

CONSUMER PORTFOLIO SERVICES INC
Form SC 13D/A
July 28, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

(Amendment No. 2)

Under the Securities Exchange Act of 1934

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 IV, L.P.

335 N. Maple Drive, Suite 240

Mitchell S. Cohen, Esq.

Irell & Manella LLP

1800 Avenue of the Stars, Suite 900

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Beverly Hills, CA 90210

Los Angeles, California 90067

(310) 275-5335

(310) 277-1010

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

July 17, 2009

(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.

¹ 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).

CUSIP No. 210502 100

1. Names of Reporting Persons.

Levine Leichtman Capital Partners IV, L.P.

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

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds (See Instructions)

OO (See Item 3)

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

6. Citizenship or Place of Organization

State of Delaware

7. Sole Voting Power:

Number of

0 Shares

Shares

8. Shared Voting Power:

Beneficially

Owned by

3,073,309 Shares (See Item 5)

Each

9. Sole Dispositive Power:

Reporting

Person

0 Shares

10. Shared Dispositive Power:

With

3,073,309 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

3,073,309 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)

14.9% (See Item 5)

14. Type of Reporting Person

PN

CUSIP No. 210502 100

1. Names of Reporting Persons.

LLCP Partners IV GP, LLC

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

(a) ..

(b) ..

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

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 Delaware

7. Sole Voting Power:

Number of

0 Shares

Shares

8. Shared Voting Power:

Beneficially

Owned by

3,073,309 Shares (See Item 5)

Each

9. Sole Dispositive Power:

Reporting

Person

0 Shares

10. Shared Dispositive Power:

With

3,073,309 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

3,073,309 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)

14.9% (See Item 5)

14. Type of Reporting Person

OO

CUSIP No. 210502 100

1. Names of Reporting Persons.

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)

OO

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

6. Citizenship or Place of Organization

State of California

7. Sole Voting Power:

Number of

0 Shares

Shares

8. Shared Voting Power:

Beneficially

Owned by

3,073,309 Shares (See Item 5)

Each

9. Sole Dispositive Power:

Reporting

Person

0 Shares

10. Shared Dispositive Power:

With

3,073,309 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

3,073,309 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)

14.9% (See Item 5)

14. Type of Reporting Person

CO

CUSIP No. 210502 100

1. Names of Reporting Persons.

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:

Number of

0 Shares

Shares

8. Shared Voting Power:

Beneficially

Owned by

3,073,309 Shares (See Item 5)

Each

9. Sole Dispositive Power:

Reporting

Person

0 Shares

10. Shared Dispositive Power:

With

3,073,309 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

3,073,309 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)

14.9% (See Item 5)

14. Type of Reporting Person

IN

CUSIP No. 210502 100

1. Names of Reporting Persons.

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)

OO

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

0 Shares

Shares

8. Shared Voting Power:

Beneficially

Owned by

3,073,309 Shares (See Item 5)

Each

9. Sole Dispositive Power:

Reporting

Person

0 Shares

10. Shared Dispositive Power:

With

3,073,309 Shares (See Item 5)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

3,073,309 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)

14.9% (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 IV L.P., a Delaware limited partnership (the Partnership), LLC Partners IV GP, LLC, a Delaware limited liability company (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. 2 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 July 9, 2008 (the Original Schedule 13D), as amended by Amendment No. 1 to Schedule 13D filed with the Commission on September 26, 2008 (Amendment No. 1). The Original Schedule 13D, as amended by Amendment No. 1 is referred to herein as the Amended Schedule 13D .

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

This Amendment is being filed pursuant to a Joint Reporting Agreement dated July 9, 2008, a copy of which is attached as Exhibit 99.1 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:

As described in the Amended Schedule 13D, the Issuer previously issued to the Partnership the Warrant to Purchase 1,500,000 shares of Common Stock (No. LLC-P-FMV 1) of Consumer Portfolio Services, Inc. (FMV Warrant). Pursuant to adjustments described in the Amended Schedule 13D, the FMV Warrant currently represents the right to purchase 1,564,324 shares of Common Stock (subject to adjustment pursuant to anti-dilution provisions).

On July 17, 2009, the Issuer and the Partnership entered into the Second Amendment to the FMV Warrant (FMV Warrant Amendment No. 2). Pursuant to the FMV Warrant Amendment No. 2, the exercise price of the FMV Warrant was reduced from \$2.4672 per share of Common Stock to \$1.44 per share of Common Stock.

The FMV Warrant Amendment No. 2 is attached as Exhibit 99.10 hereto. The description contained in this Item 4 of FMV Warrant Amendment No. 2 is qualified in its entirety by reference to the full text of such document, the terms of which are contained in the exhibits attached hereto and incorporated herein by this reference.

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 may be deemed to be the beneficial owner (within the meaning of Rule 13d-3(a) of the Exchange Act) of an aggregate of 3,073,309 shares of Common Stock. Such aggregate number of shares beneficially owned by the Reporting Persons constituted, as of July 17, 2009, approximately 14.9% of the shares of such class (calculated in accordance with Rule 13d-3(d)(1)(i) of the Exchange Act), assuming that 20,585,450 shares of Common Stock were issued and outstanding as of such date. The 20,585,450 share figure is equal to the sum of 18,737,141 (the number of shares of Common Stock issued and outstanding as of May 18, 2009, as reported by the Issuer in its proxy statement dated June 24, 2009) plus the number of shares of Common Stock issuable upon exercise of the Warrants (*i.e.*, 1,848,309 shares of Common Stock). Pursuant to the terms of the Warrants, the number of shares issuable upon exercise of the Warrants is subject to adjustment upon the occurrence of certain events.

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 Investor Rights Agreement as described in Items 4 above and 6 below, of the shares of Common Stock beneficially owned by Mr. Bradley. The Reporting Persons have no pecuniary interest in the shares of Common Stock beneficially owned by Mr. Bradley 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 3,073,309 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 3,073,309 shares of Common Stock.

By virtue of being the manager 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 3,073,309 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 3,073,309 shares of Common Stock.

- (c) Other than the transactions described above, none of the Reporting Persons has effectuated any transactions in the Common Stock during the past 60 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 July 17, 2009, the Issuer and the Partnership entered into FMV Warrant Amendment No. 2. Pursuant to the FMV Warrant Amendment No. 2, the exercise price of the Purchaser Closing FMV Warrant was reduced from \$2.4672 per share to \$1.44 per share.

The FMV Warrant Amendment No. 2 is attached as Exhibit 99.10 hereto. The description contained in this Item 6 of FMV Warrant Amendment No. 2 is qualified in its entirety by reference to the full text of such document, the terms of which are contained in the exhibits attached hereto and incorporated herein by this reference.

Item 7. Material to be Filed as Exhibits.

| Exhibit | Description |
|----------------|---|
| 99.10 | Second Amendment to Warrant to Purchase 1,500,000 shares of Common Stock (No. LLCP-FMV 1) issued by Consumer Portfolio Services, Inc. to Levine Leichtman Capital Partners IV, L.P., effective as of July 17, 2009. |

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.

July 28, 2008

LEVINE LEICHTMAN CAPITAL PARTNERS IV, L.P.,

a Delaware limited partnership

By: LLC Partners IV GP, LLC,

a Delaware limited partnership, its General Partner

By: Levine Leichtman Capital Partners, Inc.,

a California corporation, its General Partner

By: /s/ Steven E. Hartman
Steven E. Hartman
Vice President

LLCP PARTNERS IV GP, LLC,

a Delaware limited liability company

By: Levine Leichtman Capital Partners, Inc.,

a California corporation, its General Partner

By: /s/ Steven E. Hartman
Steven E. Hartman
Vice President

LEVINE LEICHTMAN CAPITAL PARTNERS, INC.,

a California corporation

By: /s/ Steven E. Hartman
Steven E. Hartman
Vice President

/s/ Arthur E. Levine
ARTHUR E. LEVINE

/s/ Lauren B. Leichtman
LAUREN B. LEICHTMAN

EXHIBIT INDEX

| Exhibit | Description |
|----------------|---|
| 99.10 | Second Amendment to Warrant to Purchase 1,500,000 shares of Common Stock (No. LLCP-FMV 1) issued by Consumer Portfolio Services, Inc. to Levine Leichtman Capital Partners IV, L.P., effective as of July 17, 2009. |

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