

ENCORE CAPITAL GROUP INC  
 Form 4  
 August 28, 2007

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**MESDAG WILLEM**

2. Issuer Name and Ticker or Trading Symbol  
**ENCORE CAPITAL GROUP INC [ECPG]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
**08/24/2007**

Director  10% Owner  
 Officer (give title below)  Other (specify below)

**10100 SANTA MONICA BOULEVARD, SUITE 925**

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**LOS ANGELES, CA 90067**

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V Amount (D) Price			
Common Stock					748,009	I <sup>(1)</sup>	Through RMCP II (as defined below).
Common Stock					2,687,053	I <sup>(2)</sup>	Through RMCP III (as defined below).
Common Stock	08/24/2007		A	6,900 A \$ 0	6,900	D <sup>(3)</sup>	

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 3, 4, and 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MESDAG WILLEM 10100 SANTA MONICA BOULEVARD SUITE 925 LOS ANGELES, CA 90067	X	X		
RED MOUNTAIN CAPITAL PARTNERS II, L.P. 10100 SANTA MONICA BOULEVARD SUITE 925 LOS ANGELES, CA 90067			X	
RED MOUNTAIN CAPITAL PARTNERS III, L.P. 10100 SANTA MONICA BOULEVARD SUITE 925 LOS ANGELES, CA 90067			X	
RMCP GP LLC 10100 SANTA MONICA BOULEVARD SUITE 925 LOS ANGELES, CA 90067			X	
RED MOUNTAIN CAPITAL PARTNERS LLC 10100 SANTA MONICA BOULEVARD SUITE 925			X	

LOS ANGELES, CA 90067

RED MOUNTAIN CAPITAL MANAGEMENT INC  
10100 SANTA MONICA BOULEVARD  
SUITE 925  
LOS ANGELES, CA 90067

X

## Signatures

/s/ Willem Mesdag (on behalf of himself and each other reporting person hereunder)

08/28/2007

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) These shares are held directly by Red Mountain Capital Partners II, L.P. ("RMCP II").
- (2) These shares are held directly by Red Mountain Capital Partners III, L.P. ("RMCP III").
- (3) On August 24, 2007, Encore Capital Group, Inc. ("Encore") granted 6,900 deferred issuance restricted stock units (the "RSUs") to Willem Mesdag under the Encore 2005 Stock Incentive Plan in connection with his service as a member of Encore's board of directors. Each RSU represents the right to receive one share of Encore common stock. The RSUs are subject to vesting. 50% of the RSUs will vest on September 23, 2008, and the remaining 50% will vest on August 23, 2009. The RSUs are held directly by Mr. Mesdag.

### Remarks:

This Form 4 is jointly filed by (i) RMCP II, (ii) RMCP III, (iii) RMCP GP LLC ("RMCP GP"), (iv) Red Mountain Capital Partners II, L.P.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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