

CONSUMER PORTFOLIO SERVICES INC  
Form SC 13D/A  
April 05, 2006

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934**

**(Amendment No. 10)\***

**CONSUMER PORTFOLIO SERVICES, INC.**

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(Name of Issuer)

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

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(Title of Class of Securities)

**210502 100**

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(CUSIP Number)

Arthur E. Levine

Levine Leichtman Capital Partners II, L.P.

335 N. Maple Drive, Suite 240

Beverly Hills, CA 90210

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Irell & Manella LLP

1800 Avenue of the Stars, Suite 900

Los Angeles, California 90067

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(310) 275-5335

(310) 277-1010

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

April 3, 2006

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(Date of Event which Requires Filing of this Statement)

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

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

<sup>1</sup> The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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

Levine Leichtman Capital Partners II, L.P.

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

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds (See Instructions)

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

6. Citizenship or Place of Organization

State of California

7. Sole Voting Power:

Number of Shares 0 Shares  
8. Shared Voting Power:

Beneficially Owned by 4,321,725 Shares (See Item 5)

Each 9. Sole Dispositive Power:

Reporting Person 0 Shares

10. Shared Dispositive Power:

4,321,725 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

4,321,725 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)

19.9% (See Item 5)

14. Type of Reporting Person

PN

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

LLCP California Equity Partners II, L.P.

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

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds (See Instructions)

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

6. Citizenship or Place of Organization

State of California

7. Sole Voting Power:

Number of Shares 0 Shares  
8. Shared Voting Power:

Beneficially Owned by Each 4,321,725 Shares (See Item 5)

9. Sole Dispositive Power:

Reporting Person 0 Shares

10. Shared Dispositive Power:

4,321,725 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

4,321,725 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)

19.9% (See Item 5)

14. Type of Reporting Person

PN

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

Levine Leichtman Capital Partners, Inc.

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

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds (See Instructions)

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

6. Citizenship or Place of Organization

State of California

7. Sole Voting Power:

Number of Shares 0 Shares  
8. Shared Voting Power:

Beneficially Owned by 4,321,725 Shares (See Item 5)

Each 9. Sole Dispositive Power:

Reporting Person 0 Shares

With 10. Shared Dispositive Power:

4,321,725 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

4,321,725 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)

19.9% (See Item 5)

14. Type of Reporting Person

CO

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

Arthur E. Levine

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

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds (See Instructions)

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

6. Citizenship or Place of Organization

United States of America

7. Sole Voting Power:

Number of Shares 0 Shares

8. Shared Voting Power:

Beneficially Owned by Each 4,321,725 Shares (See Item 5)

9. Sole Dispositive Power:

Reporting Person With 0 Shares

10. Shared Dispositive Power:

4,321,725 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

4,321,725 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)

19.9% (See Item 5)

14. Type of Reporting Person

IN

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

Lauren B. Leichtman

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

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds (See Instructions)

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

6. Citizenship or Place of Organization

United States of America

7. Sole Voting Power:

Number of Shares 0 Shares

8. Shared Voting Power:

Beneficially Owned by Each 4,321,725 Shares (See Item 5)

9. Sole Dispositive Power:

Reporting Person With 0 Shares

10. Shared Dispositive Power:

4,321,725 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

4,321,725 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)

19.9% (See Item 5)

14. Type of Reporting Person

IN

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**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. 10 to Schedule 13D (this Amendment ) with the Securities and Exchange Commission (the Commission ).

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

Between March 27, 2006 and April 4, 2006, the Partnership sold in the ordinary course of its business 231,775 shares of Common Stock beneficially owned by the Partnership. All of the sales were made by brokers in arms length open market transactions.

The Partnership originally acquired the equity and 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 the Restated Warrant (or a portion thereof) 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.

**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 4,321,725 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 April 4, 2006, approximately 19.9% of the shares of such class (calculated in accordance with Rule 13d-3(d)(1)(i) of the Exchange Act), assuming that 21,729,543 shares of Common Stock were issued and outstanding as of such date as set forth in the Issuer's Form 10-K for the fiscal year ended December 31, 2005, filed with the Securities and Exchange Commission on March 13, 2006.

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 4,321,725 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 4,321,725 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 4,321,725 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 4,321,725 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) Other than the sales described below, none of the Reporting Persons has effectuated any transactions in the Common Stock during the past sixty days.

<b>Date</b>	<b>Number of Shares Sold</b>	<b>Price Per Share</b>
3/27/2006	20,000	8.3518
3/28/2006	8,563	7.9119
3/28/2006	25,032	8.0791
3/29/2006	17,314	8.0803
3/30/2006	65,805	8.0541
3/31/2006	24,104	8.0539
4/3/2006	64,527	8.049
4/4/2006	6,430	8.0419

All of the above sales were made through brokers in arm's length open market transactions.

(d) Not applicable.

(e) Not applicable.

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

Not applicable.

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

Not applicable.

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.

April 5, 2006

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