

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>MESDAG WILLEM</u>  (Last) (First) (Middle) 10100 SANTA MONICA BOULEVARD SUITE 925  (Street) LOS ANGELES CA 90067  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ENCORE CAPITAL GROUP INC [ ECPG ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 08/13/2012	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/13/2012		S		264,314	D	\$27.93 <sup>(1)</sup>	253,477 <sup>(2)</sup>	I	See Remarks and footnote below.
Common Stock	08/13/2012		S		949,485	D	\$27.93 <sup>(1)</sup>	910,559 <sup>(3)</sup>	I	See Remarks and footnote below.
Common Stock								25,528 <sup>(4)</sup>	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					

1. Name and Address of Reporting Person\*  
MESDAG WILLEM  
 (Last) (First) (Middle)  
 10100 SANTA MONICA BOULEVARD  
 SUITE 925  
 (Street)  
 LOS ANGELES CA 90067  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
RED MOUNTAIN CAPITAL PARTNERS LLC  
 (Last) (First) (Middle)  
 10100 SANTA MONICA BOULEVARD  
 SUITE 925

(Street)  
LOS ANGELES CA 90067

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(City) (State) (Zip)

1. Name and Address of Reporting Person\*  
[RED MOUNTAIN CAPITAL PARTNERS III,  
L.P.](#)

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(Last) (First) (Middle)  
10100 SANTA MONICA BOULEVARD  
SUITE 925

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(Street)  
LOS ANGELES CA 90067

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(City) (State) (Zip)

1. Name and Address of Reporting Person\*  
[RED MOUNTAIN CAPITAL PARTNERS II,  
L.P.](#)

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(Last) (First) (Middle)  
10100 SANTA MONICA BOULEVARD  
SUITE 925

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(Street)  
LOS ANGELES CA 90067

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(City) (State) (Zip)

1. Name and Address of Reporting Person\*  
[RMCP GP LLC](#)

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(Last) (First) (Middle)  
10100 SANTA MONICA BOULEVARD  
SUITE 925

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(Street)  
LOS ANGELES CA 90067

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(City) (State) (Zip)

1. Name and Address of Reporting Person\*  
[RED MOUNTAIN CAPITAL MANAGEMENT  
INC](#)

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(Last) (First) (Middle)  
10100 SANTA MONICA BOULEVARD  
SUITE 925

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(Street)  
LOS ANGELES CA 90067

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(City) (State) (Zip)

- Explanation of Responses:**
1. This amount represents the \$28.50 secondary public offering price per share of common stock of Encore Capital Group, Inc. ("Encore"), less the underwriting discount of \$0.57 per share.
  2. These shares are held directly by Red Mountain Capital Partners II, L.P. ("RMCP II").
  3. These shares are held directly by Red Mountain Capital Partners III, L.P. ("RMCP III").
  4. These shares are in the form of RSUs. Each RSU represents the right to receive one share of Encore common stock. All of these RSUs are fully vested.

**Remarks:**

This Form 4 is jointly filed by (i) Red Mountain Capital Partners LLC ("RMCP LLC"), (ii) RMCP II, (iii) RMCP III, (iv) RMCP GP LLC ("RMCP GP"), (v) Red Mountain Capital Management, Inc. ("RMCM"), and (vi) Willem Mesdag. RMCP GP is the general partner of each of RMCP II and RMCP III. RMCP LLC is the managing member of RMCP GP. RMCM is the managing member of RMCP LLC. Mr. Mesdag is the president, sole executive officer, sole director and sole shareholder of RMCM. Each of the reporting persons hereunder disclaims beneficial ownership of the reported securities except to the extent of its or his pecuniary interests therein. In addition, RMCP II disclaims beneficial ownership of any securities held directly by RMCP III, and RMCP III disclaims beneficial ownership of any securities held directly by RMCP II. Each reporting person (other than RMCP LLC) disclaims beneficial ownership of any securities held directly by RMCP LLC. This Form 4 shall not be deemed to be an admission that any reporting person hereunder is the beneficial owner of any of the reported securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

[/s/ Will Mesdag \(on behalf of  
himself and the Red Mountain  
entities\)](#) 08/13/2012

\*\* Signature of Reporting Person Date

\* 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).

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**