

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

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 6)***

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)

January 15, 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

Number of
Shares
Beneficially
Owned by
Each Reporting
Person With

8. Shared Voting Power: 4,553,500 Shares (See Item 5)

9. Sole Dispositive Power: — 0 — Shares

10. Shared Dispositive Power: 4,553,500 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

4,553,500 Shares (See Item 5)

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

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

22.5% (See Item 5)

14. Type of Reporting Person

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: — 0 — Shares

Number of
Shares
Beneficially
Owned by
Each Reporting
Person With

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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22.5% (See Item 5)

14. Type of Reporting Person

PN

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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

Number of
Shares
Beneficially
Owned by
Each Reporting
Person With

8. Shared Voting Power: 4,553,500 Shares (See Item 5)

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

22.5% (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)

(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

Number of
Shares
Beneficially
Owned by
Each Reporting
Person With

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

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

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

22.5% (See Item 5)

14. Type of Reporting Person

IN

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

Lauren B. Leichtman

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

(a)

(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

Number of
Shares
Beneficially
Owned by
Each Reporting
Person With

8. Shared Voting Power: 4,553,500 Shares (See Item 5)

9. Sole Dispositive Power: — 0 — Shares

10. Shared Dispositive Power: 4,553,500 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

4,553,500 Shares (See Item 5)

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

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

22.5% (See Item 5)

14. Type of Reporting Person

IN

SCHEDULE 13D

Pursuant to Rule 13d-2(a) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Levine Leichtman Capital Partners II, L.P., a California limited partnership (the "Partnership"), LLCP California Equity Partners II, L.P., a California limited partnership (the "General Partner"), Levine Leichtman Capital Partners, Inc., a California corporation ("Capital Corp."), Arthur E. Levine ("Mr. Levine") and Lauren B. Leichtman ("Ms. Leichtman") and, together with the Partnership, the General Partner, Capital Corp. and Mr. Levine, the "Reporting Persons", hereby file this Amendment No. 6 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"), and Amendment No. 5 to Schedule 13D filed with the Commission on June 3, 2003 ("Amendment No. 5"). The Original Schedule 13D, as amended by Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4 and Amendment No. 5, 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 January 15, 2004, the Partnership agreed, as an accommodation to the Issuer, to extend the maturity dates of the Term B Note and the Term D Note, respectively, as more fully described in Item 6 below.

Item 5. Interest in Securities of the Issuer.

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

- (a) Each Reporting Person is deemed to be the beneficial owner (within the meaning of Rule 13d-3(a) of the Exchange Act) of an aggregate of 4,553,500 shares of Common Stock, including 1,000 shares of which may be acquired by the Partnership upon exercise of the Restated Warrant. Such aggregate number of shares beneficially

owned by the Reporting Persons constituted, as of November 10, 2003, approximately 22.5% of the shares of such class (calculated in accordance with Rule 13d-3(d)(1)(i) of the Exchange Act and assuming that 20,263,494 shares of Common Stock were outstanding as of such date as reported by the Issuer in its Form 10-Q for the Quarterly Period Ended September 30, 2003, filed with the Commission on November 14, 2003).

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 above and 6 below, of the shares of Common Stock beneficially owned by the Bradleys. The Reporting Persons have no pecuniary interest in the shares of Common Stock beneficially owned by the Bradleys and disclaim beneficial ownership of such shares.

- (b) The Partnership may be deemed to have (i) sole and dispositive voting power with respect to no shares of Common Stock and (ii) shared voting and dispositive power with all other Reporting Persons with respect to 4,553,500 shares of Common Stock. In addition, pursuant to the Second Amended and Restated Investor Rights Agreement, solely for purposes of electing or appointing the 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:

Pursuant to that certain Amendment to Second Amended and Restated Secured Senior Note Due November 30, 2003, effective as of October 13, 2003, a copy of which is attached as Exhibit 99.12 hereto (the “**October 2003 Term B Note Agreement**”), the Issuer and the Partnership extended the maturity date of the Term B Note from November 30, 2003 to January 30, 2004.

Pursuant to that certain Second Amendment to Second Amended and Restated Secured Senior Note Due November 30, 2003 (Term B Note) dated as of January 15, 2004, a copy of which is attached as Exhibit 99.13 hereto (the “**January 2004 Term B Note Amendment**”), the Issuer and the Partnership extended further the maturity date of the Term B Note from January 30, 2004 to February 26, 2004.

Pursuant to an Amendment to Secured Senior Note (Term D Note) dated as of January 15, 2004, a copy of which is attached as Exhibit 99.14 hereto (together with the January 2004 Term B Note Amendment, the “**January 2004 Note Amendments**”), the Issuer and the Partnership extended the maturity date of the Term D Note from January 15, 2004 to January 29, 2004.

In connection with the execution and delivery of the January 2004 Note Amendments, the Issuer and the Partnership entered into a Fourth Amendment to Securities Purchase Agreement dated as of January 15, 2004, a copy of which is attached as Exhibit 99.15 hereto, adding and amending certain definitions in the Securities Purchase Agreement. In addition, under the Fourth Amendment to Securities Purchase Agreement, the Issuer made a voluntary prepayment of principal of the Term D Note in the amount of \$10,000,000, together with accrued and unpaid interest thereon.

The foregoing descriptions of the October 2003 Term B Note Agreement, the January 2004 Note Amendments and the Fourth Amendment to Securities Purchase Agreement 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 99.12, 99.13, 99.14 and 99.15 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>
99.12	Amendment to Second Amended and Restated Secured Senior Note Due November 30, 2003, effective as of October 13, 2003, between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P.
99.13	Second Amendment to Second Amended and Restated Secured Senior Note Due November 30, 2003 (Term B Note) dated as of January 15, 2004, between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P.
99.14	Amendment to Secured Senior Note (Term D Note) dated as of January 15, 2004, between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P.
99.15	Fourth Amendment to Securities Purchase Agreement dated as of January 15, 2004, 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 this statement is true, complete and correct.

January 15, 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

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>
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99.13	Second Amendment to Second Amended and Restated Secured Senior Note Due November 30, 2003 (Term B Note) dated as of January 15, 2004, between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P.
99.14	Amendment to Secured Senior Note (Term D Note) dated as of January 15, 2004, between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P.
99.15	Fourth Amendment to Securities Purchase Agreement dated as of January 15, 2004, between Consumer Portfolio Services, Inc. and Levine Leichtman Capital Partners II, L.P.

AMENDMENT TO
SECOND AMENDED AND RESTATED
SECURED SENIOR NOTE DUE NOVEMBER 30, 2003

THIS AMENDMENT TO SECOND AMENDED AND RESTATED SECURED SENIOR NOTE DUE NOVEMBER 30, 2003, effective as of October 13, 2003 (this "**Amendment**"), is 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**") and, together with any registered assigns, the "**Holder**").

R E C I T A L S

A. The Company and the Purchaser are parties to that certain Second Amended and Restated Securities Purchase Agreement dated as of March 8, 2002, as amended by a First Amendment to Second Amended and Restated Securities Purchase Agreement dated as of August 14, 2002, a Second Amendment to Securities Purchase Agreement dated as of January 31, 2003 and a Consent and Third Amendment to Securities Purchase Agreement dated as of May 20, 2003 (as so amended, the "**Securities Purchase Agreement**").

B. The Purchaser is the holder of that certain Second Amended and Restated Secured Senior Subordinated Note Due November 30, 2003, issued by the Company to the Purchaser on or about March 8, 2002, in the original principal amount of \$26,000,000 (the "**Term B Note**"). Unless otherwise indicated, capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Securities Purchase Agreement or the Term B Note, as the case may be.

C. The Company has requested that the Purchaser extend the Maturity Date of the Term B Note from November 30, 2003 to January 30, 2004, and the Purchaser is willing to do so as an accommodation to the Company. Accordingly, the Company and the Purchaser wish to amend Section 3 of the Term B Note as provided for herein.

A G R E E M E N T

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

1. Amendment of Section 3 (Payment of Principal; Maturity Date). Section 3 of the Term B Note is hereby amended to read in its entirety as follows:

"3. Payment of Principal; 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 January 30, 2004 (the "**Maturity Date**")."

[Amendment to Term B Note]

2. **Company Representations and Warranties.** To induce the Purchaser to enter into this Amendment and extend the Maturity Date of the Term B Note, the Company represents and warrants to the Purchaser that:

(a) This Amendment has been duly authorized, executed and delivered by the Company and the Subsidiary Guarantors and constitutes a legal, valid and binding obligation of the Company and each such Subsidiary Guarantor, enforceable against each of them in accordance with its terms;

(b) The outstanding principal balance of each Note as of October 8, 2003, is as follows:

<u>Note</u>	<u>Outstanding Principal Balance</u>
Term B Note	\$ 19,828,527.00
Term C Note	5,346,654.20
Term D Note	25,000,000.00

(c) The execution, delivery and performance by the Company and the Subsidiary Guarantors of this Amendment and the consummation of the other transactions contemplated hereby do not and will not violate or conflict with, or cause a default under, or give rise to a right of termination under, (i) the charter or bylaws of the Company or any of its Subsidiaries, as in effect on the date hereof; (ii) any 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 it or any of its or their properties or assets are bound or (iii) any Applicable Laws;

(d) Neither the Company nor any of its Subsidiaries or other Affiliates is required to obtain any Consent in connection with execution, delivery or performance of this Amendment or the consummation of the transactions contemplated hereby, or for the purpose of maintaining in full force and effect any Licenses and Permits of the Company or any of its Subsidiaries, from (a) any Governmental Authority, (b) any trustee, Credit Enhancer, rating agency or other party to any Securitization Transaction in connection with the execution and delivery of this Amendment or any Related Agreement or (c) any other Person;

(e) No Default or Event of Default has occurred and is continuing or will result from the execution, delivery or performance of this Amendment or the consummation of the transactions contemplated hereby; and

(f) The security interests and liens granted by the Company under the Collateral Documents continue to constitute legal, valid, enforceable and perfected first priority security interests in the Collateral, prior in right to all other Liens, which secure the due and punctual payment, performance and observance in full of all Obligations, including, without limitation, all Indebtedness and other Obligations under the Term B Note, as amended hereby, the Term C Note and the Term D Note.

3. Confirmation; Full Force and Effect. The amendment set forth in Section 1 above shall amend the Term B Note on and as of the date hereof, and the Term B Note shall remain in full force and effect, as amended thereby, from and after the date hereof in accordance with its terms. The Company hereby ratifies, approves and affirms in all respects each of the Securities Purchase Agreement, the Term B Note, as amended hereby, the Term C Note, the Term D Note, the Collateral Documents (including the Liens granted in favor of the Purchaser under the Collateral Documents) and each of the other Related Agreements, the terms and other provisions hereof and thereof and the Obligations hereunder and thereunder. The execution, delivery and performance of this Amendment shall not operate as a waiver of, or limitation with respect to, any right, power or remedy of the Purchaser under the Securities Purchase Agreement, the Term B Note, as amended hereby, any other Note, any Collateral Documents, any other Related Agreement or any Applicable Laws.

4. 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 Company, the Purchaser and their respective successors and permitted assigns.

5. Governing Law. This Amendment shall be governed by, and construed and enforced in accordance with, the laws of the State of California applicable to contracts made and performed in such State, without regard to principles regarding choice of law or conflicts of laws.

6. Counterparts. This Amendment may be executed in one or more counterparts and by facsimile transmission, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

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

COMPANY

CONSUMER PORTFOLIO SERVICES, INC.,
a California corporation

By: _____

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

By: _____

Robert E. Riedl
Chief Financial Officer

AGREED TO AND ACCEPTED:

LEVINE LEICHTMAN CAPITAL PARTNERS, INC.

On behalf of LEVINE LEICHTMAN CAPITAL
PARTNERS II, L.P.

By: _____

Steven E. Hartman
Vice President

ACKNOWLEDGMENT AND CONSENT
OF SUBSIDIARY GUARANTORS

Each of the undersigned Subsidiary Guarantors hereby acknowledges that it has read the foregoing Amendment to Second Amended and Restated Secured Senior Note Due November 30, 2003 and consents to its terms. The undersigned further acknowledges and agrees that the Term B Note, as amended by the foregoing Amendment, the Term C Note and the Term D 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 remains in full force and effect.

SUBSIDIARY GUARANTORS

CPS LEASING, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

CPS MARKETING, INC.,
a California corporation

By: _____
Name: _____
Title: _____

MFN FINANCIAL CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

MERCURY FINANCE CORPORATION OF ALABAMA,
an Alabama corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF ARIZONA,
an Arizona corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF COLORADO,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF DELAWARE,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF FLORIDA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF GEORGIA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF ILLINOIS,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF INDIANA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF KENTUCKY,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF LOUISIANA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF MICHIGAN,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF MISSISSIPPI,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF MISSOURI,
a Missouri corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF NEVADA,
a Nevada corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF NEW YORK,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF NORTH CAROLINA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF OHIO,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF OKLAHOMA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF PENNSYLVANIA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF SOUTH CAROLINA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF TENNESSEE,
a Tennessee corporation

By: _____

Name: _____

Title: _____

MFC FINANCE COMPANY OF TEXAS,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF VIRGINIA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF WISCONSIN,
a Delaware corporation

By: _____

Name: _____

Title: _____

GULFCO INVESTMENT INC.,
a Louisiana corporation

By: _____

Name: _____

Title: _____

GULFCO FINANCE COMPANY,
a Louisiana corporation

By: _____

Name: _____

Title: _____

MIDLAND FINANCE CO.,
an Illinois corporation

By: _____

Name: _____

Title: _____

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

By: _____

Name: _____

Title: _____

TFC ENTERPRISES, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

THE FINANCE COMPANY,
a Virginia corporation

By: _____

Name: _____

Title: _____

FIRST COMMUNITY FINANCE, INC.,
a Virginia corporation

By: _____

Name: _____

Title: _____

RECOVERIES, INC.,
a Virginia corporation

By: _____

Name: _____

Title: _____

PC ACCEPTANCE.COM, INC.,
a Virginia corporation

By: _____

Name: _____

Title: _____

THE INSURANCE AGENCY, INC.,
a Virginia corporation

By: _____

Name: _____

Title: _____

SECOND AMENDMENT TO
SECOND AMENDED AND RESTATED
SECURED SENIOR NOTE DUE NOVEMBER 30, 2003
(Term B Note)

THIS SECOND AMENDMENT TO SECOND AMENDED AND RESTATED SECURED SENIOR NOTE DUE NOVEMBER 30, 2003, dated as of January 15, 2004 (this "**Amendment**"), is 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**" and, together with any registered assigns, the "**Holder**").

R E C I T A L S

A. The Company and the Purchaser are parties to that certain Second Amended and Restated Securities Purchase Agreement dated as of March 8, 2002, as amended by a First Amendment to Second Amended and Restated Securities Purchase Agreement dated as of August 14, 2002, a Second Amendment to Securities Purchase Agreement dated as of January 31, 2003, a Consent and Third Amendment to Securities Purchase Agreement dated as of May 20, 2003 and a Fourth Amendment to Securities Purchase Agreement dated as of January 15, 2004 (as so amended, the "**Securities Purchase Agreement**").

B. The Purchaser is the holder of the Term B Note. The Term B Note was previously amended by an Amendment to Second Amended and Restated Secured Senior Note Due November 30, 2003 effective as of October 13, 2003. Unless otherwise indicated, capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Securities Purchase Agreement or the Term B Note, as the case may be.

C. The Company has requested that the Purchaser extend the Maturity Date from January 30, 2004 to February 26, 2004, and the Purchaser is willing to do so as an accommodation to the Company, effective on and as of the Fourth Amendment Effective Date. Accordingly, the Company and the Purchaser wish to amend Section 3 of the Term B Note as provided for herein.

A G R E E M E N T

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

1. Amendment of Section 3 (Payment of Principal; Maturity Date). Effective on and as of the Fourth Amendment Effective Date, Section 3 of the Term B Note is amended to read in its entirety as follows:

"3. Payment of Principal; Maturity Date. The Company shall pay in full the entire outstanding principal balance of this Note, together

[Second Amendment to Term B Note]

with all premium, if any, accrued and unpaid interest on, and all other amounts owing under this Note, on February 26, 2004 (the “**Maturity Date**”).”

2. Confirmation: Full Force and Effect. The amendment set forth in Section 1 above shall amend the Term B Note on and as of the Fourth Amendment Effective Date, and the Term B Note shall remain in full force and effect, as amended hereby, 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, the Term B Note, as amended hereby, the Term C Note, the Term D Note, as amended currently herewith, the Collateral Documents (including the Liens granted in favor of the Purchaser under the Collateral Documents) and the other Related Agreements, the terms and other provisions hereof and thereof and the Obligations hereunder and thereunder. The execution, delivery and performance of this Amendment shall not operate as a waiver of, or limitation with respect to, any right, power or remedy of the Purchaser under or related to the Securities Purchase Agreement, the Term B Note, as amended hereby, the Term C Note, the Term D Note, as amended currently herewith, any Collateral Documents, any other Related Agreement or any Applicable Laws.

3. Successors and Assigns. This Amendment shall inure to the benefit of, and be binding upon, the Company, the Purchaser and their respective successors and permitted assigns.

4. Governing Law. This Amendment shall be governed by, and construed and enforced in accordance with, the laws of the State of California applicable to contracts made and performed in such State, without regard to principles regarding choice of law or conflicts of laws.

5. Counterparts. This Amendment may be executed in one or more counterparts and by facsimile transmission, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

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

COMPANY

CONSUMER PORTFOLIO SERVICES, INC.,
a California corporation

By: _____

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

By: _____

Robert E. Riedl
Chief Financial Officer

AGREED TO AND ACCEPTED:

LEVINE LEICHTMAN CAPITAL PARTNERS, INC.

On behalf of LEVINE LEICHTMAN
CAPITAL PARTNERS II, L.P.

By: _____

Steven E. Hartman
Vice President

ACKNOWLEDGMENT AND CONSENT
OF SUBSIDIARY GUARANTORS

Each of the undersigned Subsidiary Guarantors hereby acknowledges that it has read the foregoing Second Amendment to Second Amended and Restated Secured Senior Note Due November 30, 2003, and consents to its terms. The undersigned further acknowledges and agrees that the Term B Note, as amended by the foregoing Second Amendment, the Term C Note and the Term D Note, as amended currently herewith, 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

By: _____
Name: _____
Title: _____

CPS MARKETING, INC., a California corporation

By: _____
Name: _____
Title: _____

MFN FINANCIAL CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY LLC,
a Delaware limited
liability company

By: _____
Name: _____
Title: _____

MERCURY FINANCE CORPORATION OF ALABAMA,
an Alabama corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF ARIZONA,
an Arizona corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF COLORADO,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF DELAWARE,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF FLORIDA,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF GEORGIA,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF ILLINOIS,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF INDIANA,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF KENTUCKY,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF LOUISIANA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF MICHIGAN,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF MISSISSIPPI,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF MISSOURI,
a Missouri corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF NEVADA,
a Nevada corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF NEW YORK,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF NORTH CAROLINA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF OHIO,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF OKLAHOMA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF PENNSYLVANIA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF SOUTH CAROLINA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF TENNESSEE,
a Tennessee corporation

By: _____

Name: _____

Title: _____

MFC FINANCE COMPANY OF TEXAS,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF VIRGINIA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF WISCONSIN,
a Delaware corporation

By: _____

Name: _____

Title: _____

GULFCO INVESTMENT INC.,
a Louisiana corporation

By: _____
Name: _____
Title: _____

GULFCO FINANCE COMPANY,
a Louisiana corporation

By: _____
Name: _____
Title: _____

MIDLAND FINANCE CO.,
an Illinois corporation

By: _____
Name: _____
Title: _____

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

By: _____
Name: _____
Title: _____

TFC ENTERPRISES, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

THE FINANCE COMPANY,
a Virginia corporation

By: _____

Name: _____

Title: _____

FIRST COMMUNITY FINANCE, INC.,
a Virginia corporation

By: _____

Name: _____

Title: _____

RECOVERIES, INC.,
a Virginia corporation

By: _____

Name: _____

Title: _____

PC ACCEPTANCE.COM, INC.,
a Virginia corporation

By: _____

Name: _____

Title: _____

THE INSURANCE AGENCY, INC.,
a Virginia corporation

By: _____

Name: _____

Title: _____

AMENDMENT TO
SECURED SENIOR NOTE
(Term D Note)

THIS AMENDMENT TO SECURED SENIOR NOTE, dated as of January 15, 2004 (this "**Amendment**"), is 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**" and, together with any registered assigns, the "**Holder**").

R E C I T A L S

A. The Company and the Purchaser are parties to that certain Second Amended and Restated Securities Purchase Agreement dated as of March 8, 2002, as amended by a First Amendment to Second Amended and Restated Securities Purchase Agreement dated as of August 14, 2002, a Second Amendment to Securities Purchase Agreement dated as of January 31, 2003, a Consent and Third Amendment to Securities Purchase Agreement dated as of May 20, 2003 and a Fourth Amendment to Securities Purchase Agreement dated as of January 15, 2004 (the "**Fourth Amendment**") (as so amended, the "**Securities Purchase Agreement**").

B. The Purchaser is the holder of the Term D Note. Unless otherwise indicated, capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Securities Purchase Agreement or the Term D Note, as the case may be.

C. The Company has requested that the Purchaser extend the Maturity Date from January 15, 2004 to January 29, 2004, and the Purchaser is willing to do so as an accommodation to the Company, effective on and as of the Fourth Amendment Effective Date. Accordingly, the Company and the Purchaser wish to amend Section 3 of the Term D Note as provided for herein.

D. In addition, pursuant to Section 2(c) of the Fourth Amendment, the Company is voluntarily prepaying a portion of the outstanding principal balance of the Term D Note, together with accrued and unpaid interest thereon.

A G R E E M E N T

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

1. Amendment of Section 3 (Maturity Date). Effective on and as of the Fourth Amendment Effective Date, Section 3 of the Term D Note is amended to read in its entirety as follows:

“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 January 29, 2004 (the “**Maturity Date**”).”

2. Confirmation; Full Force and Effect. The amendment set forth in Section 1 above shall amend the Term D Note on and as of the Fourth Amendment Effective Date, and the Term D Note shall remain in full force and effect, as amended hereby, 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, the Term D Note, as amended hereby, the Term B Note, as amended currently herewith, the Term C Note, the Collateral Documents (including the Liens granted in favor of the Purchaser under the Collateral Documents) and the other Related Agreements, the terms and other provisions hereof and thereof and the Obligations hereunder and thereunder. The execution, delivery and performance of this Amendment shall not operate as a waiver of, or limitation with respect to, any right, power or remedy of the Purchaser under or related to the Securities Purchase Agreement, the Term D Note, as amended hereby, the Term B Note, as amended currently herewith, the Term C Note, any Collateral Documents, any other Related Agreement or any Applicable Laws.

3. Successors and Assigns. This Amendment shall inure to the benefit of, and be binding upon, the Company, the Purchaser and their respective successors and permitted assigns.

4. Governing Law. This Amendment shall be governed by, and construed and enforced in accordance with, the laws of the State of California applicable to contracts made and performed in such State, without regard to principles regarding choice of law or conflicts of laws.

5. Counterparts. This Amendment may be executed in one or more counterparts and by facsimile transmission, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

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

COMPANY

CONSUMER PORTFOLIO SERVICES, INC.,
a California corporation

By: _____

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

By: _____

Robert E. Riedl
Chief Financial Officer

AGREED TO AND ACCEPTED:

LEVINE LEICHTMAN CAPITAL PARTNERS, INC.

On behalf of LEVINE LEICHTMAN CAPITAL
PARTNERS II, L.P.

By: _____

Steven E. Hartman
Vice President

ACKNOWLEDGMENT AND CONSENT
OF SUBSIDIARY GUARANTORS

Each of the undersigned Subsidiary Guarantors hereby acknowledges that it has read the foregoing Amendment to Secured Senior Note and consents to its terms. The undersigned further acknowledges and agrees that the Term D Note, as amended by the foregoing Amendment, the Term B Note, as amended currently herewith, and the Term C 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

By: _____
Name: _____
Title: _____

CPS MARKETING, INC., a California corporation

By: _____
Name: _____
Title: _____

MFN FINANCIAL CORPORATION, a
Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

MERCURY FINANCE CORPORATION OF ALABAMA, an
Alabama corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF ARIZONA, an Arizona
corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF COLORADO, a
Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF DELAWARE, a
Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF FLORIDA, a Delaware corporation

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MERCURY FINANCE COMPANY OF GEORGIA, a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF ILLINOIS, a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF INDIANA, a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF KENTUCKY, a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF LOUISIANA, a
Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF MICHIGAN, a
Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF MISSISSIPPI, a
Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF MISSOURI, a Missouri
corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF NEVADA, a Nevada
corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF NEW YORK, a
Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF NORTH CAROLINA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF OHIO, a Delaware
corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF OKLAHOMA, a
Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF PENNSYLVANIA, a
Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF SOUTH CAROLINA,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF TENNESSEE, a
Tennessee corporation

By: _____

Name: _____

Title: _____

MFC FINANCE COMPANY OF TEXAS,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF VIRGINIA, a Delaware
corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY OF WISCONSIN, a
Delaware corporation

By: _____

Name: _____

Title: _____

GULFCO INVESTMENT INC., a Louisiana corporation

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GULFCO FINANCE COMPANY, a Louisiana corporation

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MIDLAND FINANCE CO., an Illinois corporation

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RECOVERIES, INC., a Virginia corporation

By: _____

Name: _____

Title: _____

PC ACCEPTANCE.COM, INC., a Virginia corporation

By: _____

Name: _____

Title: _____

THE INSURANCE AGENCY, INC., a Virginia corporation

By: _____

Name: _____

Title: _____

FOURTH AMENDMENT TO
SECURITIES PURCHASE AGREEMENT

THIS FOURTH AMENDMENT TO SECURITIES PURCHASE AGREEMENT is entered into as of January 15, 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**").

R E C I T A L S

A. The Company and the Purchaser are parties to that certain Second Amended and Restated Securities Purchase Agreement dated as of March 8, 2002, as amended by a First Amendment to Securities Purchase Agreement dated as of August 14, 2002, a Second Amendment to Securities Purchase Agreement dated as of January 31, 2003, and a Consent and Third Amendment to Securities Purchase Agreement dated as of May 20, 2003 (as so amended, the "**Securities Purchase Agreement**"). Unless otherwise indicated, all capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Securities Purchase Agreement.

B. The Company has requested that the Purchaser agree to amend the maturity dates of the Term B Note and the Term D Note, respectively, as provided in the Note Amendments (as defined herein), and the Purchaser is willing to do so as an accommodation to the Company, on the terms and subject to the conditions set forth herein and therein. In connection therewith, the Company and the Purchaser wish to amend further the Securities Purchase Agreement as provided for herein.

A G R E E M E N T

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

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

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

“**Fourth Amendment**” shall mean that certain Fourth Amendment to Securities Purchase Agreement dated as of January 15, 2004, between the Company and the Purchaser, as amended from time to time.”

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

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

“**Term B Note**’ shall mean a Second Amended and Restated Secured Senior Note Due November 30, 2003, as amended and restated as of March 8, 2002, issued by the Company in the stated principal amount of \$26,000,000 (which amends and restates that certain Amended and Restated Secured Senior Note Due 2003 dated as of March 15, 2000 (the “**First Amended Term B Note**”), issued by the Company in the original principal amount of \$30,000,000), as amended by an Amendment to Second Amended and Restated Secured Senior Note Due November 30, 2003 effective as of October 13, 2003, and as further amended by a Second Amendment to Second Amended and Restated Secured Senior Note Due November 30, 2003 effective as of January 15, 2004, as further amended from time to time. (The Term B Note evidences the aggregate Indebtedness and all other obligations owing under the Amended November 1998 Primary Note and the April 1999 Note.)”

“**Term D Note**’ shall mean a Secured Senior Note issued by the Company on February 3, 2003, in the stated principal amount of \$25,000,000, as amended by an Amendment to Secured Senior Note dated as of January 15, 2004, as further amended from time to time.”

2. Conditions Precedent. The effectiveness of the amendments to the Securities Purchase Agreement as provided in Section 1 above 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**”):

(a) Effective Date. The Fourth Amendment Effective Date shall have occurred on or prior to January 15, 2004.

(b) Amendments to Notes. The Purchaser shall have received the following documents, each dated as of the Fourth Amendment Effective Date (collectively, the “**Note Amendments**”):

(i) A Second Amendment to Second Amended and Restated Secured Senior Subordinated Note Due November 30, 2003 (Term B Note), in form and substance satisfactory to the Purchaser, duly executed by the Company and each of the Subsidiary Guarantors; and

(ii) An Amendment to Secured Senior Note (Term D Note), in form and substance satisfactory to the Purchaser, duly executed by the Company and each of the Subsidiary Guarantors.

(c) Payment of Principal of Term D Note. The Purchaser shall have received from the Company a voluntary prepayment of principal of the Term D Note under Section 4(a) of the Term D Note in the amount of \$10,000,000, together with accrued and unpaid interest thereon through and including January 15, 2004 of \$50,000. Such prepayment shall be made in accordance with the provisions of Section 8 of the Term D Note. In connection with, and effective upon receipt of, such prepayment of principal together with accrued and unpaid interest thereon, the Purchaser waives the notice requirements provided for in Section 4(b) of the Term D Note.

(d) 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 through and including the Fourth Amendment Effective Date that remain unreimbursed in the amount of \$13,757.58, including, without limitation, fees, costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Amendment and the Note Amendments and the transactions contemplated hereby and thereby.

(e) Corporate Proceedings. All proceedings taken prior to or in connection with the execution, delivery and performance of this Amendment and the Note Amendments and the consummation of the other transactions contemplated hereby and thereby 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.

3. Company Representations and Warranties. To induce the Purchaser to enter into this Amendment and extend the maturity dates of the Term B Note and the Term D Notes, respectively, the Company represents and warrants to the Purchaser as of the date hereof and as of the Fourth Amendment Effective Date that:

(a) Each of this Amendment and the Note Amendments has been duly authorized, executed and delivered by the Company and the Subsidiary Guarantors and constitutes a legal, valid and binding obligation of the Company and each such Subsidiary Guarantor, enforceable against each of them in accordance with its terms;

(b) As of January 14, 2004:

- (i) The outstanding principal balance of the Term B Note is \$19,828,527.00;
- (ii) The outstanding principal balance of the Term C Note is \$5,136,884.21; and
- (iii) The outstanding principal balance of the Term D Note is \$25,000,000.

(c) The execution, delivery and performance by the Company and the Subsidiary Guarantors of this Amendment and each of the Note Amendments and the consummation of the other transactions contemplated hereby and thereby do not and will not violate or conflict with, or cause a default under, or give rise to a right of termination under, (i) the charter or bylaws of the Company or any of its Subsidiaries, as in effect on the date hereof; (ii) any 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 it or any of its or their properties or assets are bound or (iii) any Applicable Laws;

(d) Neither the Company nor any of its Subsidiaries or other Affiliates is required to obtain any Consent in connection with execution, delivery or performance of this Amendment or the Note Amendments or the consummation of the transactions contemplated hereby and thereby, or for the purpose of maintaining in full force and effect any Licenses and Permits of the Company or any of its Subsidiaries, from (a) any Governmental Authority, (b) any trustee, Credit Enhancer, rating agency or other party to any Securitization Transaction in connection with the execution and delivery of this Amendment or any Related Agreement or (c) any other Person;

(e) No Default or Event of Default has occurred and is continuing or will result from the execution, delivery or performance of this Amendment, the Note Amendments or the consummation of the transactions contemplated hereby or thereby; and

(f) The security interests and liens granted by the Company under the Collateral Documents continue to constitute legal, valid, enforceable and perfected first priority security interests in the Collateral, prior in right to all other Liens, which secure the due and punctual payment, performance and observance in full of all Obligations, including, without limitation, all Indebtedness and other Obligations under the Term B Note and the Term D Note, as amended by the Note Amendments, respectively, and the Term C Note.

4. Confirmation; Full Force and Effect. The amendments set forth in Section 1 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 hereby, 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 Term B Note and the Term D Note, as amended by the Note Amendments, respectively, the Term C 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.

5. 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 described in Section 1 and in the Note Amendments, shall not constitute or be deemed to constitute an amendment or other modification of, or a supplement to, the Securities Purchase Agreement, the Notes,

the Collateral Documents or any other Related Agreement. In addition, nothing contained in this Amendment is intended to limit or impair any right, power or remedy of the Purchaser under the Securities Purchase Agreement or any Related Agreement or shall be construed as a waiver of any breach, violation, Default or Events of Default, whether past, present or future, under the Securities Purchase Agreement or any Related Agreement, or a forbearance by the Purchaser of any of its rights, remedies or powers against the Company or the Collateral. The Purchaser hereby expressly reserves all of its rights, powers and remedies under or in connection with the Securities Purchase Agreement, the Notes, the Collateral Documents and other Related Agreements, whether at law or in equity.

6. Miscellaneous Provisions.

(a) Entire Agreement; Successors and Assigns. This Amendment, together with the Note Amendments, constitute the entire understanding and agreement with respect to the subject matter hereof and supersede all prior oral and written, and all contemporaneous oral, agreements and understandings with respect thereto. This Amendment shall inure to the benefit of, and be binding upon, the parties and their respective successors and permitted assigns.

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

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

[REST OF PAGE INTENTIONALLY LEFT BLANK]

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

COMPANY

CONSUMER PORTFOLIO SERVICES, INC.,
a California corporation

By: _____

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

By: _____

Robert E. Riedl
Senior Vice President and Chief Financial Officer

PURCHASER

LEVINE LEICHTMAN CAPITAL PARTNERS, INC., a
California corporation

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

By: _____

Steven E. Hartman
Vice President

ACKNOWLEDGMENT, CONSENT AND AFFIRMATION
OF SUBSIDIARY GUARANTY

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

SUBSIDIARY GUARANTORS

CPS LEASING, INC., a Delaware corporation

By: _____

Name: _____

Its: _____

CPS MARKETING, INC., a California corporation

By: _____

Name: _____

Its: _____

MFN FINANCIAL CORPORATION,
a Delaware corporation

By: _____

Name: _____

Title: _____

MERCURY FINANCE COMPANY LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

MERCURY FINANCE CORPORATION OF ALABAMA, an
Alabama corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF ARIZONA,
an Arizona corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF COLORADO,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF DELAWARE,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF FLORIDA,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF GEORGIA,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF ILLINOIS,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF INDIANA,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF KENTUCKY, a
Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF LOUISIANA,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF MICHIGAN,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF MISSISSIPPI,
a Delaware corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF MISSOURI,
a Missouri corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF NEVADA,
a Nevada corporation

By: _____
Name: _____
Title: _____

MERCURY FINANCE COMPANY OF NEW YORK,
a Delaware corporation

By:

Name:

Title:

MERCURY FINANCE COMPANY OF NORTH CAROLINA,
a Delaware corporation

By:

Name:

Title:

MERCURY FINANCE COMPANY OF OHIO,
a Delaware corporation

By:

Name:

Title:

MFC FINANCE COMPANY OF OKLAHOMA,
a Delaware corporation

By:

Name:

Title:

MERCURY FINANCE COMPANY OF PENNSYLVANIA,
a Delaware corporation

By:

Name:

Title:

MERCURY FINANCE COMPANY OF SOUTH CAROLINA,
a Delaware corporation

By:

Name:

Title:

MERCURY FINANCE COMPANY OF TENNESSEE,
a Tennessee corporation

By:

Name:

Title:

MFC FINANCE COMPANY OF TEXAS,
a Delaware corporation

By:

Name:

Title:

MERCURY FINANCE COMPANY OF VIRGINIA,
a Delaware corporation

By:

Name:

Title:

MERCURY FINANCE COMPANY OF WISCONSIN,
a Delaware corporation

By:

Name:

Title:

GULFCO INVESTMENT INC.,
a Louisiana corporation

By: _____
Name: _____
Title: _____

GULFCO FINANCE COMPANY,
a Louisiana corporation

By: _____
Name: _____
Title: _____

MIDLAND FINANCE CO., an Illinois corporation

By: _____
Name: _____
Title: _____

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

By: _____
Name: _____
Title: _____

TFC ENTERPRISES, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

THE FINANCE COMPANY, a Virginia corporation

By: _____
Name: _____
Title: _____

FIRST COMMUNITY FINANCE, INC.,
a Virginia corporation

By: _____
Name: _____
Title: _____

RECOVERIES, INC., a Virginia corporation

By: _____
Name: _____
Title: _____

PC ACCEPTANCE.COM, INC., a Virginia corporation

By: _____
Name: _____
Title: _____

THE INSURANCE AGENCY, INC., a Virginia corporation

By: _____
Name: _____
Title: _____