
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 5, 2005

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, Suite 200
San Diego, California 92123
(Address of Principal Executive Offices) (Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement

The information disclosed under Item 5.02 below is incorporated by reference into this Item 1.01.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

On July 5, 2005, the Company announced the appointment of Ron Eckhardt to fill its newly created position of Executive Vice President and General Manager, effective July 5, 2005. He will be responsible for all facets of the Company's traditional debt collection business, from portfolio acquisitions through the collection process. Mr. Eckhardt will report directly to J. Brandon Black, the Company's President and Chief Operating Officer, and will serve at the discretion of the Board of Directors.

Mr. Eckhardt, age 61, was formerly with Hewlett Packard Consulting & Integration where he was the Vice President and General Manager of the Software Services Division from 1998 to 2004. He was with Hewlett Packard for over 20 years and served in various management roles throughout his tenure: Operations Manager for Test Management & Measurement Systems from 1996 to 1998, Director of Marketing for Integrated Systems Divisions from 1988 to 1999, and General Motors Program Manager from 1984 to 1987. Mr. Eckhardt received his Bachelors of Science in I.E./Management Science Operations, Research/Computer Science from Northwestern University and his Masters in Science in Computer Science & Digital Systems from the University of Santa Clara.

Although Mr. Eckhardt and the Company have not entered into a formal employment agreement, Mr. Eckhardt will receive an annual base salary of \$250,000 as compensation for his service as Executive Vice President and General Manager, plus eligibility to receive an annual cash bonus with a target amount of 50% of his base salary. The actual bonus payable will be determined by the Compensation Committee in its discretion, based upon Company and individual performance relative to objectives agreed to in advance. In addition, the Company entered into a severance agreement with Mr. Eckhardt. In the event the Company terminates his employment without "cause," as defined in the severance agreement, after four full months of service, the Company is required to make

a severance payment to Mr. Eckhardt in an amount not to exceed twelve months' salary, depending on his length of tenure with the Company. A copy of the severance agreement is attached hereto as Exhibit 10.1.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

10.1 Severance Agreement dated June 12, 2005, between the Company and Ron Eckhardt.

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.

Date: July 7, 2005

ENCORE CAPITAL GROUP, INC.

/s/ Paul Grinberg

Paul Grinberg
Executive Vice President,
Chief Financial Officer and Treasurer

8875 Aero Drive
 San Diego, CA 92123
 Tel: (858) 560-2600
 Fax: (858) 309-6980

4302 E. Broadway
 Phoenix, AZ 85040
 Tel: (602) 707-0211
 Fax: (602) 431-1801

June 12, 2005

Ron Eckhardt
 [Address]

Dear Ron:

Welcome to Midland Credit Management Inc, (the "Company"). As you know, employment relationships with the Company are "at will." This means that either you or the Company may terminate the employment relationship at any time and for any reason, with or without notice or cause. The Company also has the right to change at-will the compensation, benefits, duties, assignments or responsibilities of your position. While certain paragraphs of this letter agreement describe events which could occur at a particular time in the future, nothing in your offer or this letter agreement may be construed as guaranteeing employment of any length. If any representations have been made contrary to this at-will relationship, such representations are superseded by this letter agreement. This at-will relationship only may be altered by a written document signed by the Company's President.

Notwithstanding that your employment relationship with the Company is at all times "at will," and although the Company does not have a policy or practice of offering separation benefits to terminated employees, the Company will make certain termination benefits available to you under the conditions described below.

Termination Without Cause. In the event your employment is terminated without Cause after four (4) full months of service with the Company, upon your execution and delivery of the Company's standard General Release and Waiver of Claims, the Company will pay you an amount equal to the number of full months of your employment multiplied by your monthly base salary in effect on the date of termination, up to a maximum of 12 months' base salary, less usual deductions. Any payments will be made according to the Company's regular payroll schedule. In the event your employment is terminated prior to four (4) full months of service no separation payment will be made.

For purposes of this offer, "Cause" is defined as (i) your failure to adhere to any written policy of the Company that is legal and generally applicable to employees of the Company; (ii) your failure to substantially perform your duties, which failure amounts to a repeated and consistent neglect of your duties; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted misappropriation) of any of the Company's funds or property; (v) the conviction of, or the entering of a guilty plea or plea of no contest, with respect to a felony, the equivalent thereof, a crime of moral turpitude or any other crime with respect to which imprisonment is a possible punishment; (vi) conduct materially injurious to the Company's reputation or business; or (vii) willful misconduct.

Sincerely,

/s/ J. Brandon Black

J. Brandon Black
 President and Chief Operating Officer
 Midland Credit Management Inc.

ACCEPTED:

/s/ Ron Eckhardt

 Ron Eckhardt

 Date