

CONSUMER PORTFOLIO SERVICES INC
Form 10-Q
November 07, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended September 30, 2008

Commission file number: 1-11416

CONSUMER PORTFOLIO SERVICES, INC.
(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

33-0459135
(IRS Employer
Identification No.)

16355 Laguna Canyon Road, Irvine, California
(Address of principal executive offices)

92618
(Zip Code)

Registrant's telephone number, including Area Code: (949) 753-6800

Former name, former address and former fiscal year, if changed since last report: N/A

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer a non-accelerated filer or a smaller reporting company. See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 31, 2008 the registrant had 19,462,429 common shares outstanding.

CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES
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Item 1. Financial Statements

CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	September 30, 2008	December 31, 2007
ASSETS		
Cash and cash equivalents	\$ 23,230	\$ 20,880
Restricted cash and equivalents	167,774	170,341
Finance receivables	1,573,219	2,068,004
Less: Allowance for finance credit losses	(66,919)	(100,138)
Finance receivables, net	1,506,300	1,967,866
Furniture and equipment, net	1,284	1,500
Deferred financing costs, net	11,123	15,482
Deferred tax assets, net	53,867	58,835
Accrued interest receivable	16,842	24,099
Other assets	37,838	23,810
	\$ 1,818,258	\$ 2,282,813
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued expenses	\$ 15,921	\$ 18,391
Warehouse lines of credit	8,692	235,925
Income taxes payable	8,847	17,706
Residual interest financing	68,250	70,000
Securitization trust debt	1,550,717	1,798,302
Senior secured debt, related party	19,813	-
Subordinated renewable notes	28,182	28,134
	1,700,422	2,168,458
COMMITMENTS AND CONTINGENCIES		
Shareholders' Equity		
Preferred stock, \$1 par value; authorized 5,000,000 shares; none issued	-	-
Series A preferred stock, \$1 par value; authorized 5,000,000 shares; none issued	-	-
Common stock, no par value; authorized 30,000,000 shares; 19,575,744 and 19,525,042 shares issued and outstanding at September 30, 2008 and December 31, 2007, respectively	54,743	55,216
Additional paid in capital, warrants	7,471	794

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Retained earnings	58,071	60,794
Accumulated other comprehensive loss	(2,449)	(2,449)
	117,836	114,355
	\$ 1,818,258	\$ 2,282,813

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

CONSUMER PORTFOLIO SERVICES, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Revenues:				
Interest income	\$ 87,706	\$ 97,423	\$ 281,924	\$ 267,361
Servicing fees	235	274	944	668
Other income	3,775			