

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL	
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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>RED MOUNTAIN CAPITAL PARTNERS LLC</u> (Last) (First) (Middle) 10100 SANTA MONICA BOULEVARD SUITE 925 (Street) LOS ANGELES CA 90067 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 04/05/2007	3. Issuer Name and Ticker or Trading Symbol <u>ENCORE CAPITAL GROUP INC [ECPG]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	748,009	I	See Footnote 1 and Remarks below. ⁽¹⁾
Common Stock	2,022,053	I	See Footnote 2 and Remarks below. ⁽²⁾

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			

1. Name and Address of Reporting Person*
RED MOUNTAIN CAPITAL PARTNERS LLC
 (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 II, L.P.
 (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 III, L.P.
 (Last) (First) (Middle)

10100 SANTA MONICA BOULEVARD
SUITE 925

(Street)

LOS ANGELES CA 90067

(City)

(State)

(Zip)

1. Name and Address of Reporting Person*

RMCP GP LLC

(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 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*

MESDAG WILLEM

(Last)

(First)

(Middle)

10100 SANTA MONICA BOULEVARD
SUITE 925

(Street)

LOS ANGELES CA 90067

(City)

(State)

(Zip)

Explanation of Responses:

1. These shares are held directly by RMCP II (as defined in Remarks below).
2. These shares are held directly by RMCP III (as defined in Remarks below).

Remarks:

This Form 3 is jointly filed by (i) Red Mountain Capital Partners LLC ("RMCP LLC"), (ii) Red Mountain Capital Partners II, L.P. ("RMCP II"), (iii) Red Mountain Capital Partners III, L.P. ("RMCP III"), (iv) RMCP GP LLC ("RMCP GP"), (v) Red Mountain Capital Management, Inc. ("RMCM"), and (vi) Willem Mesdag. RMCP GP is the general partner of each of RMCP II and RMCP III. RMCP LLC is the managing member of RMCP GP. RMCM is the managing member of RMCP LLC. Mr. Mesdag is the president, sole executive officer, sole director and sole shareholder of RMCM. Each of the reporting persons hereunder disclaims beneficial ownership of the reported securities except to the extent of its or his pecuniary interest therein. This Form 3 shall not be deemed to be an admission that any reporting person hereunder is the beneficial owner of any of the reported securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose. This Form 3 reflects the securities that the reporting persons may be deemed to beneficially own as of the close of business on April 5, 2007, and does not reflect changes in ownership arising from any subsequent transactions.

/s/ Willem Mesdag (on behalf
of himself and each other
reporting person hereunder) 04/12/2007

** Signature of Reporting Person Date

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

* If the form is filed by more than one reporting person, see Instruction 5 (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.