

**UNITED STATES
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): May 11, 2007

ENCORE CAPITAL GROUP, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-26489
(Commission File Number)

48-1090909
(IRS Employer
Identification No.)

8875 Aero Drive, Suite 200, San Diego, California
(Address of Principal Executive Offices)

92123
(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 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing

On May 11, 2007, we notified The NASDAQ Stock Market, Inc. (“NASDAQ”) that as a result of the resignation of Eric D. Kogan from our Board of Directors and its Audit Committee effective May 11, 2007, as described in Item 5.02 below, we are no longer compliant with NASDAQ Marketplace Rule 4350(d)(2)(A) which requires each listed company to maintain an audit committee composed of at least three members who meet certain eligibility criteria. With Mr. Kogan’s resignation, we have two members of our Audit Committee and one vacancy on the Committee. Under NASDAQ’s rules, we have a cure period which extends until the earlier of May 11, 2008 or the Company’s next annual meeting of stockholders to regain compliance; provided that we have a minimum of 180 days to comply if our next annual meeting of stockholders will be held within 180 days.

Our Board is currently considering its present composition and that of its various committees. As previously disclosed, on May 1, 2007, our Board amended the Company’s Bylaws to increase the maximum number of directors that may serve on the Board to twelve. The Board has begun a search to identify a new independent director who qualifies to serve on the Audit Committee and anticipates that it will be able to appoint a third member to the Audit Committee within the cure period.

In the unlikely event that the Board does not appoint a third member to the Audit Committee within the required period, our stock is subject to delisting proceedings under NASDAQ rules.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On May 11, 2007, our Board of Directors accepted the resignations Peter W. May, Raymond Fleming and Eric D. Kogan as directors on the Board and elected Timothy J. Hanford, John D. Oros, Willem Mesdag and J. Christopher Teets to the Board as directors. Messrs. Hanford and Oros are affiliated with JCF FPK I, LLP, which purchased approximately 25.2% of our outstanding common stock on May 10, 2007, and Messrs. Mesdag and Teets are affiliated with Red Mountain Capital Partners LLC, which with its affiliates, is the beneficial owner of approximately 15.1% of our outstanding common stock. The Board of Directors has determined that Messrs. Hanford, Oros, Mesdag and Teets are all “independent directors” as defined in NASDAQ Marketplace Rule 4200(a)(15).

Also on May 11, 2007, the Board appointed Mr. Hanford to the Compensation Committee of the Board.

In light of the departures of Messrs. May, Fleming and Kogan, the Board previously appointed Richard A. Mandell, Alexander Lemond and Carl C. Gregory, III to the Nominating Committee and Messrs. Mandell and Lemond to the Compensation Committee effective May 1, 2007.

Item 8.01 Other Events

On May 15, 2007, we issued a press release announcing the election of Messrs. Hanford, Oros, Mesdag and Teets to our Board. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K, and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated May 15, 2007

SIGNATURE

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 hereunto duly authorized.

ENCORE CAPITAL GROUP, INC.

Date: May 15, 2007

/s/ Paul Grinberg

Paul Grinberg
Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated May 15, 2007

**Press Release****Encore Capital Group, Inc. Announces Changes to its Board of Directors**

SAN DIEGO, May 15, 2007 /PRNewswire-FirstCall/ — Encore Capital Group, Inc. (Nasdaq: ECPG) announced today that Timothy J. Hanford, Willem Mesdag, John J. Oros and J. Christopher Teets have joined Encore's Board of Directors. These new members replace directors Raymond Fleming, Treasurer of Consolidated Press Holdings Limited, Eric D. Kogan, Partner of Clarion Capital Partners, and Peter W. May, President and Chief Operating Officer of Triarc Companies, who have resigned in connection with the previously announced acquisition of approximately 25% of Encore's common stock by an investment vehicle jointly funded by affiliates of J.C. Flowers & Co. and FPK Capital in a transaction that closed on May 10, 2007. In addition, Mr. Hanford has been appointed to the Compensation Committee of Encore Capital Group's Board.

Mr. Hanford is Co-Head of FPK Capital, which manages principal investments for Fox-Pitt, Kelton, a leading specialist investment bank servicing financial institutions worldwide. Prior to establishing FPK Capital, he served as Head of Private Equity at Dresdner Bank and as a member of the Institutional Restructuring Unit's Executive Committee. Mr. Hanford's previous experience also includes private equity investing with Charlemagne Capital and serving as a Board Director of Schroders, based in Tokyo and Hong Kong, where he was responsible for structured finance.

Mr. Mesdag is Managing Partner of Red Mountain Capital Partners LLC, an investment firm that he established following a 21-year career with Goldman, Sachs & Co. Prior to joining Goldman, Sachs & Co., Mr. Mesdag practiced law with Ballard, Spahr, Andrews & Ingersoll in Philadelphia.

Mr. Oros is a Managing Director of J.C. Flowers & Co. LLC, an investment advisor, and serves as the Executive Chairman of Enstar Group Limited. Since March 2000, he has also served in various executive positions for The Enstar Group, Inc. and its successor entity Enstar USA, Inc. Before joining The Enstar Group, Inc., Mr. Oros was an investment banker at Goldman, Sachs & Co. for 20 years.

Mr. Teets is a Partner of Red Mountain Capital Partners LLC. He was previously employed by Goldman, Sachs & Co., most recently serving as Vice President in the firm's investment banking division. Prior to that, Mr. Teets was a financial analyst in the investment banking division of Citigroup.

"We are very pleased to welcome Tim, Will, John and Chris to our Board of Directors," said J. Brandon Black, President and CEO of Encore Capital Group. "We believe each adds deep industry expertise in the financial services sector and will contribute to our strategic vision and help in building stockholder value."

Carl C. Gregory, III, Chairman of the Board of Directors of Encore Capital Group said, "We welcome our newest colleagues to the Board who bring a wealth of experience in the financial services business. We look forward to tapping into these new resources as we build further relationships across the financial services spectrum to take advantage of Encore's areas of expertise."

About Encore Capital Group, Inc.

Encore Capital Group, Inc. is a systems-driven purchaser and manager of charged-off consumer receivables portfolios. More information on the Company can be found at 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," "believe," "projects," "expects," "anticipates" 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, statements regarding future operating results. 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 its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other factors are discussed from time to time in the reports filed by the Company with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the fiscal year ended December 31, 2006. The Company disclaims any intent or obligation to update these forward-looking statements.

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