

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

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934  
(Amendment No. 14)\***

**CONSUMER PORTFOLIO SERVICES, INC.**

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(Name of Issuer)

**Common Stock, no par value per share**

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(Title of Class of Securities)

**210502 100**

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(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**

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

**August 15, 2007**

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(Date of Event which Requires Filing of this Statement)

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

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

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

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

1. Names of Reporting Persons. 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 Instructions)

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:

Number of Shares — 0 — Shares

8. Shared Voting Power:

Beneficially Owned by Each Reporting Person 1,502,106 Shares (See Item 5)

9. Sole Dispositive Power:

Reporting Person With — 0 — Shares

10. Shared Dispositive Power:

1,502,106 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

1,502,106 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)

7.5% (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)

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:

Number of — 0 — Shares  
Shares

8. Shared Voting Power:

Beneficially Owned by 1,502,106 Shares (See Item 5)  
Each

9. Sole Dispositive Power:

Reporting Person — 0 — Shares

With 10. Shared Dispositive Power:

1,502,106 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

1,502,106 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)

7.5% (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)

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:

Number of Shares — 0 — Shares

8. Shared Voting Power:

Beneficially Owned by Each Reporting Person 1,502,106 Shares (See Item 5)

9. Sole Dispositive Power:

Reporting Person With — 0 — Shares

10. Shared Dispositive Power:

1,502,106 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

1,502,106 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)

7.5% (See Item 5)

14. Type of Reporting Person

CO

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)

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

6. Citizenship or Place of Organization

United States of America

7. Sole Voting Power:

Number of  
Shares — 0 — Shares

8. Shared Voting Power:

Beneficially  
Owned by 1,502,106 Shares (See Item 5)

9. Sole Dispositive Power:

Each  
Reporting  
Person — 0 — Shares

10. Shared Dispositive Power:

1,502,106 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

1,502,106 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)

7.5% (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)

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

6. Citizenship or Place of Organization

United States of America

7. Sole Voting Power:

Number of  
Shares — 0 — Shares

8. Shared Voting Power:

Beneficially  
Owned by 1,502,106 Shares (See Item 5)

9. Sole Dispositive Power:

Reporting  
Person — 0 — Shares

10. Shared Dispositive Power:

1,502,106 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

1,502,106 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)

7.5% (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"), LLC 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. 14 to Schedule 13D (this "Amendment") with the Securities and Exchange Commission (the "Commission").

This Amendment amends and supplements the Schedule 13D originally filed by or on behalf of the Reporting Persons with the Commission on November 25, 1998 (the "Original Schedule 13D"), as amended by Amendment No. 1 to Schedule 13D filed with the Commission on April 21, 1999 ("Amendment No. 1"), Amendment No. 2 to Schedule 13D filed with the Commission on June 2, 1999 ("Amendment No. 2"), Amendment No. 3 to Schedule 13D filed with the Commission on March 24, 2000 ("Amendment No. 3") Amendment No. 4 to Schedule 13D filed with the Commission on February 11, 2003 ("Amendment No. 4"), Amendment No. 5 to Schedule 13D filed with the Commission on June 3, 2003 ("Amendment No. 5"), Amendment No. 6 to Schedule 13D filed with the Commission on January 15, 2004 ("Amendment No. 6"), Amendment No. 7 to Schedule 13D filed with the Commission on February 3, 2004 ("Amendment No. 7"), Amendment No. 8 to Schedule 13D filed with the Commission on June 4, 2004 ("Amendment No. 8"), Amendment No. 9 to Schedule 13D filed with the Commission on June 29, 2004 ("Amendment No. 9"), Amendment No. 10 to Schedule 13D filed with the Commission on April 5, 2006 ("Amendment No. 10"), Amendment No. 11 to Schedule 13D filed with the Commission on April 14, 2006 ("Amendment No. 11"), Amendment No. 12 to Schedule 13D filed with the Commission on March 1, 2007 ("Amendment No. 12") and Amendment No. 13 to Schedule 13D filed with the Commission on July 25, 2007 ("Amendment No. 13"). The Original Schedule 13D, as amended by Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Amendment No. 5, Amendment No. 6, Amendment No. 7, Amendment No. 8, Amendment No. 9, Amendment No. 10, Amendment No. 11, Amendment No. 12 and Amendment No. 13, is referred to herein as the "Amended Schedule 13D."

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

This Amendment is being filed pursuant to a Joint Reporting Agreement dated 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 4. Purpose of Transaction.**

Item 4 of Amended Schedule 13D is hereby amended and restated to read as follows:

Between August 13, 2007 and August 15, 2007, the Partnership sold in the ordinary course of its business 361,417 shares of Common Stock beneficially owned by the Partnership. All of such sales were made by brokers in arm's length open market transactions.

On August 21, 2007, the Partnership and the Issuer entered into a Stock Purchase Agreement (the "Stock Purchase Agreement") pursuant to which the Partnership agreed to sell to the Issuer (i) 1,500,000 shares of Common Stock for an aggregate price of \$7,500,000 (\$5.00 per share), and (ii) the Warrant (as defined below) for an aggregate purchase price of \$4,990. The purchase and sale of the Common Stock and the Warrant pursuant to the Stock Purchase Agreement closed on August 23, 2007. "Warrant" refers to the warrant held by the Partnership to purchase 1,000 shares of Common Stock for an exercise price of \$0.01 per share.

The Partnership is holding the remaining shares of Common Stock of the Issuer owned by it in the ordinary course of business for investment purposes and not with the purpose of changing or influencing control of the Issuer. The Partnership may 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 any part of the Common Stock owned by it in any manner permitted by law. The Reporting Persons retain the right, depending on market conditions and/or other factors, to change their investment intent or to acquire from time to time additional shares of Common Stock.

**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 1,502,106 shares of Common Stock. Such aggregate number of shares beneficially owned by the Reporting Persons constituted, as of August 23, 2007, approximately 7.5% of the shares of such class (calculated in accordance with Rule 13d-3(d)(1)(i) of the Exchange Act), assuming that 19,986,983 shares of Common Stock were issued and outstanding as of such date. The 19,986,983 share figure is based on (i) the 21,486,983 shares of Common Stock reported as issued and outstanding as July 17, 2007, as set forth in the Issuer's Form 10-K for the fiscal quarter ended June 30, 2007, filed with the Securities and Exchange Commission on July 23, 2007, as reduced by (ii) the 1,500,000 shares of Common Stock sold by the Partnership to the Issuer as of July 23, 2007.



- (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 1,502,106 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 1,502,106 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 1,502,106 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 1,502,106 shares of Common Stock.

- (c) Other than the sales described below, none of the Reporting Persons has effectuated any transactions in the Common Stock since the date on which the Reporting Persons filed Amendment No. 13.

<u>Date</u>	<u>Number of Shares Sold</u>	<u>Price Per Share</u>
8/13/2007	400	\$ 5.49
8/13/2007	7,700	\$ 5.14
8/13/2007	7,601	\$ 5.15
8/13/2007	200	\$ 5.18
8/13/2007	1,100	\$ 5.22
8/13/2007	8,300	\$ 5.20
8/13/2007	19,660	\$ 5.25
8/13/2007	2,500	\$ 5.21
8/13/2007	5,900	\$ 5.26
8/13/2007	700	\$ 5.27
8/13/2007	1,989	\$ 5.28
8/13/2007	200	\$ 5.30
8/13/2007	1,200	\$ 5.35
8/13/2007	300	\$ 5.37
8/13/2007	500	\$ 5.38
8/13/2007	1,600	\$ 5.40
8/13/2007	1,100	\$ 5.42

<u>Date</u>	<u>Number of Shares Sold</u>	<u>Price Per Share</u>
8/13/2007	2,000	\$ 5.45
8/13/2007	300	\$ 5.48
8/13/2007	100	\$ 5.46
8/13/2007	100	\$ 5.47
8/13/2007	100	\$ 5.41
8/13/2007	200	\$ 5.36
8/13/2007	900	\$ 5.19
8/13/2007	100	\$ 5.17
8/14/2007	7,000	\$ 4.94
8/14/2007	6,033	\$ 4.95
8/14/2007	200	\$ 4.96
8/14/2007	8,340	\$ 5.00
8/14/2007	300	\$ 5.08
8/14/2007	700	\$ 5.01
8/14/2007	2,413	\$ 5.02
8/14/2007	14,400	\$ 5.03
8/14/2007	1,295	\$ 5.05
8/14/2007	300	\$ 5.09
8/14/2007	7,620	\$ 5.10
8/14/2007	1,600	\$ 5.11
8/14/2007	400	\$ 5.12
8/14/2007	400	\$ 5.15
8/14/2007	200	\$ 5.16
8/14/2007	200	\$ 5.17
8/14/2007	200	\$ 5.18
8/14/2007	100	\$ 5.04
8/14/2007	200	\$ 4.98
8/14/2007	100	\$ 4.97
8/15/2007	2,350	\$ 4.51
8/15/2007	19,910	\$ 4.55
8/15/2007	700	\$ 4.57
8/15/2007	300	\$ 4.53
8/15/2007	1,100	\$ 4.60
8/15/2007	200	\$ 4.64
8/15/2007	7,464	\$ 4.75
8/15/2007	4,940	\$ 4.76

<u>Date</u>	<u>Number of Shares Sold</u>	<u>Price Per Share</u>
8/15/2007	4,350	\$ 4.80
8/15/2007	200,651	\$ 4.50
8/15/2007	2,000	\$ 4.81
8/15/2007	1	\$ 4.77
8/15/2007	100	\$ 4.63
8/15/2007	100	\$ 4.62
8/15/2007	100	\$ 4.58
8/15/2007	100	\$ 4.52
8/15/2007	200	\$ 4.54
8/15/2007	100	\$ 4.56

In addition, on August 23, 2007, pursuant to the Stock Purchase Agreement, the Partnership sold to the Issuer (i) 1,500,000 shares of Common Stock for an aggregate price of \$7,500,000 (\$5.00 per share), and (ii) the Warrant for an aggregate purchase price of \$4,990.

(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 to the end thereof:

Pursuant to the Stock Purchase Agreement, as of August 23, 2007, all of the obligations (subject to certain exceptions) of the Issuer to the Partnership under the Third Amended and Restated Securities Purchase Agreement dated as of January 29, 2004, by and between the Issuer and the Partnership (as amended, the “Third SPA”) and/or any of the Related Agreements (as defined in the Third SPA) were released and discharged. The sole surviving obligations are: (i) obligations under the Amended and Restated Registration Rights Agreement (as defined in the Third SPA); (ii) the indemnification obligations set forth in Article IX of the Third SPA; and (iii) the indemnification obligations set forth in Section 1.6 of the Second Amended and Restated Investor Rights Agreement dated March 8, 2002 between the Partnership and the Issuer.

As a result of the foregoing agreements, the Partnership no longer has the right (among other things) to appoint a member of the board of directors of the Issuer.

**Item 7. Material to be Filed as Exhibits.**

<u>Exhibit</u>	<u>Description</u>
99.31	Stock Purchase Agreement dated as of August 21, 2007 between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P.

SIGNATURE

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

August 23, 2007

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

By: LLC 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**

<u>Exhibit</u>	<u>Description</u>
99.31	Stock Purchase Agreement dated as of August 21, 2007 between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P.

## STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this “**Agreement**”), is entered into on August 21, 2007 between Levine Leichtman Capital Partners II, L.P., a California limited partnership, as seller (the “**Seller**”), and Consumer Portfolio Services, Inc., a California corporation, as purchaser (the “**Issuer**”).

### Recitals:

Seller and Issuer are parties to a Third Amended and Restated Securities Purchase Agreement dated as of January 29, 2004 (such agreement, as amended, the “**3<sup>rd</sup> SPA**”), and to certain other agreements defined in the 3<sup>rd</sup> SPA as “**Related Agreements**.”

Pursuant to the 3<sup>rd</sup> SPA and its predecessor agreements, Seller purchased directly from Issuer certain debt securities (“**Term Notes**”) issued by Issuer. Pursuant to certain of the Related Agreements, Seller purchased directly from Issuer (i) 4,552,500 shares of the common stock, no par value, of the Issuer. (“**Common Stock**”) and (ii) a warrant to purchase 1,000 shares of Common Stock (the “**Warrant**”).

The indebtedness represented by the Term Notes has been paid in full. Seller continues to hold the Warrant and certain of such shares of Common Stock.

Seller wishes to sell to Issuer, and Issuer wishes to buy from Seller, 1,500,000 shares of Common Stock and the Warrant. Such 1,500,000 shares of Common Stock and the Warrant are referred to in this Agreement collectively as the “**Shares**.”

The Related Agreements granted to Seller certain rights related to the management and direction of the Issuer.

Upon the purchase and sale of the Shares, Issuer and Seller wish to terminate any remaining rights and obligations under the 3<sup>rd</sup> SPA and the Related Agreements, except to the extent otherwise provided in this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

### Section 1. Definitions.

Capitalized terms used in this Agreement and not otherwise defined shall have the meanings given to such terms in the 3<sup>rd</sup> SPA.

### Section 2. Sale and Transfer of Shares.

On the Closing Date, as defined below, the Seller shall sell, assign, transfer and deliver the Shares to the Issuer, and the Issuer shall purchase the Shares from the Seller. The purchase price for the Shares and the Warrant is FIVE DOLLARS PER SHARE (a total of \$7,504,990, which reflects the deduction of the aggregate exercise price of the Warrant). The Issuer shall pay the purchase price to the Seller on the Closing Date by wire transfer to a domestic bank account designated by Seller.

### Section 3. Representations and Warranties of Seller

Seller represents and warrants to the Issuer as follows:

- (a) Seller is the sole record and beneficial owner of the Shares, free and clear of all liens, claims, charges, security interests and encumbrances whatsoever.
- (b) The execution and delivery of this Agreement by the Seller, and the performance of its obligations hereunder, (i) have been authorized by all necessary partnership action on the part of the Seller, (ii) do not conflict with the partnership agreement of the Seller, (iii) do not cause the Seller to be in breach of, and will not accelerate or permit the acceleration of the performance required by, any agreement to which it is a party or by which or any of its properties is bound, and (iv) do not violate any law applicable to Seller.

(c) This Agreement is enforceable against the Seller in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the enforcement of creditors' rights generally and general principles of equity.

#### **Section 4. Representations and Warranties of the Issuer.**

The Issuer represents and warrants to the Seller as follows:

(a) The Issuer's execution and delivery of this Agreement and the performance of its obligations hereunder, (i) have been authorized by all necessary corporate action on the part of the Issuer, (ii) do not conflict with the charter or bylaws of the Issuer, (iii) do not cause the Issuer to be in breach of, and will not accelerate or permit the acceleration of the performance required by any agreement to which it is a party or by which or any of its properties is bound, and (iv) do not violate any law.

(b) Without limiting the generality of the foregoing, the distribution represented by Issuer's payment of the purchase price of the Shares (i) is permitted by subdivision (a) of Section 500 of the Corporations Code, (ii) is not prohibited by Section 501 of the Corporations Code, and (iii) is authorized by a resolution of the board of directors of the Issuer duly adopted on July 30, 2007, which resolution has not been modified or repealed and remains in effect.

(c) Immediately after payment of the purchase price of the Shares, Issuer will be able to pay its obligations as they come due, and Issuer will not be left with unreasonably small capital.

(d) Within 3 business days after the Closing Date, the Issuer shall reissue stock certificate(s) to Seller representing all of Seller's remaining shares of Common Stock. Such reissued certificates will carry no legend or restriction set forth thereon, if and to the extent that the Issuer receives an opinion of Seller's counsel, addressed and delivered to Issuer (and reasonably acceptable to the Issuer), that Seller is not an "affiliate" of the Issuer.

(e) This Agreement is enforceable against the Issuer in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the enforcement of creditors' rights generally and general principles of equity.

#### **Section 5. Releases**

Effective on the Closing Date, the Seller, on behalf of itself and its partners, Affiliates, subsidiaries, officers, employees, trustees, administrators, custodians, successors and assigns (collectively with the Seller, the "**Seller Releasing Parties**"), does hereby fully and irrevocably release, dismiss on the merits and forever discharge any and all claims, actions, causes of action, suits, debts, obligations, liabilities and demands whatsoever, in law or in equity, whether presently known or unknown, accrued or not accrued, foreseen or unforeseen, suspected or unsuspected, which the Seller Releasing Parties (or any of them) ever had, now have or may hereafter have against the Issuer and/or any of its current or former direct or indirect affiliates, officers, directors, employees, members, managers, attorneys, subsidiaries, shareholders, administrators, successors and assigns (collectively with the Issuer, the "**Issuer Released Parties**"), by reason of any matter, cause or thing whatsoever from the beginning of time to and including the Closing Date, including, without limitation, any matter, cause or thing that is based upon, arises out of or relates in any way to (a) the 3rd SPA, any Related Agreement or any agreements, instruments and other documents related thereto or executed or delivered in connection therewith, or (b) the performance of Issuer's obligations thereunder; provided, however, that the obligations of Issuer set forth in this Agreement (including without limitation Section 6(b) hereof and the agreements referenced therein are not so released.

The Seller, on behalf of itself and each other Seller Releasing Party, acknowledges that it has had the benefit of counsel, has been advised of and understands, and hereby knowingly and specifically waives, the provisions of Section 1542 of the California Civil Code (and any similar statute, code, law or regulation of any state in the United States), to the fullest extent that they may waive such rights and benefits. California

Civil Code Section 1542 provides as follows:

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

(b) Effective on the Closing Date, the Issuer, on behalf of itself and its partners, Affiliates, subsidiaries, officers, employees, trustees, administrators, custodians, successors, and assigns (collectively with the Seller, the “**Issuer Releasing Parties**”), does hereby fully and irrevocably release, dismiss on the merits and forever discharge any and all claims, actions, causes of action, suits, debts, obligations, liabilities and demands whatsoever, in law or in equity, whether presently known or unknown, accrued or not accrued, foreseen or unforeseen, suspected or unsuspected, which the Issuer Releasing Parties (or any of them) ever had, now have or may hereafter have against the Seller, Levine Leichtman Capital Partners, Inc. and/or any of its current or former direct or indirect affiliates, partners (limited and general), officers, directors, employees, members, managers, attorneys, subsidiaries, investment funds, shareholders, administrators, successors and assigns (collectively with the Seller, the “**Seller Released Parties**”), by reason of any matter, cause or thing whatsoever from the beginning of time to and including the Closing Date, including without limitation, any matter, cause or thing that is based upon, arises out of or relates in any way to the 3<sup>rd</sup> SPA, any Related Agreement or any agreements, instruments and other documents related thereto or executed or delivered in connection therewith provided, however, that the obligations of Seller set forth in this Agreement hereof are not so released.

The Issuer, on behalf of itself and each other Issuer Releasing Party, acknowledges that it has had the benefit of counsel, has been advised of and understands, and hereby knowingly and specifically waives, the provisions of Section 1542 of the California Civil Code (and any similar statute, code, law or regulation of any state in the United States), to the fullest extent that they may waive such rights and benefits, California Civil Code Section 1542 provides as follows:

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

#### **Section 6. Termination of Related Agreements**

(a) Effective on the Closing Date, and except as set forth in subdivision (b) of this Section 6, every obligation of the Issuer and/or any of its current or former direct or indirect affiliates, officers, directors, employees, members, managers, attorneys, consultants, subsidiaries, shareholders, administrators, representatives, agents, successors and assigns under the 3<sup>rd</sup> SPA and/or any of the Related Agreements is released and discharged.

(b) Notwithstanding the provisions of Section 5 and Section 6(a), the following are not released, terminated, nor discharged, and shall remain in full force and effect:

- (i) the Amended and Restated Registration Rights Agreement;
- (ii) the indemnification obligations set forth in Article IX of the 3<sup>rd</sup> SPA; and
- (iii) the indemnification obligations set forth in Section 1.6 of the Second Amended and Restated Investor Rights Agreement dated March 8, 2002.

#### **Section 7. Closing.**

The closing of the purchase and sale of the Shares pursuant to this Agreement shall take place on August 23, 2007 (the “**Closing Date**”). On the Closing Date, the following deliveries shall occur:



- (a) The Issuer shall deliver to Seller (i) a copy of the resolution adopted by the Issuer's board of directors approving the transactions contemplated hereby, together with an officer's certificate certifying that such resolution is in full force and effect, and (ii) an officer's certificate certifying that the representations and warranties of the Issuer set forth in Section 3 are true as of the Closing Date.
- (b) The Issuer shall deliver to the Seller the aggregate purchase price required by Section 2.
- (c) Seller shall deliver to Issuer or its designee the original certificates representing the Shares, duly endorsed in favor of the Issuer or accompanied by assignments in blank duly executed by Seller.
- (d) Seller shall deliver to Issuer or its designee a general partner's certificate certifying that the representations set forth in Section 3 are true as of the Closing Date.

**Section 8. Miscellaneous.**

This Agreement (i) contains the entire understanding of the parties with respect to the purchase and sale of the Shares and the termination of the 3<sup>rd</sup> SPA and Related Agreements (in each case except as provided in Section 6(b) hereof); (ii) supersedes all prior agreements and understandings, if any, with respect to such subject matter; (iii) may be amended only in writing signed by the Issuer and the Seller; (iv) shall inure to the benefit of and be enforceable by the Issuer Released Parties and Seller Released Parties; (v) shall be governed and construed in accordance with the internal laws of the State of California without regard to its principles of conflicts of laws; and (vi) may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. The officers of parties executing this agreement, by their signatures, represent and warrant that they are duly authorized to execute and deliver this agreement on behalf of such parties. The representations and warranties of the parties shall survive the closing of the transactions described in this Agreement.

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

LEVINE LEICHTMAN CAPITAL PARTNERS II, L.P.

CONSUMER PORTFOLIO SERVICES, INC.

By: LLC 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: its officers

By: its officers

/s/ Steve Hartman

Name: Steve Hartman

Title: Vice President

/s/ Robert Riedl

Name: Robert Riedl

Title: Sr Vice President

/s/ Steve Hogan

Name: Steve Hogan

Title: Chief Financial Officer

/s/ Mark Creatura

Name: Mark Creatura

Title: Secretary