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CONSUMER PORTFOLIO SERVICES INC  
Form 8-K  
October 31, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON DC 20549

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FORM 8-K

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

Date of Report (Date of earliest event reported) October 25, 2006

CONSUMER PORTFOLIO SERVICES, INC.  
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(Exact Name of Registrant as Specified in Charter)

CALIFORNIA ----- (State or Other Jurisdiction of Incorporation)	0-51027 ----- (Commission File Number)	33-0459135 ----- (IRS Employer Identification No.)
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16355 Laguna Canyon Road, Irvine, CA 92618  
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(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (949) 753-6800

Not Applicable  
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(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On October 25, 2006, the registrant, Consumer Portfolio Services, Inc., acting pursuant to authorization of the compensation committee of its board of directors, granted employee stock purchase options to its officers, directors and certain other employees. Such grants for the Company's chief executive officer and the four remaining most highly paid executive officers identified in

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the registrant's proxy statement for its 2006 annual meeting are as follows:

Name ----	Title(s) -----	
Charles E. Bradley, Jr.	Chairman of the Board of Directors, President & Chief Executive Officer	8
Curtis K. Powell	Senior Vice President - Originations & Marketing	4
Robert E. Riedl	Senior Vice President & Chief Investment Officer	4
Jeffrey P. Fritz	Senior Vice President & Chief Financial Officer	4
Chris Terry	Senior Vice President - Asset Recovery	4

Each such option allows the holder to purchase up to the number of shares of the registrant's common stock set forth in the table above, at a price equal to \$6.85 per share, subject to vesting over a five-year period, to continued service with the registrant, and to other conditions set forth in the registrant's 2006 Long-Term Equity Incentive Plan. Such options are to become exercisable in five equal annual increments commencing October 25, 2007, and expire on October 25, 2016.

The registrant's twelve vice presidents, and its one senior vice president who is not among its five most highly-compensated officers, were granted options on the same terms, with respect to 20,000 shares as to each vice president, and with respect to 40,000 shares as to the one senior vice president.

In addition to the options granted to officers and other employees, the registrant granted to each of its non-employee directors an option to purchase 20,000 shares of its common stock, at \$6.85 per share, exercisable in full at any time from April 25, 2007 through October 25, 2016, subject to continued service with the registrant and to other conditions of the registrant's 2006 Long-Term Equity Incentive Plan.

The registrant also modified its director compensation policies. Effective November 1, 2006, non-employee directors will receive a monthly retainer of \$3500, plus an additional retainer for service on board committee(s). The additional retainer is \$1000 per month for the chairman of each committee, and \$500 per month for other members of each committee.

ITEM 5.02. DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

The information provided in Item 1.01 of this report is incorporated by reference in response to this item, because it relates to the compensation of certain officers and directors.

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Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CONSUMER PORTFOLIO SERVICES, INC.

Dated: October 31, 2006

By: /s/ Charles E. Bradley, Jr.

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

Signing on behalf of the registrant  
and as principal executive officer