FORM 4

## **UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

| is box if no longer subject to<br>16. Form 4 or Form 5 | S |
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## TATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL OMB Number: Estimated average burden 0.5

Check this box if no longer sub Section 16. Form 4 or Form 5 obligations may continue. See

|  | 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 |                   |               |                    |   |  |        |   |   |  | 0.5                |  |  |   |   |  |       |   |  |
|--|---|-------------------|---------------|--------------------|---|--|--------|---|---|--|--------------------|--|--|---|---|--|-------|---|--|
| 1. Name and Address of Reporting Person*  MESDAG WILLEM                          |   |                   |               |                    | 2. Issuer Name <b>and</b> Ticker or Trading Symbol  ENCORE CAPITAL GROUP INC [ ECPG ] |  |        |   |   |  |                    |  | 5. Relationship of Report<br>(Check all applicable)<br>X Director<br>Officer (give title                           |   | 10% Ow  |  | Owner |   |  |
| ()   |   |                   |               |                    |   | 3. Date of Earliest Transaction (Month/Day/Year) 03/01/2017    |        |   |   |  |                    |  |  |   | belov   |  | ,     | below   | (specify<br>)  |
| (Street) LOS ANO   | GELES CA  |                   | 90067<br>Zip) |                    | 4. If Amendment, Date of Original Filed (Month/Day/Year)                              |  |        |   |   |  | Line)              | Individual or Joint/Group Filing (Check Applicable Line)     Form filed by One Reporting Person     X     Form filed by More than One Reporting Person |  |   |   |  |       |   |  |
|  |   | Tabl              | e I - No      | n-Deriva           | ative   | Sec  | uritie | s Ac                                    | quired  | , Dis  | sposed o           | f, or E  | Benefi   | cially  | / Own   | ed   |       |   |  |
| Date   |   |                   |               | e<br>nth/Day/Year) |   | 2A. Deemed<br>Execution Date,<br>if any<br>(Month/Day/Year)    |        | 3.<br>Transaction<br>Code (Instr.<br>8) |   | 4. Securities Acquired (A) o<br>Disposed Of (D) (Instr. 3, 4 a<br>5) |                    |  |  | 5. Amount of<br>Securities<br>Beneficially<br>Owned Following<br>Reported |   | Form: Direct<br>(D) or Indirect<br>(I) (Instr. 4)                  |       | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |  |
|  |   |                   |               |                    |   |  |        |   | Code  | v  | Amount             | (A) c<br>(D)   | r Pri  | се  | Transac<br>(Instr. 3  | ction(s)   |       |   | (111341. 4)  |
| Common   | Stock   |                   |               | 03/01/2            | 017   |  |        |   | A   |  | 1,274(1)           | A  | \$3  | 32.17   | 40  | ),272  |       | D   |  |
| Common   | Stock   |                   |               |                    |   |  |        |   |   |  |                    |  |  |   | 1,33  | 32,036   |       | I   | RMP -<br>See<br>Footnote<br>and<br>Remarks <sup>(2)</sup>  |
| Common   | Stock   |                   |               |                    |   |  |        |   |   |  |                    |  |  |   | 54  | l,600  |       | I   | RMCP -<br>See<br>Footnote<br>and<br>Remarks <sup>(3)</sup> |
|  |   | Та                | ıble II -     |                    |   |  |        |   |   |  | osed of,           |  |  |   | Owned   |  |       |   |  |
| 1. Title of Derivative Conversion Date SA. Deemed 4. Execution Date, Transaction |   | Transa<br>Code (I | ansaction of  |                    |   | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |        |   | 7. Title and<br>Amount of<br>Securities<br>Underlying<br>Derivative<br>Security (Instr. 3<br>and 4) |  | De<br>Se<br>(In    | Price of<br>erivative<br>curity<br>str. 5)   | 9. Number<br>derivative<br>Securities<br>Beneficiall<br>Owned<br>Following<br>Reported<br>Transactio<br>(Instr. 4) | y [   | LO.<br>Dwnership<br>Form:<br>Direct (D)<br>or Indirect<br>I) (Instr. 4) | 11. Nature<br>of Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |       |   |  |
|  |   |                   |               |                    | Code  | v  | (A)    | (D)                                     | Date<br>Exercis   | able   | Expiration<br>Date | Title  | Amour<br>or<br>Number<br>of<br>Shares  | er  |   |  |       |   |  |
| 1. Name and Address of Reporting Person*  MESDAC WILLEM                          |   |                   |               |                    |   |  |        |   |   |  |                    |  |  |   |   |  |       |   |  |

| Name and Address of Reporting Person*     MESDAG WILLEM                        |                           |          |  |  |  |  |  |
|--|---------------------------|----------|--|--|--|--|--|
| (Last)<br>10100 SANTA MO<br>SUITE 925  | (First)<br>ONICA BOULEVAR | (Middle) |  |  |  |  |  |
| (Street) LOS ANGELES   | CA                        | 90067    |  |  |  |  |  |
| (City)   | (State)                   | (Zip)    |  |  |  |  |  |
| 1. Name and Address of Reporting Person*  RED MOUNTAIN CAPITAL MANAGEMENT  INC |                           |          |  |  |  |  |  |
| (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)<br>10100 SANTA MC<br>SUITE 925                                       | (First)<br>DNICA BOULEVAR | (Middle) |  |  |  |  |  |
| (Street) LOS ANGELES  | CA                        | 90067    |  |  |  |  |  |
| (City)  | (State)                   | (Zip)    |  |  |  |  |  |
| (Last) 10100 SANTA MO SUITE 925   | (First)<br>ONICA BOULEVAR | (Middle) |  |  |  |  |  |
| (Street) LOS ANGELES  | CA                        | 90067    |  |  |  |  |  |
| (City)  | (State)                   | (Zip)    |  |  |  |  |  |
| 1. Name and Address of Reporting Person*  RED MOUNTAIN PARTNERS, L.P.       |                           |          |  |  |  |  |  |
| (Last)<br>10100 SANTA MO<br>SUITE 925                                       | (First)<br>DNICA BOULEVAR | (Middle) |  |  |  |  |  |
| (Street) LOS ANGELES  | CA                        | 90067    |  |  |  |  |  |
| (City)  | (State)                   | (Zip)    |  |  |  |  |  |

## Explanation of Responses:

- 1. Grant to Willem Mesdag, for service on the Issuer's board of directors, of deferred stock units under the terms of a non-employee director deferred compensation plan established under the 2013 Incentive Compensation Plan. Deferred stock units will be converted into shares of Issuer common stock on a one-for-one basis upon distribution. The distribution of shares of common stock will occur within 10 business days following the date Mr. Mesdag is no longer a member of the Issuer's Board of Directors.
- 2. These shares are held directly by Red Mountain Partners, L.P. ("RMP").
- 3. These shares are held directly by Red Mountain Capital Partners, LLC ("RMCP").

## Remarks:

This Form 4 is jointly filed by (i) RMP, (ii) RMCP GP LLC ("RMCP GP"), (iii) RMCP, (iv) Red Mountain Capital Management, Inc. ("RMCM") and (v) Mr. Mesdag. RMCP GP is the general partner of RMP. RMCP is the managing member of RMCP GP. RMCM is the managing member of RMCP. Mr. Mesdag is the president, sole executive officer, sole director and sole shareholder of RMCM. Each of Mr. Mesdag and RMCM, by virtue of their direct or indirect control of RMCP, may be deemed to beneficially own some or all of the securities reported as being held by RMCP. Each of Mr. Mesdag, RMCM, RMCP and RMCP GP, by virtue of their direct or indirect control of RMP, may be deemed to beneficially own some or all of the securities reported as being held by RMP. Each of the Reporting Persons hereunder discalaims beneficial ownership of the reported securities except to the extent of its or his pecuniary interest therein. This Form 4 shall not be deemed to be an admission that any Reporting Person hereunder is subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934, as amended ("Section 16"), or the beneficial owner of any of the reported securities for purposes of Section 16 or for any other purpose.

/s/ Willem Mesdag (on behalf of himself and the Other Reporting Persons) 03/01/2017

\*\* Signature of Reporting Person Date

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

- $^{\star}$  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.