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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 8-K

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 6, 2004

**Encore Capital Group, Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**000-26489**  
(Commission File Number)

**48-1090909**  
(I.R.S Employer  
Identification No.)

**8875 Aero Drive**  
**San Diego, California 92123**  
(Address of Principal Executive Offices) (Zip Code)

**(877) 445-4581**  
(Registrant's Telephone Number, Including Area Code)

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**Item 7.01. Regulation FD Disclosure**

On December 6, 2004 the Company issued a press release announcing that it had purchased two large portfolios of credit card receivables, which were financed under the revised Credit Agreement terms referred to in Item 1.01 of the Company's Current Report on Form 8-K filed on December 3, 2004. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 7.01.

Also on December 6, 2004 the Company issued a press release regarding the status of its efforts to comply with the requirements of Section 404 of the Sarbanes-Oxley Act. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.2 and is incorporated herein solely for purposes of this Item 7.01.

The information provided in this Current Report on Form 8-K pursuant to Item 7.01, including Exhibits 99.1 and 99.2, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities under that Section. Furthermore, the information provided in this Current Report on Form 8-K pursuant to Item 7.01, including Exhibits 99.1 and 99.2, shall not be deemed to be incorporated by reference into the filings of Encore Capital Group, Inc. under the Securities Act of 1933.

**Item 9.01 Financial Statements and Exhibits**

(c) Exhibits

99.1 Press release dated December 6, 2004 regarding portfolio purchases and credit terms.

99.2 Press release dated December 6, 2004 regarding Sarbanes-Oxley Section 404.

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SIGNATURES

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

**ENCORE CAPITAL GROUP, INC.**

By           /s/ Barry R. Barkley          

Date: December 6, 2004

Barry R. Barkley

**EXHIBIT INDEX**

Exhibit	Description
99.1	Press release dated December 6, 2004 regarding portfolio purchases and credit terms.
99.2	Press release dated December 6, 2004 regarding Sarbanes-Oxley Section 404.

## Encore Announces Portfolio Purchases and Revised Credit Terms

**San Diego – (Business Wire) – December 6, 2004** – Encore Capital Group, Inc. (Nasdaq: ECPG), a leading accounts receivable management firm, today reported that it invested \$44.8 million during October and November in portfolio purchases with an average price of 3.8% of face value. Included in this were two large purchases totaling \$34.3 million with an average price of 3.8%. This brings the year to date cost of total spending on portfolio purchases through November 2004 to \$102.0 million — a 14.7% increase when compared to the \$88.9 million of portfolios purchased during all of 2003.

Several of these portfolios were financed under an amendment to the Company's longstanding Secured Financing Facility. Previously under this facility, the Company shared the profits of the receivables financed with the lender without a limit on the effective interest rate paid. Under this arrangement, the Company incurred an effective interest rate of 118.4% and 58.3% for the nine months ended September 30, 2004 and the year ended December 31, 2003, respectively. The newly amended agreement caps the total amount owed the lender for most portfolios financed under this facility between October 15, 2004 and the facility's termination date, December 31, 2004. This modification has allowed the Company to purchase portfolios at a lower multiple of gross collections to purchase cost, thus somewhat mitigating the increasing prices found in the recent purchase market.

Carl C. Gregory, III, the Company's Chief Executive Officer, stated, "Over the past 12 months prices have risen steadily, making it increasingly difficult to purchase portfolios on attractive terms. Although the purchases we've made this quarter are at higher prices, and consequently lower collection multiples, than we would have paid for similar portfolios a year ago, we're pleased we were able to identify, negotiate and close on several high quality portfolios which meet our needs at this time. While we will benefit from the amended credit agreement terms, the positive earnings impact will be offset by the lower revenue recognition rates resulting from the lower collections multiples on portfolios purchased in this market environment."

### About Encore Capital Group, Inc.

Encore Capital Group, Inc. is an accounts receivable management firm that specializes in purchasing charged-off and defaulted consumer debt. More information on the company can be found at [www.encorecapitalgroup.com](http://www.encorecapitalgroup.com).

### Forward Looking Statements

*The statements in this press release that are not historical facts, including, most importantly, those statements preceded by, or that include, the words "may," "believes," "projects," "expects," "anticipates," "will" or the negation thereof, or similar expressions, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). These statements may include, but are not limited to, projections of cash collections, revenues, income or loss; estimates of capital expenditures; plans for future operations, products or services; our assessment of current market conditions for purchases of receivable portfolios; and financing needs or plans, as well as assumptions relating to those matters. For all "forward-looking statements," the Company claims the protection of the safe harbor for forward-looking statements contained in the Reform Act. Such forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company and our subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could affect the Company's results and cause them to materially differ from those contained in the forward-looking statements include: the Company's ability to purchase receivables portfolios on acceptable terms and in sufficient quantities, particularly in challenging market conditions that drive down margins on new portfolios and may cause us to reduce the volume of purchases we make in a given period when higher prices prevail; the availability and cost of financing; the Company's ability to recover sufficient amounts on or with respect to receivables to fund operations; the Company's continued servicing of receivables in its third party financing transactions; the Company's ability to hire and retain qualified personnel to recover on its receivables efficiently; changes in, or failure to comply with, government regulations; the costs, uncertainties and other effects of legal and administrative proceedings; the costs associated with, and the potential inability of the Company to comply with the internal control requirements of the Sarbanes-Oxley Act as well as risk factors and cautionary statements made in the Company's Annual Report on Form 10-K as of and for the year ended December 31, 2003.*

*Forward-looking statements speak only as of the date the statement was made. They are inherently subject to risks and uncertainties, some of which the Company cannot predict or quantify. Future events and actual results could differ materially from the forward-looking statements. The Company will not undertake and specifically declines any obligation to publicly release the result of any revisions to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events, whether as the result of new information, future events or for any other reason. In addition, it is the Company's policy generally not to make any specific projections as to future earnings, and the Company does not endorse any projections regarding future performance that may be made by third parties.*

#### CONTACT:

##### Encore Capital Group, Inc. (Shareholders/Analysts)

Carl C. Gregory, III, 858-309-6961  
[carl.gregory@encorecapitalgroup.com](mailto:carl.gregory@encorecapitalgroup.com)

or

##### Financial Relations Board (Press)

Tony Rossi, 310-854-8317 (Investor Relations)  
[trossi@financialrelationsboard.com](mailto:trossi@financialrelationsboard.com)

**SOURCE: Encore Capital Group, Inc.**

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## Encore Provides SOX 404 Update

**SAN DIEGO — (BUSINESS WIRE)—December 6, 2004 — Encore Capital Group, Inc. (Nasdaq: ECPG)**, a leading accounts receivable management firm, today provided an update of the status of its efforts to comply with Section 404 of the Sarbanes-Oxley Act, commonly referred to as “SOX,” which requires companies to satisfy certain internal controls requirements. In substance, Section 404 requires annual management assessments of the effectiveness of the company’s internal controls over financial reporting, and a report by its independent auditors addressing these assessments.

The rules implementing SOX require that “accelerated filers” comply with the new Item 404 requirements for the fiscal year ending December 31, 2004. Non-accelerated filers have until the end of 2005 to comply with these new rules. Effective June 30 of this year, Encore became an “accelerated filer” under the SEC’s guidelines because of its significant share price appreciation, as well as the increased float resulting from the Company’s October 2003 public offering.

Encore reported that it has a plan to satisfy SOX 404 requirements for the fiscal year ending December 31, 2004 which it is aggressively pursuing, and recently added additional resources dedicated to this task. The Company also noted, however, that it may not be able to timely achieve all of the objectives of the rule for this fiscal year.

Barry Barkley, the Company’s Chief Financial Officer, stated, “Our compliance plan encompasses the identification, documentation and testing of a sweeping set of controls. To date, we have invested approximately \$1 million in this process and have spared no effort to meet these requirements. Notwithstanding all of this, at this point, we believe there is more than a remote chance that we will not complete all of 404’s requirements by the dates due. We do not anticipate that an inability to satisfy all of the requirements of SOX 404 would affect our ability to complete our financial audit.”

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### Forward Looking Statements

The statements in this press release that are not historical facts, including, most importantly, those statements preceded by, or that include, the words “may,” “believes,” “projects,” “expects,” “anticipates,” “will” or the negation thereof, or similar expressions, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). These statements may include, but are not limited to, our efforts to comply with the internal controls requirements of the Sarbanes-Oxley Act and our ability to complete our financial audit and obtain an unqualified audit opinion on our financial statements. For all “forward-looking statements,” the Company claims the protection of the safe harbor for forward-looking statements contained in the Reform Act. Such forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company and our subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In this regard, failure to comply with Section 404 of the Sarbanes-Oxley Act or to obtain an unqualified opinion on its financial statements could subject the Company to fines and other regulatory penalties, as well as investor lawsuits and related costs and damages, and could adversely affect the Company’s stock price.

Forward-looking statements speak only as of the date the statements were made. They are inherently subject to risks and uncertainties, some of which the Company cannot predict or quantify. Future events and actual results could differ materially from the forward-looking statements. The Company will not undertake and specifically declines any obligation to publicly release the result of any revisions to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events, whether as the result of new information, future events or for any other reason. In addition, it is the Company’s policy generally not to make any specific projections as to future earnings, and the Company does not endorse any projections regarding future performance that may be made by third parties.

### CONTACT:

Encore Capital Group, Inc. (Shareholders/Analysts) Carl  
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SOURCE: Encore Capital Group, Inc.

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