

**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 30, 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))
-

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

As previously disclosed in our Current Report on Form 8-K filed on May 15, 2007, the audit committee of our Board of Directors does not comply with the composition requirements under Marketplace Rule 4350(d)(2)(A) of The NASDAQ Stock Market, Inc. ("NASDAQ") due to the recent resignation of Eric D. Kogan from our Board on May 11, 2007. Rule 4350(d)(2)(A) 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.

On May 30, 2007, we received a letter from NASDAQ confirming that we are no longer compliant with Rule 4350(d)(2)(A) with respect to the composition of our audit committee. The letter further indicates that 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 until November 7, 2007 to regain compliance if our next annual meeting of stockholders will be held before that date. In the unlikely event that the Board does not appoint a third member to the audit committee within the required period, the letter indicates that our stock is subject to delisting proceedings under NASDAQ rules.

We are in the process of identifying and qualifying a candidate to fill the vacancy on the audit committee, and continue to anticipate that we will be able to regain compliance within the cure period.

Item 8.01 Other Events

On June 4, 2007, we issued a press release announcing the receipt of the letter from NASDAQ as described above. 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 June 4, 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: June 4, 2007

/s/ Paul Grinberg

Paul Grinberg

Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press release dated June 4, 2007



Encore Capital Group, Inc. Receives Letter from Nasdaq for Audit Committee Vacancy

SAN DIEGO, June 4, 2007 /PRNewswire-FirstCall/ — Encore Capital Group, Inc. (Nasdaq: ECPG) announced today that due to the resignation, on May 11, 2007, of Eric D. Kogan from its Board of Directors and audit committee, it received a letter, dated May 30, 2007, from The Nasdaq Stock Market indicating that Encore Capital no longer complies with Nasdaq's audit committee requirement as set forth in Marketplace Rule 4350(d)(2)(A). The Rule requires Encore Capital to have an audit committee of three independent directors.

The letter from Nasdaq also indicated that Encore Capital has the following cure period in which to regain compliance:

- until the earlier of Encore Capital's next annual stockholders' meeting or May 11, 2008; or
- if the next annual stockholders' meeting is held before November 7, 2007, then Encore Capital must evidence compliance no later than November 7, 2007.

If Encore Capital does not regain compliance by the above listed dates, its securities may be delisted. The Company is in the process of identifying and qualifying a candidate to fill this position and anticipates that the requirement will be satisfied within the cure period.

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 the expected timeframe for regaining compliance. 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.

Contact:

Encore Capital Group, Inc.
Paul Grinberg (858) 309-6904
paul.grinberg@encorecapitalgroup.com
or
Ren Zamora (858) 560-3598
ren.zamora@encorecapitalgroup.com

SOURCE Encore Capital Group, Inc.