaser contained in Section 6 of this Amendment shall be true and correct in all material respects on and as of the Second Amendment Effective Date.

(ii) Term D Note Purchase Price. The Purchaser shall have delivered to the Company the Term D Note Purchase Price, less the fees, costs and expenses to be reimbursed by the Company under Sections 4(a)(v) and (ix).

5. Representations and Warranties of the Company. In order to induce the Purchaser to purchase the Term D Note and amend the Securities Purchase Agreement as provided for herein, the Company represents and warrants to the Purchaser as follows:

(a) Authorization; Binding Effect. The Company has the full power and authority to enter into, deliver and perform its obligations under this Amendment and the Term D Note. The execution, delivery and performance by the Company and the Subsidiary Guarantors of this Amendment and the Term D Note, the issuance, sale and delivery of the Term D Note and the consummation of the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company and the Subsidiary Guarantors, as applicable. This Amendment has been duly executed and delivered by the Company (and duly acknowledged by the Subsidiary Guarantors) and, on the Second Amendment Effective Date, the Term D Note will be duly executed and delivered by the Company (and duly acknowledged by the Subsidiary Guarantors). This

Amendment is, and on the Second Amendment Effective Date the Term D Note will be, the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or conveyance or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability and except as rights of indemnity or contribution may be limited by federal or state securities or other laws or the public policy underlying such laws.

(b) No Conflict. The execution, delivery and performance by the Company of this Amendment and the Term D Note, the issuance, sale and delivery of the Term D Note and the consummation of the other transactions contemplated hereby do not and will not violate or conflict with, or cause a default under, or give rise to a right of termination under, (i) the charter or bylaws of the Company or any of its Subsidiaries, as in effect on the date hereof; (ii) any Applicable Laws; or (iii) any term of any Material Contract (including any Securitization Transaction Document and any Stanwich-Related Agreement), indenture, note, mortgage, instrument or other agreement to which the Company or any of its Subsidiaries is a party or by which any of its or their properties or assets are bound.

(c) Rank; Obligations. Each of the Term B Note, the Bridge Note and the Term C Note remains in full force and effect unamended hereby. The Indebtedness evidenced by the Term B Note, the Bridge Note and the Term C Note constitutes Senior Indebtedness and "Senior Indebtedness" (as such term is defined in the RISRS Indenture, the PENS Indenture and the Stanwich Debt Documents). Immediately following the closing, the Indebtedness evidenced by the Term D Note will also constitute Senior Indebtedness and "Senior Indebtedness" (as such term is defined in the RISRS Indenture, the PENS Indenture and the Stanwich Debt Documents), and there will be no agreement, indenture, instrument or other document to which the Company or any of its Subsidiaries is a party or by which it or they are bound that requires the subordination in right of payment or rights upon liquidation of any Obligations to Purchaser (including Indebtedness under the Term B Note, the Bridge Note, the Term C Note and the Term D Note) to the repayment of any other existing or future Indebtedness of the Company or any of its Subsidiaries.

(d) No Consents. Neither the Company nor any of its Subsidiaries or other Affiliates is required to obtain any Consent in connection with execution, delivery or performance of this Amendment or the Term D Note or the issuance, sale and delivery of the Term D Note, or for the purpose of maintaining in full force and effect any Licenses and Permits of the Company or any of its Subsidiaries, from (a) any Governmental Authority, (b) any trustee, Credit Enhancer, rating agency or other party to any Securitization Transaction in connection with the execution and delivery of this Amendment or any Related Agreement or (c) any other Person, except where the failure to obtain such consent or maintain any such License or Permit, as the case may be, could not have a Material Adverse Effect.

(e) Representations and Warranties. After giving effect to the amended the Disclosure Schedules attached as Exhibit B to this Amendment, each of the

representations and warranties of the Company contained in Section 3 of the Securities Purchase Agreement is true and correct in all material respects.

(f) No Default. No Default or Event of Default has occurred and is continuing or will result from the execution, delivery or performance of this Amendment or the Term D Note, the issuance, sale or delivery of the Term D Note or the consummation of the other transactions contemplated hereby.

(g) Collateral Security. The Liens granted in favor of the Purchaser under the Collateral Documents constitute valid, enforceable and continuing first priority security interests and liens in, on and to the Collateral and secure the payment and performance in full of all Obligations, including all Indebtedness and other Obligations under the Term B Note, the Bridge Note, the Term C Note and the Term D Note.

(h) Disclosure Schedules. The information set forth and contained in the Disclosure Schedules, other than the amended Disclosure Schedules attached as Exhibit B to this Amendment, is true and correct in all material respects. The information set forth and contained in the amended Disclosure Schedules attached as Exhibit B to this Amendment is true and correct.

6. Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to the Company that:

(a) The Purchaser is acquiring the Term D Note for its own account, for investment purposes, and not with a view to or for sale in connection with any distribution thereof. The Purchaser understands that Term D Note has not been registered under the Securities Act or registered or qualified under any state securities law in reliance upon specific exemptions therefrom, which exemptions may depend upon, among other things, the bona fide nature of the Purchaser's investment intent as expressed herein; and

(b) The Purchaser is an "accredited investor" (as such term is defined in Rule 501 of Regulation D under the Securities Act). By reason of its business and financial experience, the Purchaser has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the investment in the Term D Note, has the capacity to protect its own interests and is able to bear the economic risk of such investment.

7. Confirmation; Full Force and Effect. The amendments set forth in Sections 2 and 3 above shall amend the Securities Purchase Agreement on and as of the Second Amendment Effective Date, and the Securities Purchase Agreement shall otherwise remain in full force and effect, as amended thereby, from and after the Second Amendment Effective Date in accordance with its terms. The Company hereby ratifies, approves and affirms in all respects each of the Securities Purchase Agreement, as amended hereby, the Notes (including the Term B Note, the Bridge Note, the Term C Note and the Term D Note), the Collateral Documents (including the Liens granted in favor of the Purchaser under the Collateral Documents) and each of the other Related Agreements, the terms and other provisions hereof and thereof and the Obligations hereunder and thereunder.

8. Certain Post-Closing Covenants. The Company covenants and agrees to perform, observe and comply with each of the following:

(a) Delivery of Legal Opinion. As soon as practicable, but not later than February 10, 2003, the Company shall deliver to the Purchaser an opinion letter of Andrews & Kurth LLP, special counsel to the Company, dated and effective as of the Second Amendment Effective Date and addressed to the Purchaser, in form and substance satisfactory to the Purchaser and its legal counsel, with respect to "no conflicts" with Material Contracts.

(b) Good Standing Status. As soon as practicable, but not later than March 3, 2003, the Company shall deliver to the Purchaser a certificate of good standing for Mercury Finance Company of Tennessee, issued by the relevant Governmental Authority of the State of Tennessee and dated as of a recent practicable date.

(c) Disclosure Schedules. As soon as practicable, but not later than March 3, 2003, the Company shall update and deliver to the Purchaser all Disclosure Schedules, each of which shall set forth all information required to be included therein as if such Disclosure Schedules were delivered on and as of the Second Amendment Effective Date. In addition, the Company agrees to cooperate with the Purchaser and use its good faith reasonable efforts to ensure that all such Disclosure Schedules include, and accurately reflect, the information required to be included therein (it being understood that so long as the Company uses its good faith reasonable efforts to ensure that all such Disclosure Schedules include, and accurately reflect, the information required to be included therein, no Event of Default shall be deemed to occur).

9. No Other Amendments. This Amendment is being delivered without prejudice to the rights, remedies or powers of the Purchaser in connection with or under the Securities Purchase Agreement, the Notes, the Collateral Documents and the other Related Agreements, Applicable Laws or otherwise and, except as expressly provided in Sections 2 and 3 above, shall not constitute or be deemed to constitute an amendment or other modification of, or a supplement to, the Securities Purchase Agreement or any Related Agreement. In addition, nothing contained in this Amendment is intended to limit or impair any right, power or remedy of the Purchaser under the Securities Purchase Agreement or any Related Agreement or shall be construed as a waiver of any breach, violation, Default or Events of Default, whether past, present or future, under the Securities Purchase Agreement or any Related Agreement, or a forbearance by the Purchaser of any of its rights, remedies or powers against the Company or the Collateral. The Purchaser hereby expressly reserves all of its rights, powers and remedies under or in connection with the Securities Purchase Agreement, the Notes, the Collateral Documents and the Related Agreements, whether at law or in equity, including, without limitation, the right to declare all Obligations to be due and payable.

10. Miscellaneous Provisions.

(a) Entire Agreement; Successors and Assigns. This Amendment constitutes the entire understanding and agreement with respect to the subject matter hereof

and supersedes all prior oral and written, and all contemporaneous oral, agreements 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) Governing Law. IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE (WITHOUT REGARD TO THE CHOICE OF LAW OR CONFLICTS OF LAW PROVISIONS THEREOF).

(c) 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.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto 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/ David Kenneally

David Kenneally
Senior Vice President and Chief Financial Officer

By: /s/ Mark A. Creatura

Mark A. Creatura
Senior Vice President and Secretary

PURCHASER

LEVINE LEICHTMAN CAPITAL PARTNERS, INC., a California corporation

On behalf of LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P., a California limited partnership

By: /s/ Arthur E. Levine

Arthur E. Levine
President

ACKNOWLEDGMENT, CONSENT AND AFFIRMATION
OF SUBSIDIARY GUARANTY

The undersigned Guarantors hereby acknowledge that each has read the foregoing Second Amendment to Securities Purchase Agreement and hereby consents to the terms thereof, including the issuance, sale and delivery of the Term D Note. Further, each of the undersigned Subsidiary Guarantors hereby (a) confirms that it is a party to the Subsidiary Guaranty and that, among other things, the payment and performance of the Term D Note is guarantied by it under the Subsidiary Guaranty, (b) ratifies, approves and reaffirms in all respects the terms and other provisions of, and its obligations under, the Subsidiary Guaranty, the Collateral Documents and the other Related Agreements to which it is a party or which it has consented to or acknowledged and (c) confirms that the Subsidiary Guaranty, the Collateral Documents and the other Related Agreements to which it is a party remain in full force and effect in accordance with their respective terms.

SUBSIDIARY GUARANTORS

CPS LEASING, INC., a Delaware corporation

By: /s/ David N. Kenneally

Name: David N. Kenneally
Its: Vice President

CPS MARKETING, INC., a California corporation

By: /s/ David N. Kenneally

Name: David N. Kenneally
Its: Vice President

MFN FINANCIAL CORPORATION, a Delaware corporation

By: /s/ David N. Kenneally

Name: David N. Kenneally
Its: Vice President

MERCURY FINANCE COMPANY LLC, a Delaware limited liability company

By: /s/ David N. Kenneally

Name: David N. Kenneally
Its: Vice President

MERCURY FINANCE CORPORATION OF ALABAMA, an Alabama corporation

By: /s/ David N. Kenneally

Name: David N. Kenneally
Its: Vice President

MERCURY FINANCE COMPANY OF ARIZONA, an Arizona corporation

By: /s/ David N. Kenneally

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MERCURY FINANCE COMPANY OF COLORADO, a Delaware corporation

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Its: Vice President

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Its: Vice President

MFN INSURANCE COMPANY, a company organized and existing under the laws of Turks and Caicos

By: /s/ David N. Kenneally

Name: David N. Kenneally
Its: Vice President

THE SECURITY REPRESENTED HEREBY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR REGISTERED OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAW AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE ASSIGNED EXCEPT IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS OF SUCH ACT AND THE REGISTRATION OR QUALIFICATION REQUIREMENTS OF SUCH STATE SECURITIES LAWS, OR PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION.

CONSUMER PORTFOLIO SERVICES, INC.

SECURED SENIOR NOTE

$25,000,000.00 Irvine, California
February 3, 2003

FOR VALUE RECEIVED, CONSUMER PORTFOLIO SERVICES, INC., a California corporation (the "**Company**"), hereby promises to pay to the order of LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P., a California limited partnership ("**LLCP**" or the "**Purchaser**"), and/or any registered assigns (including LLCP, the "**Holder**"), the sum of TWENTY-FIVE MILLION DOLLARS ($25,000,000.00) in immediately available funds and in lawful money of the United States of America, all as provided below.

This Secured Senior Note (this "**Note**") is being issued by the Company in connection with the transactions contemplated by that certain Second Amendment to Securities Purchase Agreement dated of even date herewith (the "**Second Amendment**") pursuant to which, among other things, the Company issued and sold this Note to the Purchaser and the Company and the Purchaser amended further that certain Second Amended and Restated Securities Purchase Agreement dated as of March 8, 2002, as amended by a First Amendment dated as of August 14, 2002 (as so amended, the "**Securities Purchase Agreement**") by and between the Company and the Purchaser. This Note is the "Term D Note" referred to in the Second Amendment and the Securities Purchase Agreement and shall be deemed a "Note" under the Securities Purchase Agreement. The Holder is entitled to the rights and benefits of the Purchaser under the Securities Purchase Agreement, including the right to accelerate the outstanding principal balance of, accrued and unpaid interest on and all other amounts owing under this Note upon the occurrence of an Event of Default.

The Indebtedness evidenced by the Term D Note, including the payment of principal, premium, if any, interest and all other amounts, shall constitute Senior Indebtedness of the Company and shall rank pari passu in right of payment and rights upon liquidation to all other Senior Indebtedness of the Company, including all Indebtedness evidenced by the Term B Note, the Bridge Note and the Term C Note.

1. Definitions. Unless otherwise indicated, all capitalized terms used in this Note shall have the respective meanings ascribed to them in the Securities Purchase Agreement. The rules of interpretation and construction specified in Sections 1.2 through 1.6 of the Securities Purchase Agreement shall likewise govern the interpretation and construction of this Note.

2. Payment of Interest; Default Rate.

(a) Subject to Section 2(b), the Company shall pay interest in cash on the principal balance of this Note outstanding from time to time until fully paid at the applicable monthly rates per annum as follows (in each case, the "**Applicable Base Rate**"):

For the calendar month ending:	Applicable Base Rate
February 28, 2003	4.00%
March 31, 2003	4.80%
April 30, 2003	5.00%
May 31, 2003	5.00%
June 30, 2003	5.14%
July 31, 2003 and thereafter	12.00%

Interest on this Note shall be payable monthly in arrears on the last Business Day of each calendar month (or portion thereof), commencing on February 28, 2003 (each an "**Interest Payment Date**"). The last Interest Payment Date shall be on the applicable Maturity Date (as defined below). Interest shall be computed on the basis of the actual number of days elapsed over a 360-day year, including the first day and excluding the last day.

(b) In addition, if any Event of Default shall occur and be continuing, then, in addition to any and all rights, remedies and powers available to the Holder under the Securities Purchase Agreement, this Note, the other Related Agreements and Applicable Laws, the Company shall pay interest in cash on the unpaid principal balance of this Note at a rate per annum (the "**Default Rate**") equal to the Applicable Base Rate then in effect plus two percent (2.0%). The Default Rate shall begin to accrue on the date on which such Event of Default is deemed to have first occurred (as determined in Section 10.1 of the Securities Purchase Agreement) until such time as such Event of Default shall have been cured or waived.

3. Maturity Date. The Company shall pay in full all outstanding principal of, premium, if any, accrued and unpaid interest and other unpaid amounts owing under this Note on April 30, 2003 (the "**April Maturity Date**"); provided, however, that if, and only if, the Company pays to the Holder on or prior to the April Maturity Date a maturity date extension fee, payable in cash, in the amount of $125,000 (the "**April Maturity Date Extension Fee**"), the April Maturity Date shall automatically be extended to May 30, 2003 (the "**May Maturity Date**"); provided further, however, that if, and only if, the Company

pays to the Holder on or prior to the May Maturity Date an additional maturity date extension fee, payable in cash, in the amount of $125,000 (the "**May Maturity Date Extension Fee**;" the April Maturity Date Extension Fee or the May Maturity Date Extension Fee, as applicable, shall be referred to herein as the "**Maturity Date Extension Fee**"), the May Maturity Date shall automatically be extended to January 15, 2004 (the "**January Maturity Date**;" the April Maturity Date, the May Maturity Date or the January Maturity Date, as applicable, shall be referred to herein as the "**Maturity Date**"). Notwithstanding anything to the contrary, failure to pay all outstanding principal of, premium, if any, accrued and unpaid interest and other unpaid amounts owing under this Note or the applicable Maturity Date Extension Fee on or prior to the April Maturity Date or the May Maturity Date, as the case may be, shall constitute an Event of Default.

4. Optional Prepayments.

(a) The Company may voluntarily prepay the outstanding principal balance of this Note, in whole or in part, without premium or penalty, at any time. Any prepayment made under this Section 4 shall also include accrued and unpaid interest on this Note through and including the date of prepayment.

(b) The Company shall give the Holder written notice of each voluntary prepayment under this Section 4 not less than ten (10) nor more than forty-five (45) days prior to the date of prepayment. Such notice shall specify the principal amount of this Note that will be prepaid on such date and shall be irrevocable. Notice of prepayment having been given as aforesaid, a payment in an amount equal to the principal amount of this Note to be prepaid as specified in such prepayment notice shall become due and payable on such prepayment date, together with all accrued and unpaid interest on the outstanding principal balance of this Note through and including the date of prepayment.

5. [Intentionally Omitted.]

6. Change in Control Prepayment. The Holder may require the Company to prepay the outstanding principal balance of, premium, if any, accrued and unpaid interest on and all other amounts owing under this Note, in whole or in part as requested by the Holder, at any time during the ninety (90)-day period following the consummation of any transaction which constitutes a Change in Control (as defined in the Term B Note) at the prepayment amounts set forth below.

In the case of a Change in Control in respect of clauses (a) or (b) of Section 6 of the Term B Note, the Company shall prepay an amount equal to 101.0% of the principal amount being prepaid, plus accrued and unpaid interest through and including the date of prepayment, and in the case of a Change in Control in respect of clause (c) of Section 6 of the Term B Note, the Company shall prepay an amount equal to 100.0% of the principal amount being prepaid, plus accrued and unpaid interest through and including the date of prepayment. The Company shall notify the Holder of the date on which a Change in Control has occurred within one (1) Business Day after such date and shall, in such notification, inform the Holder of the Holder's right to require the Company to prepay this Note as provided in this Section 6 and of the date on which such right shall terminate. If the Holder

elects to require the Company to prepay this Note pursuant to this Section 6, it shall furnish written notice to the Company advising the Company of such election and the amount of principal of this Note to be prepaid. The Company shall prepay this Note in accordance with this Section 6 and such written notice within one (1) Business Day after its receipt of such written notice.

7. Collateral Security. This Note is secured by the Collateral referred to in the Collateral Documents and is guarantied by the Subsidiary Guarantors under the Guaranty.

8. Manner of Payment. Payments of principal, interest and other amounts due under this Note shall be made no later than 12:00 p.m. (noon) (Los Angeles time) on the date when due and in lawful money of the United States of America (by wire transfer in funds immediately available at the place of payment) to such account as the Holder may designate in writing to the Company and, if to LLCP, to: Bank of America, Century City, Private Banking, 2049 Century Park East, Los Angeles, California 90067; ABA No. 121000358; Account No. 11546-03239; Attention: Cheryl Stewart (or such other place of payment that LLCP may designate in writing to the Company). Any payments received after 12:00 p.m. (noon) (Los Angeles time) shall be deemed to have been received on the next succeeding Business Day. Any payments due hereunder which are due on a day which is not a Business Day shall be payable on the first succeeding Business Day and such extension of time shall be included in the computation of such payment.

9. Maximum Lawful Rate of Interest. The rate of interest payable under this Note shall in no event exceed the maximum rate permissible under applicable law. If the rate of interest payable on this Note is ever reduced as a result of this Section 9 and at any time thereafter the maximum rate permitted under applicable law exceeds the rate of interest provided for in this Note, then the rate provided for in this Note shall be increased to the maximum rate provided for under applicable law for such period as is required so that the total amount of interest received by the Holder is that which would have been received by the Holder but for the operation of the first sentence of this Section 9.

10. Company's Waivers. The Company hereby waives presentment for payment, demand, protest, notice of protest and notice of dishonor hereof, and all other notices of any kind to which it may be entitled under applicable law or otherwise.

11. Registration of Note. The Company shall maintain at its principal executive office a register in which it shall register this Note, any Assignments of this Note or any other notes issued hereunder and any other notes issued upon surrender hereof and thereof. At the option of the Holder, this Note may be exchanged for one or more new notes of like tenor in the principal denominations requested by the Holder, and the Company shall, within three (3) Business Days after the surrender of this Note at the Company's principal executive offices, deliver to the Holder such new note or notes. In addition, each Assignment of this Note, in whole or in part, shall be registered on the register immediately following the surrender of this Note at the Company's principal executive offices.

12. Persons Deemed Owners; Participations. Prior to due presentment for registration of any Assignment, the Company may treat the Person in whose name any Note

is registered as the owner and Holder of such Note for all purposes whatsoever, and the Company shall not be affected by notice to the contrary. Subject to the preceding sentence, the Holder may grant to any other Person participations from time to time in all or any part of this Note on such terms and conditions as may be determined by the Holder in its sole and absolute discretion, subject to applicable federal and state securities laws. Notwithstanding anything to the contrary contained herein or otherwise, nothing in the Securities Purchase Agreement, this Note or any other Related Agreement or otherwise shall confer upon the participant any rights in the Securities Purchase Agreement or any Related Agreement, and the Holder shall retain all rights with respect to the administration, waiver, amendment, collection and enforcement of, compliance with and consent to the terms and provisions of the Securities Purchase Agreement, this Note or any other Related Agreement.

In addition, the Holder may, without the consent of the participant, give or withhold its consent or agreement to any amendments to or modifications of the Securities Purchase Agreement, this Note or any other Related Agreement, waive any of the provisions hereof or thereof or exercise or refrain from exercising any other rights or remedies which the Holder may have under the Securities Purchase Agreement, this Note or any other Related Agreement or otherwise. Notwithstanding the foregoing, the Holder will not agree with the Company, without the prior written consent of the participant (which consent shall be given or affirmatively withheld not later than three (3) Business Days after the Holder's written request therefor): (a) to reduce the principal of or rate of interest on this Note or (b) to postpone the date fixed for payment of principal of or interest on the Indebtedness evidenced by this Note. If the participant does not timely reply to the Holder's request for such consent, the participant shall be deemed to have consented to such agreement and the Holder may take such action in such manner as the Holder determines in the exercise of its independent business judgment.

13. Assignment and Transfer. Subject to Applicable Law, the Holder may, at any time and from time to time and without the consent of the Company, assign or transfer to one or more Persons all or any portion of this Note or any portion thereof (but not less than $500,000 in principal amount in any single assignment (unless such lesser amount represents the entire outstanding principal balance hereof)). Upon surrender of this Note at the Company's principal executive office for registration of any such assignment or transfer, accompanied by a duly executed instrument of transfer, the Company shall, at its expense and within three (3) Business Days of such surrender, execute and deliver one or more new notes of like tenor in the requested principal denominations and in the name of the assignee or assignees and bearing the legend set forth on the face of this Note, and this Note shall promptly be canceled. If the entire outstanding principal balance of this Note is not being assigned, the Company shall issue to the Holder hereof, within three (3) Business Days of the date of surrender hereof, a new note which evidences the portion of such outstanding principal balance not being assigned. If this Note is divided into one or more Notes and is held at any time by more than one Holder, any payments of principal of, premium, if any, and interest or other amounts on this Note which are not sufficient to pay all interest or other amounts due thereunder, shall be made pro rata with respect to all such Notes in accordance with the outstanding principal amounts thereof, respectively.

14. Loss, Theft, Destruction or Mutilation of this Note. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note and, in the case of any such loss, theft or destruction, upon receipt of an indemnity agreement or other indemnity reasonably satisfactory to the Company or, in the case of any such mutilation, upon surrender and cancellation of such mutilated Note, the Company shall make and deliver within three (3) Business Days a new note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Note.

15. Costs of Collection. The Company agrees to pay all costs and expenses, including the fees and expenses of any attorneys, accountants and other experts retained by the Holder, which are expended or incurred by the Holder in connection with (a) the administration and enforcement of this Note or the collection of any sums due hereunder, whether or not suit is commenced; (b) any actions for declaratory relief in any way related to this Note; (c) the protection or preservation of any rights of the Holder under this Note; (d) any actions taken by the Holder in negotiating any amendment, waiver, consent or release of or under this Note; (e) any actions taken in reviewing the Company's or any of its Subsidiaries' financial affairs if an Event of Default has occurred or the Holder has determined in good faith that an Event of Default may likely occur, including the following actions: (i) inspect the facilities of the Company and any of its Subsidiaries or conduct audits or appraisals of the financial condition of the Company and any of its Subsidiaries; (ii) have an accounting firm chosen by the Holder review the books and records of the Company and any of its Subsidiaries and perform a thorough and complete examination thereof; (iii) interview the Company's and each of its Subsidiaries' employees, accountants, customers and any other individuals related to the Company or its Subsidiaries which the Holder believes may have relevant information concerning the financial condition of the Company and any of its Subsidiaries; and (iv) undertake any other action which the Holder believes is necessary to assess accurately the financial condition and prospects of the Company and any of its Subsidiaries; (f) the Holder's participation in any refinancing, restructuring, bankruptcy or insolvency proceeding involving the Company, any of its Subsidiaries or any other Affiliate of the Company; (g) verifying, maintaining, or perfecting any security interest or other Lien granted to the Holder in any collateral; (h) any effort by the Holder to protect, assemble, complete, collect, sell, liquidate or otherwise dispose of any collateral, including in connection with any case under Bankruptcy Law; or (i) any refinancing or restructuring of this Note, including any restructuring in the nature of a "work out" or in any insolvency or bankruptcy proceeding.

16. Extension of Time. The Holder, at its option, may extend the time for payment of this Note, postpone the enforcement hereof, or grant any other indulgences without affecting or diminishing the Holder's right to recourse against the Company, which right is expressly reserved.

17. Notations. Before disposing of this Note or any portion thereof, the Holder may make a notation thereon (or on a schedule attached thereto) of the amount of all principal payments previously made by the Company with respect thereto.

18. Governing Law. IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE (WITHOUT REGARD TO THE CHOICE OF LAW OR CONFLICTS OF LAW PROVISIONS THEREOF) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

19. WAIVER OF JURY TRIAL. THE COMPANY AND THE HOLDER (BY ACCEPTANCE HEREOF) HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COUNSEL, WAIVES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR OTHER PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS NOTE, THE SECURITIES PURCHASE AGREEMENT, ANY OTHER RELATED AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION, SUIT OR OTHER PROCEEDING.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed and delivered by its authorized representatives on the date first above written.

CONSUMER PORTFOLIO SERVICES, INC., a California corporation

By: /s/ Charles E. Bradley, Jr.

Charles E. Bradley, Jr.
President and Chief Executive Officer

By: /s/ David Kenneally

David Kenneally
Senior Vice President and Chief Financial Officer

ACKNOWLEDGED AND CONSENTED TO:

SUBSIDIARY GUARANTORS

CPS LEASING, INC., a Delaware corporation

By: /s/ David N. Kenneally

Name: David Kenneally

Its: VP

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