

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 9)*

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)

June 25, 2004

(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 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:

— 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)

21.4% (See Item 5)

14. Type of Reporting Person

PN

Number of
Shares
Beneficially
Owned by
Each Reporting
Person With

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:

— 0 — Shares

8. Shared Voting Power:

4,553,500 Shares (See Item 5)

Number of Shares
Beneficially Owned
by Each Reporting
Person With

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

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

21.4% (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)

(c)

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:

— 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)

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

21.4% (See Item 5)

14. Type of Reporting Person

CO

Number of
Shares
Beneficially
Owned by
Each Reporting
Person With

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)

(d)

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:

— 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)

Number of
Shares
Beneficially
Owned by
Each Reporting
Person With

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)

21.4% (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)

(e)

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:

— 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)

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

21.4% (See Item 5)

14. Type of Reporting Person

IN

Number of
Shares
Beneficially
Owned by
Each Reporting
Person With

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. 9 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"), and Amendment No. 8 to Schedule 13D filed with the Commission on June 4, 2004 ("Amendment No. 8"). 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 and Amendment No. 8, 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 4. Purpose of Transaction.

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

On June 25, 2004, the Partnership purchased from the Issuer an 11.75% Secured Senior Note Due 2006 dated June 25, 2004, made payable to the Partnership in the original principal amount of \$10,000,000 (the "Term F Note"). The source of funds used to purchase the Term F Note was capital contributions made by the partners of the Partnership in the aggregate amount of \$10,000,000 in response to capital calls from the Partnership.

The Partnership acquired the Term F Note, and holds all other securities 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. 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 debt or other equity or equity-linked 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 any part of the Common Stock, the Restated Warrant, the Common Stock issuable upon exercise of the Restated Warrant and/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.

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 which may be acquired by the Partnership upon exercise of the Restated Warrant. Such aggregate number of shares beneficially owned by the Reporting Persons constituted, as of June 21, 2004, approximately 21.4% of the shares of such class (calculated in accordance with Rule 13d-3(d)(1)(i) of the Exchange Act), assuming that 21,285,669 shares of Common Stock were issued and outstanding as of such date as represented by the Issuer to the Purchaser in the Fourth SPA Amendment (as defined below).

In addition, the Reporting Persons may be deemed to be the beneficial owners, solely for purposes of electing or appointing the LLC Representative to the Board under the Second Amended and Restated Investor Rights Agreement as described in Items 4 and 6, 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 LLC 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 LLC 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 LLC 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 LLC 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 effectuated 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:

On June 25, 2004, the Issuer and the Partnership entered into a Fourth Amendment to Third Amended and Restated Securities Purchase Agreement dated as of such date, a copy of which is attached as Exhibit 99.29 hereto (the "Fourth SPA Amendment"), pursuant to which, among other things, the Issuer issued and sold to the Partnership the Term F Note, a copy of which is attached as Exhibit 99.30 hereto, and the parties amended further the Third Amended and Restated Securities Purchase Agreement, as previously amended.

The foregoing description of the Fourth SPA Amendment and the Term F Note are not, and do not purport to be, complete and are qualified in their entirety by reference to copies of the same filed as Exhibits 99.29 and 99.30 hereto, respectively, and are incorporated herein in their entirety by this reference.

Item 7. Material to be Filed as Exhibits.

<u>Exhibit</u>	<u>Description</u>
99.29	Fourth Amendment to Third Amended and Restated Securities Purchase Agreement dated as of June 25, 2004, between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P.
99.30	11.75% Secured Senior Note Due 2006 dated June 25, 2004, issued by Consumer Portfolio Services, Inc. in the original principal amount of \$10,000,000.

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.

June 28, 2004

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

/s/ Arthur E. Levine

By: _____
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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99.30	11.75% Secured Senior Note Due 2006 dated June 25, 2004, issued by Consumer Portfolio Services, Inc. in the original principal amount of \$10,000,000.

FOURTH AMENDMENT TO
THIRD AMENDED AND RESTATED
SECURITIES PURCHASE AGREEMENT

THIS FOURTH AMENDMENT TO THIRD AMENDED AND RESTATED SECURITIES PURCHASE AGREEMENT is dated as of June 25, 2004 (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**").

RECITALS

A. The Company and the Purchaser are parties to that certain Third Amended and Restated Securities Purchase Agreement dated as of January 29, 2004, as amended by a March 25 Amendment to Securities Purchase Agreement dated as of March 25, 2004, a Consent and First Amendment to Third Amended and Restated Securities Purchase Agreement dated as of April 2, 2004, and a Third Amendment to Third Amended and Restated Securities Purchase Agreement dated as of May 28, 2004 (as so amended, the "**Securities Purchase Agreement**"), pursuant to which, among other things, the parties amended and restated the Second Amended and Restated Securities Purchase Agreement, all on the terms and subject to the conditions set forth therein and in the Related Agreements. Unless otherwise indicated, all capitalized terms used and not otherwise defined herein have the 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.

B. The Purchaser has agreed to make an additional \$10,000,000 investment in the Company in the form of debt. Accordingly, the Company has agreed to issue and sell to the Purchaser, and the Purchaser has agreed to purchase from the Company, the Term F Note (as defined below), all on the terms and subject to the conditions set forth herein.

C. In connection with the foregoing, the parties also wish to amend further the Securities Purchase Agreement as provided herein.

AGREEMENT

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 Term F Note.

(a) Authorization. The Company has duly authorized the issuance, sale and delivery of an 11.75% Secured Senior Note Due 2006 in the principal face amount of \$10,000,000, in substantially the form attached as Exhibit A hereto (the "**Term F Note**").

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

(b) Purchase of Term F Note. Subject to the terms and conditions contained herein, and in reliance upon the representations, warranties, covenants and agreements contained herein, on the Fourth Amendment Effective Date (as defined below), the Company shall issue, sell and deliver to the Purchaser, and the Purchaser shall purchase from the Company, the Term F Note. The aggregate purchase price to be paid by the Purchaser for the Term F Note shall be \$10,000,000 (the "**Term F Note Purchase Price**"), payable in accordance with Section 1(c).

(c) Closing. The closing of the issuance, sale and delivery of the Term F 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 Fourth Amendment Effective Date. At the closing, the Company shall deliver to the Purchaser the Term F Note, duly executed by the Company, against delivery by the Purchaser of the Term F Note Purchase Price (net of amounts permitted to be withheld pursuant to Sections 4(a)(vii)) 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 Fourth Amendment Effective Date).

(d) Use of Proceeds. The net proceeds to be received by the Company from the issuance and sale of the Term F Note hereunder shall be used solely for the purpose of purchasing and carrying motor vehicle installment contracts.

2. Amendments to Securities Purchase Agreement. Effective on and as of the Fourth Amendment Effective Date, 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:

“**Fourth Amendment**’ shall mean that certain Fourth Amendment to Third Amended and Restated Securities Purchase Agreement dated as of June 25, 2004, as amended from time to time.”

“**Fourth Amendment Effective Date**’ shall have the meaning set forth in the Fourth Amendment.”

“**Page Funding**’ shall mean Page Funding LLC, a Delaware limited liability company.”

“**Term F Note**’ shall mean an 11.75% Secured Senior Note Due 2006 dated June 25, 2004, in the principal amount of \$10,000,000, in substantially the form attached as Exhibit A to the Fourth 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:

“‘**Notes**’ shall mean, collectively, the Term B Note, the Bridge Note, the Term C Note, the Term D Note, the Term E Note, the Term F Note and any other promissory note or notes purchased or otherwise acquired by the Purchaser from the Company, 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.”

(c) Clause (e) of Section 3.10 (Financial Statements; Disclosure) of the Securities Purchase Agreement shall be amended by deleting such Section in its entirety and replacing it with the following:

“(e) Schedule 3.10(e) sets forth a true, correct and complete copy of a consolidated balance sheet of the Company and its Subsidiaries as of May 31, 2004, as adjusted to give *pro forma* effect to the consummation of the transactions contemplated by the Fourth Amendment as if such transactions had occurred on such date (the “**Pro Forma Closing Balance Sheet**”), together with footnotes describing the *pro forma* adjustments and the assumptions underlying the *Pro Forma* Closing Balance Sheet. The *Pro Forma* Closing Balance Sheet presents fully and fairly in all material respects the *pro forma* consolidated financial position of the Company and its Subsidiaries as of May 31, 2004, and properly gives effect to the application of the *pro forma* adjustments described therein and contemplated herein. All assumptions underlying the *Pro Forma* Closing Balance Sheet were made in good faith and are reasonable under the circumstances.”

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

4. Closing; Conditions Precedent.

(a) Conditions to Purchaser’s Obligations. The obligations of the Purchaser to purchase the Term F 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 “**Fourth Amendment Effective Date**”):

(i) Effective Date. The last of the conditions precedent set forth in this Section 4(a) to be satisfied shall be satisfied not later than 1:00 p.m. (Los Angeles time) on Friday, June 25, 2004.

(ii) Representations and Warranties. The Purchaser shall have received an Officers' Certificate, in form and substance satisfactory to the Purchaser, dated as of the Fourth Amendment Effective Date and duly executed by the President and Chief Executive Officer and the Chief Financial Officer of the Company.

(iii) No Legal Prohibitions. The consummation of the transactions contemplated by this Amendment (including the purchase by the Purchaser of the Term F Note) 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 F Note. The Purchaser shall have received the Term F Note, dated the Fourth Amendment Effective Date, duly executed by the Company and acknowledged and consented to by the Subsidiary Guarantors (together with this Amendment, the "**Amendment Documents**").

(v) Opinions of Counsel. The Purchaser shall have received (A) an opinion letter of Andrews & Kurth LLP, special counsel to the Company, dated the Fourth 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 Fourth Amendment Effective Date and addressed to the Purchaser, in form and substance satisfactory to the Purchaser and its legal counsel.

(vi) 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 and dated as of the Fourth Amendment Effective Date, duly executed by the Secretary of the Company or such Subsidiary Guarantor, as the case may be, certifying as to, among other things, the resolutions of the Board of Directors of the Company or the Board of Directors (or similar governing body) of such Subsidiary Guarantor, as the case may be, approving the execution and delivery of this Amendment and any Related Agreements to which it is a party, the issuance, sale and delivery of the Term F Note and the consummation of the other transactions contemplated by this Amendment.

(vii) 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 F Note Purchase Price).

(viii) No Material Adverse Change. Since December 31, 2003, there shall not have occurred any Material Adverse Change.

(ix) Solvency Certificate. The Purchaser shall have received a Solvency Certificate, in form and substance satisfactory to the Purchaser and dated as of the Fourth Amendment Effective Date, duly executed by the President and Chief Executive Officer and the Chief Financial Officer of the Company.

(x) 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 Fourth Amendment Effective Date.

(xi) Corporate Proceedings. All proceedings taken prior to or at the closing in connection with the issuance, sale and delivery of the Term F 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 F 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 Fourth Amendment Effective Date.

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

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

(a) Authorization; Binding Effect. The Company and each Subsidiary Guarantor has the requisite power and authority to enter into, deliver and perform its obligations under this Amendment and the other Amendment Documents to which it is a

party (or which it has consented to or acknowledged) and to consummate the transactions contemplated hereby and thereby. The Company has the requisite power and authority to issue, sell, deliver and perform its obligations under the Term F Note. The execution, delivery and performance by the Company and the Subsidiary Guarantors of this Amendment and each other Amendment Documents to which it is a party (or which it has consented to or acknowledged), the issuance, sale and delivery of the Term F Note and the consummation of the other transactions contemplated hereby and thereby 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 the Subsidiary Guarantors (or consented to or acknowledged by the Subsidiary Guarantors) and, on the Fourth Amendment Effective Date, the Term F Note and each of the other Amendment Documents to which it is a party will be duly executed and delivered by the Company and the Subsidiary Guarantors (or duly consented to or acknowledged by the Subsidiary Guarantors). This Amendment is, and on the Fourth Amendment Effective Date the Term F Note and the other Amendment Documents will be, the legal, valid and binding obligations of the Company and each Subsidiary Guarantor (to the extent it is a party thereto), enforceable against the Company and each such Subsidiary Guarantor 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 and the Subsidiary Guarantors of this Amendment, the Term F Note and the other Amendment Documents, the issuance, sale and delivery of the Term F Note and the consummation of the other transactions contemplated hereby and thereby 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 Term D Note and the Term E Note remains in full force and effect unamended hereby. The Indebtedness evidenced by the Term B Note, the Term D Note and the Term E Note constitutes Senior Indebtedness and "Senior Indebtedness" (as such term is defined in the RISRS Indenture). Immediately following the closing, the Indebtedness evidenced by the Term F Note will also constitute Senior Indebtedness and "Senior Indebtedness" (as such term is defined in the RISRS Indenture), 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 Term D Note, the Term E Note and the Term F 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 Subsidiary Guarantor or other Affiliates is required to obtain any Consent in connection with execution, delivery or performance of this Amendment, the Term F Note or any other Amendment Document, or the issuance, sale and delivery of the Term F Note, or for the purpose of maintaining in full force and effect any Licenses and Permits of the Company or any such Subsidiary Guarantor, 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 amendments to the Disclosure Schedules attached as Exhibit B hereto, (i) each of the representations and warranties of the Company contained in this Amendment, the Securities Purchase Agreement, as amended by this Amendment, and each of the Related Agreements to which it is a party (including the Collateral Documents) that is qualified by materiality is true and correct in all respects and (ii) each of the representations and warranties of the Company contained in this Amendment, the Securities Purchase Agreement, as amended by this Amendment, and each of the Related Agreements to which it is a party (including the Collateral Documents) that is not qualified by materiality is true and correct in all material respects.

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

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

(h) Stanwich Indebtedness. All principal, interest and other amounts owing under or with respect to the Stanwich Indebtedness was finally and indefeasibly paid in full on or about June 1, 2004, and there is no other Indebtedness or amounts owing to Stanwich or any of its Affiliates by the Company or any of its Subsidiaries.

(i) Financial Projections. Neither the Company nor any of its directors or officers are aware of any fact or other information that would lead it or any of them to reasonably believe that the Financial Projections (as defined in that certain Officers' Certificate Re: Financial Projections dated May 28, 2004, and delivered by the Company to the Purchaser in connection with the closing of the transactions contemplated by the Third Amendment) are incorrect or misleading in any material respect.

(j) Charter Documents; Incumbency. Since May 28, 2004, none of the organizational or governing documents of the Company and its Subsidiaries, including charters, bylaws, certificates of formation, operating agreements and similar documents, have been amended, supplemented or otherwise modified in any respect. The individuals listed as the duly elected and qualified officers of the Company and its Subsidiaries, respectively, in the exhibits to the Secretary's Certificates dated as of May 28, 2004, of the Company and its Subsidiaries, respectively, delivered to the Purchaser in connection with the closing of the transactions contemplated by the Third Amendment, continue to be duly elected and qualified officers of the Company and its Subsidiaries, respectively, and are authorized to execute and deliver this Amendment and the other Amendment Documents.

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

(a) The Purchaser is acquiring the Term F Note for its own account, for investment purposes, and not with a view to or for sale in connection with any distribution thereof in violation of federal or applicable state securities laws. The Purchaser understands that Term F 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 F Note, has the capacity to protect its own interests and is able to bear the economic risk of such investment.

7. Page Funding, LLC. The Company represented and warranted in Section 5(i) of the Third Amendment (and it hereby confirms that such representations and warranties are true and correct on and as of the Fourth Amendment Effective Date as if made on and as of such date) that the Company formed Page Funding as a direct Subsidiary and a Special Purpose Entity for the sole purpose of effectuating the Company's next Warehouse Financing Transaction. The Company advised the Purchaser on or prior to June 21, 2004, that it expects to consummate its next Warehouse Financing Transaction on or before July 20, 2004, rather than June 21, 2004, and the Purchaser agreed to extend the Company's obligations under Section 5(i) of the Third Amendment to such later date. Accordingly, the Company covenants and agrees that if the Company's next Warehouse Financing Transaction is not consummated on or before July 20, 2004, the Company shall, with respect to Page Funding, perform all of its obligations under Section 7.16 of the Securities Purchase Agreement as if Page Funding were not a Special Purpose Entity (including, without limitation, causing Page Funding to become a Subsidiary Guarantor and pledging all of the shares of Capital Stock of Page Funding to secure the Obligations). The Company represents and warrants that neither it nor any of its Subsidiaries has transferred any assets to Page Funding, or permitted Page Funding to conduct any activities, and it covenants and agrees not to transfer any assets to Page Funding, or permit Page Funding to conduct any activities, other than in connection with the terms of the Company's next Warehouse Financing Transaction.

8. 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 Fourth Amendment Effective Date, and the Securities Purchase Agreement shall otherwise remain in full force and effect, as amended thereby, from and after the Fourth 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 Term D Note, the Term E Note and the Term F 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.

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 Event 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.

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: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

PURCHASER

LEVINE LEICHTMAN CAPITAL PARTNERS, INC., a California corporation

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

By: _____

Steven E. Hartman
Vice President

ACKNOWLEDGMENT, CONSENT AND AFFIRMATION
OF SUBSIDIARY GUARANTY

The undersigned Subsidiary Guarantors hereby acknowledge that each has read the foregoing Fourth Amendment to Third Amended and Restated Securities Purchase Agreement and consents to its terms and the transactions contemplated thereby, including the issuance, sale and delivery of the Term F Note to the Purchaser. 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 F Note and all other Notes are guaranteed by it under the Subsidiary Guaranty in accordance with its terms, (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

CPS MARKETING, INC., a California corporation

MFN FINANCIAL CORPORATION, a Delaware corporation

MERCURY FINANCE COMPANY LLC, a Delaware limited liability company

MERCURY FINANCE CORPORATION OF ALABAMA, an Alabama corporation

MERCURY FINANCE COMPANY OF ARIZONA, an Arizona corporation

MERCURY FINANCE COMPANY OF COLORADO, a Delaware corporation

MERCURY FINANCE COMPANY OF DELAWARE, a Delaware corporation

MERCURY FINANCE COMPANY OF FLORIDA, a Delaware corporation

MERCURY FINANCE COMPANY OF GEORGIA, a Delaware corporation

MERCURY FINANCE COMPANY OF ILLINOIS, a Delaware corporation

MERCURY FINANCE COMPANY OF INDIANA, a Delaware corporation

MERCURY FINANCE COMPANY OF KENTUCKY, a Delaware corporation

MERCURY FINANCE COMPANY OF LOUISIANA, a Delaware corporation

MERCURY FINANCE COMPANY OF MICHIGAN, a Delaware corporation

MERCURY FINANCE COMPANY OF MISSISSIPPI, a Delaware corporation

MERCURY FINANCE COMPANY OF MISSOURI, a Missouri corporation

MERCURY FINANCE COMPANY OF NEVADA, a Nevada corporation

MERCURY FINANCE COMPANY OF NEW YORK, a Delaware corporation

MERCURY FINANCE COMPANY OF NORTH CAROLINA, a Delaware corporation

MERCURY FINANCE COMPANY OF OHIO, a Delaware corporation

MFC FINANCE COMPANY OF OKLAHOMA, a Delaware corporation

MERCURY FINANCE COMPANY OF PENNSYLVANIA, a Delaware corporation

MERCURY FINANCE COMPANY OF SOUTH CAROLINA, a Delaware corporation

MERCURY FINANCE COMPANY OF TENNESSEE, a Tennessee corporation

MFC FINANCE COMPANY OF TEXAS, a Delaware corporation

MERCURY FINANCE COMPANY OF VIRGINIA, a Delaware corporation

MERCURY FINANCE COMPANY OF WISCONSIN, a Delaware corporation

GULFCO INVESTMENT, INC., a Louisiana corporation

GULFCO FINANCE COMPANY, a Louisiana corporation

MIDLAND FINANCE CO., an Illinois corporation

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

TFC ENTERPRISES, INC., a Delaware corporation
(the surviving corporation of the TFC Merger)

THE FINANCE COMPANY, a Virginia corporation

FIRST COMMUNITY FINANCE, INC., a Virginia corporation

RECOVERIES, INC., a Virginia corporation

PC ACCEPTANCE.COM, INC., a Virginia corporation

THE INSURANCE AGENCY, INC., a Virginia corporation

71270 CORP., a Delaware corporation

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

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 LAWS 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.

11.75% SECURED SENIOR NOTE DUE 2006

\$10,000,000.00

Irvine, California
June 25, 2004

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 its registered assigns (including LLC, the “**Holder**”), the principal sum of TEN MILLION DOLLARS (\$10,000,000.00) in immediately available funds and in lawful money of the United States of America, all as provided below.

This 11.75% Secured Senior Note Due 2006 (this “**Note**”) is being issued by the Company in connection with the transactions contemplated by that certain Fourth Amendment to Third Amended and Restated Securities Purchase Agreement dated as of June 25, 2004 (the “**Fourth Amendment**”), which amends further that certain Third Amended and Restated Securities Purchase Agreement dated as of January 29, 2004, as amended by a March 25 Amendment to Securities Purchase Agreement dated as of March 25, 2004, a Consent and First Amendment to Third Amended and Restated Securities Purchase Agreement dated as of April 2, 2004, and a Third Amendment to Third Amended and Restated Securities Purchase Agreement dated as of May 28, 2004 (as so amended (including the Fourth Amendment), the “**Securities Purchase Agreement**”), by and between the Company and the Purchaser. This Note is the “Term F Note” referred to in the Securities Purchase Agreement and shall be deemed a “Note” under the Securities Purchase Agreement. The Holder is entitled to the rights, privileges, remedies and benefits under the Securities Purchase Agreement, including the right to accelerate the outstanding principal balance of, premium, if any, accrued and unpaid interest on and all other amounts owing under this Note upon the occurrence and during the continuance of an Event of Default.

The Indebtedness evidenced by this Note, including the principal of, premium, if any, and interest on this Note, shall constitute Senior Indebtedness. Without limiting the generality of the foregoing, payment of all principal of, premium, if any, and interest on this Note shall be senior in right of payment and rights upon liquidation to all existing and future 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 Term D Note and the Term E Note.

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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 unpaid principal balance of this Note until fully paid at a rate per annum equal to eleven and three-quarters percent (11.75%). Interest on this Note shall be payable monthly in arrears on the last Business Day of each calendar month (or portion thereof), commencing on June 30, 2004 (each an “**Interest Payment Date**”). The last Interest Payment Date shall be on the 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) If any Event of Default shall occur and be continuing, then, in addition to the rights and remedies available to the Holder under the Securities Purchase Agreement, this Note, the other Notes, the other Related Agreements and Applicable Laws, the Company shall pay interest in cash on the unpaid principal balance of, premium, if any, and accrued and unpaid interest on this Note at a rate per annum equal to thirteen and three-quarters percent (13.75%) (the “**Default Rate**”) from the date upon which such Event of Default is deemed to have first occurred (as provided 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 the entire outstanding principal balance of this Note, together with all premium, if any, accrued and unpaid interest on, and all other amounts owing under this Note, on June 24, 2006 (the “**Maturity Date**”).

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

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prepayment date, together with all premium, if any, and 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 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 guaranteed 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 LLC, 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 LLC 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

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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.

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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 (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.

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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. EACH OF 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 LEFT INTENTIONALLY BLANK]

(Term F Note)

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

CONSUMER PORTFOLIO SERVICES, INC., a
California corporation

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

(Term F Note)

ACKNOWLEDGEMENT AND CONSENT
OF SUBSIDIARY GUARANTORS

Each of the undersigned Subsidiary Guarantors hereby acknowledges that it has read the foregoing 11.75% Secured Senior Note Due 2006 (the “**Term F Note**”) and consents to its terms. The undersigned further acknowledges and agrees that the Term F Note, as well as the Term B Note, the Term D Note and the Term E Note, each constitutes a Guaranteed Obligation and reaffirms its obligations under the Subsidiary Guaranty and the other Related Agreements to which it is a party, all of which shall remain in full force and effect.

SUBSIDIARY GUARANTORS

CPS LEASING, INC., a Delaware corporation

CPS MARKETING, INC., a California corporation

MFN FINANCIAL CORPORATION, a Delaware corporation

MERCURY FINANCE COMPANY LLC, a Delaware limited liability company

MERCURY FINANCE CORPORATION OF ALABAMA, an Alabama corporation

MERCURY FINANCE COMPANY OF ARIZONA, an Arizona corporation

MERCURY FINANCE COMPANY OF COLORADO, a Delaware corporation

MERCURY FINANCE COMPANY OF DELAWARE, a Delaware corporation

MERCURY FINANCE COMPANY OF FLORIDA, a Delaware corporation

MERCURY FINANCE COMPANY OF GEORGIA, a Delaware corporation

MERCURY FINANCE COMPANY OF ILLINOIS, a Delaware corporation

MERCURY FINANCE COMPANY OF INDIANA, a Delaware corporation

MERCURY FINANCE COMPANY OF KENTUCKY, a Delaware corporation

MERCURY FINANCE COMPANY OF LOUISIANA, a Delaware corporation

MERCURY FINANCE COMPANY OF MICHIGAN, a Delaware corporation

(Term F Note)

MERCURY FINANCE COMPANY OF MISSISSIPPI, a Delaware corporation

MERCURY FINANCE COMPANY OF MISSOURI, a Missouri corporation

MERCURY FINANCE COMPANY OF NEVADA, a Nevada corporation

MERCURY FINANCE COMPANY OF NEW YORK, a Delaware corporation

MERCURY FINANCE COMPANY OF NORTH CAROLINA, a Delaware corporation

MERCURY FINANCE COMPANY OF OHIO, a Delaware corporation

MFC FINANCE COMPANY OF OKLAHOMA, a Delaware corporation

MERCURY FINANCE COMPANY OF PENNSYLVANIA, a Delaware corporation

MERCURY FINANCE COMPANY OF SOUTH CAROLINA, a Delaware corporation

MERCURY FINANCE COMPANY OF TENNESSEE, a Tennessee corporation

MFC FINANCE COMPANY OF TEXAS, a Delaware corporation

MERCURY FINANCE COMPANY OF VIRGINIA, a Delaware corporation

MERCURY FINANCE COMPANY OF WISCONSIN, a Delaware corporation

GULFCO INVESTMENT, INC., a Louisiana corporation

GULFCO FINANCE COMPANY, a Louisiana corporation

MIDLAND FINANCE CO., an Illinois corporation

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

TFC ENTERPRISES, INC., a Delaware corporation (the surviving corporation of the TFC Merger)

THE FINANCE COMPANY, a Virginia corporation

FIRST COMMUNITY FINANCE, INC., a Virginia corporation

RECOVERIES, INC., a Virginia corporation

(Term F Note)

PC ACCEPTANCE.COM, INC., a Virginia corporation
THE INSURANCE AGENCY, INC., a Virginia corporation
71270 CORP., a Delaware corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

(Term F Note)
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