

ENCORE CAPITAL GROUP INC
Form SC 13D/A
March 08, 2011

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

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 4)***

ENCORE CAPITAL GROUP, INC.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

292554102

(CUSIP Number)

JCF FPK I L.P.

JCF Associates II-A L.P.

JCF Associates II-A LLC

JCF Associates II L.P.

JCF Associates II Ltd.

J. Christopher Flowers

717 Fifth Avenue, 26th Floor

New York, NY 10022

Attention: Sally Rocker

Telephone: (212) 404-6800

Copy to:

Michael Wolfson

Simpson Thacher & Bartlett LLP

One Ropemaker Street

London EC2Y 9HU

+44 207 275 6500

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

March 4, 2011

(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. o

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 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).

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CUSIP No. 292554102

- | | | |
|---|---|---|
| 1. | Name of Reporting Person
JCF FPK I L.P. | |
| 2. | Check the Appropriate Box if a Member of a Group | |
| | (a) | x |
| | (b) | o |
| 3. | SEC Use Only | |
| 4. | Source of Funds
N/A | |
| 5. | Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) | o |
| 6. | Citizenship or Place of Organization
Delaware | |
| | 7. | Sole Voting Power
None (See Item 5) |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 8. | Shared Voting Power
4,201,626 shares (See Item 5) |
| | 9. | Sole Dispositive Power
None (See Item 5) |
| | 10. | Shared Dispositive Power
4,201,626 shares (See Item 5) |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person
4,201,626 shares (See Item 5) | |
| 12. | Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See Items 2 and 5) | x |
| 13. | Percent of Class Represented by Amount in Row (11)
17.5%+ | |
| 14. | Type of Reporting Person
PN | |

+ Based on 24,034,141 shares of Common Stock outstanding as of February 17, 2011, as reported in the prospectus supplement filed by Encore Capital Group, Inc. with the Securities and Exchange Commission on March 1, 2011.

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CUSIP No. 292554102

- | | | |
|-----|---|---|
| 1. | Name of Reporting Person
JCF Associates II-A L.P. | |
| 2. | Check the Appropriate Box if a Member of a Group | |
| | (a) | x |
| | (b) | o |
| 3. | SEC Use Only | |
| 4. | Source of Funds
N/A | |
| 5. | Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) | o |
| 6. | Citizenship or Place of Organization
Delaware | |
| 7. | Sole Voting Power
None (See Item 5) | |
| 8. | Shared Voting Power
4,201,626 shares (See Item 5) | |
| 9. | Sole Dispositive Power
None (See Item 5) | |
| 10. | Shared Dispositive Power
4,201,626 shares (See Item 5) | |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person
4,201,626 shares (See Item 5) | |
| 12. | Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See Items 2 and 5) | x |
| 13. | Percent of Class Represented by Amount in Row (11)
17.5%+ | |
| 14. | Type of Reporting Person
PN | |

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

+ Based on 24,034,141 shares of Common Stock outstanding as of February 17, 2011, as reported in the prospectus supplement filed by Encore Capital Group, Inc. with the Securities and Exchange Commission on March 1, 2011.

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CUSIP No. 292554102

- | | | |
|-----|---|---|
| 1. | Name of Reporting Person
JCF Associates II-A LLC | |
| 2. | Check the Appropriate Box if a Member of a Group | |
| | (a) | x |
| | (b) | o |
| 3. | SEC Use Only | |
| 4. | Source of Funds
N/A | |
| 5. | Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) | o |
| 6. | Citizenship or Place of Organization
Delaware | |
| 7. | Sole Voting Power
None (See Item 5) | |
| 8. | Shared Voting Power
4,201,626 shares (See Item 5) | |
| 9. | Sole Dispositive Power
None (See Item 5) | |
| 10. | Shared Dispositive Power
4,201,626 shares (See Item 5) | |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person
4,201,626 shares (See Item 5) | |
| 12. | Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See Items 2 and 5) | x |
| 13. | Percent of Class Represented by Amount in Row (11)
17.5%+ | |
| 14. | Type of Reporting Person
OO | |

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

+ Based on 24,034,141 shares of Common Stock outstanding as of February 17, 2011, as reported in the prospectus supplement filed by Encore Capital Group, Inc. with the Securities and Exchange Commission on March 1, 2011.

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CUSIP No. 292554102

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|-----|---|---|
| 1. | Name of Reporting Person
JCF Associates II L.P. | |
| 2. | Check the Appropriate Box if a Member of a Group | |
| | (a) | x |
| | (b) | o |
| 3. | SEC Use Only | |
| 4. | Source of Funds
N/A | |
| 5. | Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) | o |
| 6. | Citizenship or Place of Organization
Delaware | |
| 7. | Sole Voting Power
None (See Item 5) | |
| 8. | Shared Voting Power
4,201,626 shares (See Item 5) | |
| 9. | Sole Dispositive Power
None (See Item 5) | |
| 10. | Shared Dispositive Power
4,201,626 shares (See Item 5) | |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person
4,201,626 shares (See Item 5) | |
| 12. | Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See Items 2 and 5) | x |
| 13. | Percent of Class Represented by Amount in Row (11)
17.5%+ | |
| 14. | Type of Reporting Person
PN | |

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CUSIP No. 292554102

- | | | |
|-----|---|---|
| 1. | Name of Reporting Person
JCF Associates II Ltd. | |
| 2. | Check the Appropriate Box if a Member of a Group | |
| | (a) | x |
| | (b) | o |
| 3. | SEC Use Only | |
| 4. | Source of Funds
N/A | |
| 5. | Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) | o |
| 6. | Citizenship or Place of Organization
Delaware | |
| 7. | Sole Voting Power
None (See Item 5) | |
| 8. | Shared Voting Power
4,201,626 shares (See Item 5) | |
| 9. | Sole Dispositive Power
None (See Item 5) | |
| 10. | Shared Dispositive Power
4,201,626 shares (See Item 5) | |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person
4,201,626 shares (See Item 5) | |
| 12. | Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See Items 2 and 5) | x |
| 13. | Percent of Class Represented by Amount in Row (11)
17.5%+ | |
| 14. | Type of Reporting Person
OO | |

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

+ Based on 24,034,141 shares of Common Stock outstanding as of February 17, 2011, as reported in the prospectus supplement filed by Encore Capital Group, Inc. with the Securities and Exchange Commission on March 1, 2011.

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CUSIP No. 292554102

- | | | |
|---|---|---|
| 1. | Name of Reporting Person
J. Christopher Flowers | |
| 2. | Check the Appropriate Box if a Member of a Group | |
| | (a) | o |
| | (b) | x |
| 3. | SEC Use Only | |
| 4. | Source of Funds
N/A | |
| 5. | Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) | o |
| 6. | Citizenship or Place of Organization
U.S. Citizen | |
| | 7. | Sole Voting Power
None (See Item 5) |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 8. | Shared Voting Power
4,201,626 shares (See Item 5) |
| | 9. | Sole Dispositive Power
None (See Item 5) |
| | 10. | Shared Dispositive Power
4,201,626 shares (See Item 5) |
| 11. | Aggregate Amount Beneficially Owned by Each Reporting Person
4,201,626 shares (See Item 5) | |
| 12. | Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See Items 2 and 5) | x |
| 13. | Percent of Class Represented by Amount in Row (11)
17.5%+ | |
| 14. | Type of Reporting Person
IN | |

+ Based on 24,034,141 shares of Common Stock outstanding as of February 17, 2011, as reported in the prospectus supplement filed by Encore Capital Group, Inc. with the Securities and Exchange Commission on March 1, 2011.

This Amendment No. 4 (Amendment No. 4) amends and supplements the statement on Schedule 13D, as amended by Amendment No. 1, Amendment No. 2 and Amendment No. 3 thereto (together, the Schedule 13D) filed by JCF FPK I L.P., JCF Associates II-A L.P., JCF Associates II-A LLC and J. Christopher Flowers with respect to the common stock, par value \$0.01 per share (Common Stock), of Encore Capital Group, Inc., a Delaware corporation (Encore). This Amendment No. 4 is being filed to report a disposition of beneficial ownership of shares of Common Stock of Encore by the Reporting Persons (as defined herein) in an amount greater than 1% of the outstanding shares of Common Stock of Encore and to add JCF Associates II L.P. and JCF Associates II Ltd. as Reporting Persons. Capitalized terms used and not defined in this Amendment No. 4 have the meanings set forth in the Schedule 13D. Except as specifically provided herein, this Amendment No. 4 does not modify any of the information previously reported in the Schedule 13D.

Item 2. Identity and Background

Item 2 of this Schedule 13D is hereby amended and restated as follows:

This Schedule 13D is being jointly filed by JCF FPK I L.P., a Delaware limited partnership (JCF FPK), JCF Associates II-A LP, a Delaware limited partnership (JCF Associates), JCF Associates II-A LLC, a Delaware limited liability company (JCF LLC), JCF Associates II L.P., a Cayman Islands exempted limited partnership, JCF Associates II Ltd., a Cayman Islands exempted company (together with JCF FPK, JCF Associates, JCF LLC and JCF Associates II L.P., the JCF FPK Entities), and J. Christopher Flowers, a natural person and citizen of the United States of America (Mr. Flowers, together with the JCF FPK Entities, the Reporting Persons). The Reporting Persons have entered into a Joint Filing Agreement, a copy of which is filed as Exhibit 99.5 hereto and is incorporated by reference in its entirety herein.

The principal business of JCF FPK is investments.

JCF Associates is the sole general partner of JCF FPK and has control over its affairs and investment decisions, including the power to vote or dispose of the shares of Common Stock held by JCF FPK.

JCF LLC is the sole general partner of JCF Associates and has sole control over its affairs and investment decisions, including, indirectly, the power to vote or dispose of the shares of Common Stock held by JCF FPK.

JCF Associates II L.P. is the sole member of JCF LLC and has sole control over its affairs and investment decisions, including, indirectly, the power to vote or dispose of the shares of Common Stock held by JCF FPK.

JCF Associates II Ltd. is the general partner of JCF Associates II L.P. and has sole control over its affairs and investment decisions, including, indirectly, the power to vote or dispose of the shares of Common Stock held by JCF FPK.

J. Christopher Flowers is the sole director of JCF Associates II Ltd. and thus may be deemed to control JCF Associates II Ltd. and each entity directly or indirectly controlled by JCF Associates II Ltd. (including JCF FPK).

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Mr. Flowers is a citizen of the United States of America. He currently serves as Managing Director of J.C. Flowers & Co. LLC, an investment advisory firm specializing in the financial services industry.

The principal office of each of the Reporting Persons is located at 717 Fifth Avenue, 26th Floor, New York, New York 10022.

None of the Reporting Persons has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

None of the Reporting Persons has, during the last five years, been a party to any civil proceeding as a result of which it was subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violations with respect to such laws.

As a result of the Reporting Persons' purchase of the Purchased Shares (as defined in Item 3) and the April 20 Letter (as defined in Item 4), the Reporting Persons and the Red Mountain Reporting Persons (as defined in Item 4) may be deemed to be a group within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and deemed to be the beneficial owner of all of the shares of Common Stock owned by each of them. The Reporting Persons and the Red Mountain Reporting Persons are acting together with respect to Encore to the extent, but only to the extent, set forth in the April 20 Letter. Other than as set forth in the April 20 Letter, neither the Reporting Persons nor the Red Mountain Reporting Persons have any agreement or understanding with each other as to Encore, or any obligation to act in concert or otherwise on the same basis. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by the Reporting Persons that it is the beneficial owner of any shares of Common Stock held by the Red Mountain Reporting Persons for purposes of Section 13(d) of the Exchange Act, and the Reporting Persons expressly disclaim such beneficial ownership. This Schedule 13D constitutes a separate filing by the Reporting Persons in accordance with Rule 13d-1(k)(2) under the Exchange Act, and the Reporting Persons disclaim any responsibility for the accuracy of the information relating to the Red Mountain Reporting Persons or the beneficial ownership of shares of Common Stock by them. Neither Red Mountain Capital Partners LLC nor any of its affiliates is a reporting person for purposes of this Schedule 13D, and the Red Mountain Reporting Persons are filing a separate statement on Schedule 13D with respect to Red Mountain Capital Partners LLC and its affiliates.

Item 4. &