

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 22, 1999

MCM CAPITAL GROUP, INC.

(Exact Name of Registrant as Specified in Charter)

DELAWARE	000-26489	48-1090909
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

500 West First Street Hutchinson, KS	67501
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(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (800)759-0327

(Former Name or Former Address, if Changed Since Last Report)

Item 5. Other Events.

On July 22, 1999, MCM Capital Group, Inc. (the "Company") announced that Robert E. Koe had been named President and Chief Executive Officer of the Company and had been appointed to its Board of Directors. Mr. Koe succeeds Mr. Frank Chandler who will serve as Vice Chairman and remain a director of the Company. In connection with his employment, Mr. Koe entered into a three-year employment agreement and was granted options to purchase up to 100,000 shares of the Company's common stock under the Company's 1999 Equity Participation Plan.

Copies of Mr. Koe's employment agreement and the press release with respect to the foregoing announcement are being filed as exhibits hereto.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits

10.1 Employment Agreement between the Company and Robert E. Koe

99.1 Press Release dated July 22, 1999.

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

MCM CAPITAL GROUP, INC.

By: /s/R. Brooks Sherman

R. Brooks Sherman
Executive Vice President
and Chief Financial Officer

Dated: July 22, 1999

EXHIBIT INDEX

Exhibit No.	Description	Page No.
10.1 --	Employment Agreement between the Company and Robert E. Koe	
99.1 --	Press Release dated July 22, 1999	

MCM CAPITAL GROUP, INC.
500 WEST FIRST STREET
HUTCHINSON, KANSAS 67504

July 19, 1999

Mr. Robert F. Koe
12971 Sanctuary Court
Lake Bluff, IL 60044

Dear Mr. Koe:

It is with great pleasure that we hereby confirm your employment as President and Chief Executive Officer of MCM Capital Group, Inc. (the "Company"), on the terms and conditions set forth in this letter and in the attached term sheet (the "Term Sheet"). During the term of your employment with the Company, you shall also serve as President and Chief Executive Officer of Midland Credit Management, Inc. and Midland Financial Services, Inc., wholly owned subsidiaries of the Company.

This letter agreement, which includes the Annex hereto, contains the entire agreement between the parties with respect to the matters covered herein and supersedes all prior agreements, written or oral, with respect thereto. This letter agreement may only be amended, superseded, canceled, extended or renewed and the terms hereof waived, only by a written instrument signed by the parties hereto, or in the case of a waiver, by the party waiving compliance.

You will report to the Board of Directors of the Company (the "Board") and your duties will be performed primarily at the Company's offices in Phoenix, Arizona. You acknowledge that the Company's principal executive offices are currently located in Hutchinson, Kansas and that you may need to spend time at such offices in performance of your duties hereunder. The Company shall furnish sufficient facilities, services, staffing and assistance to enable you to perform your duties hereunder. The term of your employment shall continue through the third anniversary of the date hereof, provided that such term shall be automatically extended for successive one year periods unless either you or the Company gives written notice to the other, at least one-hundred eighty (180) calendar days before such extension is to take effect, that they do not wish the term to be extended. This Agreement may be terminated prior to the expiration of the original term, or any extension thereof: (i) in the event that you shall die; (ii) in the event that you shall become Disabled (for purposes of this clause (ii), "Disabled" shall mean that you shall have failed, due to illness or other physical or mental incapacity, to render services of the character contemplated by this Agreement for an aggregate of more than ninety (90) calendar days during any twelve (12) month period); (iii)

for Cause (as hereafter defined); or (iv) in the event that you give written notice to the Company of your resignation.

For purposes of this letter agreement "Cause" means: (i) commission of any act of fraud or gross negligence by you in the course of your employment hereunder which, in the case of gross negligence, has a materially adverse effect on the business or condition (financial or otherwise) of the Company or any of its subsidiaries or affiliates; (ii) willful material misrepresentation at any time by you to the Board, or any of Triarc Companies, Inc., C.P. International Investments Limited or their affiliates (collectively, the "Principal Stockholders"); (iii) willful failure or refusal to comply with any of your material obligations hereunder or to comply with a reasonable and lawful instruction of the Board; (iv) engagement by you in any conduct or the commission by you of any act which is, in the reasonable opinion of the Board, materially injurious or detrimental to the substantial interest of any of the Principal Stockholders, or the Company; (v) indictment for any felony involving fraud or moral turpitude, or conviction of any felony, whether of the United States or any state thereof or any similar foreign law to which you may be subject; (vi) any failure to substantially comply with any written rules, regulations, policies or procedures of the Company furnished to you which, if not complied with, could reasonably be expected to have a material adverse

effect on the business of the Company or any of its subsidiaries or affiliates; or (vii) any willful failure to comply with the Company's, or any of its subsidiaries' or affiliates' policies regarding insider trading; provided, however, that in the case of clause (vi) of the definition of "Cause" set forth in this paragraph, if your failure or refusal referred to therein is curable by you, then "Cause" shall not be deemed to exist unless you fail or refuse to so cure within three (3) business days of your receipt from the Company of a request for such cure and such request to cure is the first such request delivered under this paragraph. A decision by the Company to deliver the notice referred to in the fourth sentence of the third paragraph of this letter agreement shall not constitute "Cause".

In the event of termination of your employment by the Company for reasons other than: (i) those set forth in clauses (i) - (iv) of the third paragraph of this letter agreement, or (ii) a decision by the Company not to deliver the notice referred to in the third sentence of the third paragraph of this letter agreement, the Company shall pay to you a sum equal to your annual base rate of salary in effect as of the effective date of such termination, payable in semi-monthly installments commencing with the month after such termination until the earlier of (x) the end of the then effective term of this letter agreement or (y) the first anniversary of such termination. In addition, in such event, you will be entitled, (i) to receive a pro rata portion of your annual bonus for the portion of the calendar year that you worked for the Company prior to such termination of employment, and (ii) at your election, to continue your coverage under all health and medical insurance policies, pursuant to Section 4980B of the Internal Revenue Code, as amended, or under Part 6 of Title I of the Employee Retirement Income Security Act of 1974, as amended, maintained by the Company, the cost of such coverage to be allocated between you and the Company in a manner consistent with the allocation of health and medical coverage costs applicable to other active executive officers of the Company. In consideration of the monies to be paid and the benefits to be provided to you, you agree to execute and deliver to the Company on or before any payment by the Company a release substantially in the form of Annex A hereto, failing which, except to the extent required by law, the Company shall be relieved of all of its obligations hereunder. Upon any

termination of your employment with the Company, you will return to the Company, all Company/or its subsidiary-owned property, such as credit cards, computers, cellular phones, files, etc.

You acknowledge that as the Company's President and Chief Executive Officer you will be involved, at the highest level, in the development, implementation, and management of the Company's and its subsidiaries' businesses, strategies and plans, including those which involve the Company's and its subsidiaries' finances, marketing operations, industrial relations, operations and acquisitions. By virtue of your unique and sensitive position, your employment by a competitor of the Company or its subsidiaries represents a serious competitive danger to the Company and its subsidiaries and the use of your talent, knowledge, and information about the Company's and its subsidiaries' businesses, strategies, and plans can and would constitute a valuable competitive advantage over the Company and its subsidiaries. In view of the foregoing, you covenant and agree that, for a period of two (2) years following the termination of your employment with the Company or the expiration of the then current term of this letter agreement, as the case may be, you will not engage or be engaged in any capacity, directly or indirectly, including, but not limited to, as an employee, agent, consultant, manager, executive, owner or stockholder (except as a passive investor owning less than one percent (1%) interest in a publicly held company) in (i) any business or entity that is engaged in the business of purchasing defaulted or charged-off retail installment contracts, retail revolving contracts or other promissory notes (and related security agreements) or other unsecured loan accounts in the auto deficiency, consumer loan, credit card and student product lines, and managing, restructuring, reselling and/or liquidating such accounts for itself as the owner of such accounts, or (ii) any other business that the Company may be engaged in during the term of this letter agreement. Notwithstanding clause (ii) above, if this letter agreement is assigned by the Company as provided herein, the terms of this paragraph shall not apply to any business engaged in by the assignee that is not related or similar to any business engaged in (or contemplated to be engaged in) by the Company at the time of such assignment.

You agree to treat as confidential and not to disclose to anyone other than the Company, its subsidiaries and affiliated companies, and you agree that you will not at any time during your employment and at any time thereafter, without the prior written consent of the Company, divulge, furnish, or make known or accessible to, or use for the benefit of anyone other than the Company, its subsidiaries and affiliated companies, any information of a confidential nature relating in any way to the business of the Company, its subsidiaries or affiliated companies, or any of their respective affiliates, members, shareholders, officers, employees or directors, or any other Person having a direct business relationship with the Company or its subsidiaries, unless (i) you are required to disclose such information by requirements of law, (ii) such information is in the public domain through no fault of yours, or (iii) such information has been lawfully acquired by you from other sources unless you know that such information was obtained in violation of an agreement of confidentiality. You further agree, that in consideration of this letter agreement, that you will refrain from engaging in any conduct or making any statement, written or oral, which is detrimental to the Company, its subsidiaries or affiliated companies or any of their respective affiliates, members, shareholders, officers, employees or directors.

You agree that in addition to any other remedy provided at law or in equity, (a) the Company shall be entitled to a temporary restraining order, and both preliminary and permanent

injunctive relief restraining you from violating the provisions of the preceding two paragraphs, (b) you will indemnify and hold each of the Company, its subsidiaries and either of the Principal Stockholders harmless from and against any and all damages or loss incurred by either of the Principal Stockholders, the Company or any of their affiliates (including reasonable attorneys' fees and expenses; provided, however, that you shall not in connection with any one action or separate but substantially similar action arising out of the same allegation, be liable for the fees and expenses of more than one separate firm of attorneys at any time for all indemnified parties hereunder, except to the extent that local counsel, in addition to its regular counsel, is required in order to effectively pursue such claim, or to the extent that any conflict or potential conflict exists among the indemnified parties that would make separate representation advisable) as a direct result of any willful or reckless violation of such provisions; and (c) the Company's remaining obligations under this letter agreement, if any, shall cease (other than payment of your base salary through the date of such violation and any earned but unpaid vacation or except as may be required by law) as a result of any willful or reckless violation of such provisions.

The provisions of the sixth, seventh and eighth paragraphs of this letter agreement shall specifically survive any termination of this letter agreement.

You agree that the Company may withhold from any amounts payable to you hereunder all federal, state, local or other taxes that the Company determines are required to be withheld pursuant to any applicable law or regulation. You further agree that if the Internal Revenue Service or other taxing authority asserts a liability against the Company for failure to withhold taxes on any payment hereunder, you will pay to the Company the amount determined by such taxing authority that had not been withheld, together with any interest imposed by such taxing authority on such amount, within ninety (90) days of notice to you of such determination.

Any notice or other communication required or permitted under this Agreement shall be in writing and shall be delivered personally, or sent by certified, registered or express mail, postage prepaid, return receipt requested. Any such notice shall be deemed given when so delivered personally, or, if mailed, on the date of receipt, (i) if to the Company, to the attention of the Chairman of the Board at the address first written above, with a copy to Snell & Wilmer, One Arizona Center, Phoenix, Arizona 85004-0001, Attention: Steven D. Pidgeon, Esq., and (ii) if to you, at the address first written above.

This letter agreement and your rights and obligations hereunder may not be assigned by you. The Company may assign this letter agreement and its rights, together with its obligations, hereunder in connection with any sale, transfer or other disposition of all or substantially all of its assets or business, whether by merger, consolidation or otherwise.

This letter agreement shall be governed by the laws of the State of Arizona applicable to agreements made and to be performed entirely within such State.

You acknowledge that this letter agreement shall be valid and binding against you upon execution by the Company and you. You also acknowledge that this letter agreement shall not be binding against the Company until it has been approved by the Company's Board of Directors.

If this agreement is not so approved by July 31, 1999, this letter agreement shall be null and void and of no further force and effect.

If you agree with the terms outlined above and in the Term Sheet, please date and sign the copy of this letter enclosed for that purpose and return it to me.

Sincerely,

MCM CAPITAL GROUP, INC.

By: /s/Eric D. Kogan

Eric D. Kogan
Chairman of the Board

Agreed and Accepted this 19th day of July, 1999:

/s/Robert F. Koe

Robert F. Koe

ROBERT F. KOE
 PRESIDENT AND CHIEF EXECUTIVE OFFICER
 OF
 MCM CAPITAL GROUP, INC.
 MIDLAND CREDIT MANAGEMENT, INC. AND
 MIDLAND FINANCIAL SERVICES, INC.

EMPLOYMENT TERM SHEET

PROVISION	TERM	COMMENTS
CONTRACT TERM	Three years, subject to automatic renewal.	Automatic one year extensions, unless the Company or executive gives 180 days' notice of non-renewal.
BASE SALARY	\$225,000/year, to be paid on a regular basis by the Company in accordance with the Company's payroll procedures and policies.	
ANNUAL CASH INCENTIVE BONUS	The executive shall be eligible to receive annual incentive cash bonuses of up to 100% of Base Salary based on the Company and individual performance assessed for each fiscal year relative to objectives agreed to in advance between the executive and the Board. The executive shall be eligible to receive an incentive cash bonus on a pro rata basis for 1999.	Any annual cash incentive bonus payable hereunder shall be paid to the executive not later than 15 business days following the delivery of the Company's audited financial statements for the fiscal year with respect to which such bonus is payable.
STOCK OPTIONS	100,000 options to be granted promptly following approval of agreement by Company's Board of Directors. Such options will have an exercise price equal to fair market value on the date of grant and will vest 1/3 each year on the first, second and third anniversaries of the date of grant	Further performance based grants to be considered by the Board,
BENEFITS	Benefits as are generally made available to other executives of the Company, including participation in the Company's health/medical and insurance programs.	
VACATION	4 weeks per year.	
EXPENSES	Reasonable and necessary out-of-pocket expenses incurred in the performance of duties shall be reimbursed by the Company in accordance with its policies.	

GENERAL RELEASE
AND COVENANT NOT TO SUE

TO ALL WHOM THESE PRESENTS SHALL COME OR MAY CONCERN, KNOW that:

Robert F. Koe (the "Executive"), on his own behalf and on behalf of his descendants, dependents, heirs, executors and administrators and permitted assigns, past and present, in consideration for the amounts payable to the undersigned under that Letter Agreement dated July 19, 1999 (the "Employment Agreement") between Executive and MCM Capital Group, Inc. (the "Company"), does hereby covenant not to sue or pursue any litigation (or file any charge or otherwise correspond with any Federal, state or local administrative agency) against, and waives, releases and discharges the Company, and its respective assigns, affiliates, subsidiaries, parents, predecessors and successors, and the past and present shareholders, employees, officers, directors, representatives and agents or any of them (collectively the "Company Group"), from any and all claims, demands, rights, judgments, defenses, actions, charges or causes of action whatsoever, of any and every kind and description, whether known or unknown, accrued or not accrued, that Executive ever had, now has or shall or may have or assert as of the date of this General Release against any of them, including, without limiting the generality of the foregoing, any claims, demands, rights, judgments, defenses, actions, charges or causes of action related to employment or termination of employment or that arise out of or relate in any way to the Age Discrimination in Employment Act of 1967, as amended, the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, as amended, and other Federal, state and local laws relating to discrimination on the basis of age, sex or other protected class, all claims under Federal, state or local laws for express or implied breach of contract, wrongful discharge, defamation, intentional infliction of emotional distress,

and any related claims for attorneys' fees and costs; provided, however, that nothing herein shall release any member of the Company Group from any of its obligations under the Employment Agreement or any rights to indemnification under any charter or by-laws (or similar documents) of any member of the Company Group.

The Company, on its own behalf and on behalf of its assigns, affiliates, subsidiaries, parents, predecessors and successors, and its past and present shareholders, employees, officers, directors, representatives and agents or any of them, does hereby covenant not to sue or pursue any litigation (or file any charge or otherwise correspond with any Federal, state or local administrative agency) against, and waives, releases and discharges Executive and his heirs, successors and assigns, descendants, dependents, executors and administrators, past and present, and any of his affiliates and each of them (collectively, the "Executive Releasees") from any and all claims, demands, rights, judgments, defenses, actions, charges or causes of action whatsoever, of any and every kind and description, whether known or unknown, accrued or not accrued, that the Company ever had, now has or shall or may have or assert as of the date of this General Release against any of them, based on facts known to any current executive officer of the Company or any subsidiary or other affiliate thereof, including specifically, but not exclusively and without limiting the generality of the foregoing, any and all claims, demands, agreements, obligations and causes of action arising out of or in any way connected with any transaction, occurrence, act or omission related to Executive's employment by the Company or the termination of that employment; provided, however, that nothing herein shall release the Executive Releasees from any obligations arising out of or related in any way to Executive's obligations under the Employment Agreement or impair the right or ability of the Company to enforce the terms thereof.

In consideration for the amounts payable to the Executive under the Employment Agreement, the

Executive agrees to cooperate, at the expense of the Company Group, with the members of the Company Group in connection with all litigation relating to the activities of the Company and its affiliates during the period of the Executive's employment with the Company including, without limitation, being available to take depositions and to be a witness at trial, help in preparation of any legal documentation and providing affidavits and any advise or support that the Company or any affiliate thereof may request of the Executive in connection with such claims.

This General Release shall be governed by and construed in accordance with the laws of the State of Arizona, applicable to agreements made and to be performed entirely within such State.

Each of the Executive and the Company acknowledge that they have entered into this General Release knowingly and willingly and has had ample opportunity to consider the terms and provisions of this General Release.

IN WITNESS WHEREOF, the parties hereto have caused this General Release to be executed on this ____ day of _____, 200__.

Robert F. Koe

MCM CAPITAL GROUP, INC.

By: _____
Name:
Title:

MCM CAPITAL GROUP, INC.
500 West First Street
Hutchinson, KS 67501

FOR IMMEDIATE RELEASE

CONTACT: ERIC D. KOGAN - CHAIRMAN OF THE BOARD
(212) 451-3075

MCM CAPITAL APPOINTS ROBERT E. KOE PRESIDENT AND CEO

HUTCHINSON, KANSAS, JULY 22, 1999 - MCM Capital Group, Inc. announced today that Robert E. Koe, 54, has been named its President and Chief Executive Officer and has been appointed to its Board of Directors. He succeeds Frank I. Chandler, 64, who will serve as Vice Chairman and remain a director of the Company.

Mr. Koe is a highly regarded executive with a diversified background in financial services. He had a seventeen-year career beginning in 1967 at the General Electric Corporation, where he rose to become Vice President of GE Capital's commercial leasing subsidiary. From 1984 to 1990, Mr. Koe was Vice Chairman of Heller Financial, Inc., a diversified commercial finance company. From 1990 to 1996, he was Chairman, President and Chief Executive Officer of United States Leather, the largest supplier of leather in North America. From 1996 to 1998, he was a Managing Director of Ocwen Financial Corporation, a

leading purchaser and servicer of distressed residential and commercial mortgages. Mr. Koe holds an AB in Economics from Kenyon College and is a member of its Board of Trustees.

In announcing Mr. Koe's appointment, Eric D. Kogan, Chairman of the Board, said: "We are very excited that Bob Koe has joined MCM Capital. He has an excellent background for our industry, strong leadership skills and understands the ingredients for success in fast growing companies. With MCM Capital having recently completed its initial public offering, we believe Bob will quickly focus our team and our resources on creating shareholder value."

Kogan added: "Frank Chandler is an industry leader in purchasing distressed consumer receivables. As our Vice Chairman, MCM Capital will continue to benefit from his considerable experience and expertise."

MCM Capital Group, Inc. acquires, manages and collects distressed consumer receivables. On July 9, 1999, MCM Capital completed its initial public offering. The Company is listed on NASDAQ under the symbol "MCMC."

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