
**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): August 1, 2014

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.)

3111 Camino Del Rio North, Suite 1300, San Diego, California
(Address of Principal Executive Offices)

92108
(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.

On August 1, 2014, Encore Capital Group, Inc. (the “Company”) entered into a Stock Purchase Agreement (the “Purchase Agreement”) with Atlantic Credit & Finance, Inc. (“Atlantic”) and the sellers named therein. Pursuant to the Purchase Agreement, the Company acquired all of the outstanding equity interests of Atlantic for approximately \$70.0 million in cash (the “Acquisition”). Atlantic acquires and liquidates consumer finance receivables originated and charged off by national financial institutions. At the closing of the Acquisition, the Company made additional payments totaling approximately \$126.1 million to retire certain indebtedness and other obligations of Atlantic. The Company financed the acquisition through borrowings under its Second Amended and Restated Credit Agreement dated as of February 25, 2014 (the “Restated Credit Agreement”) by and among the Company, the several banks and other financial institutions and lenders from time to time party thereto and listed on the signature pages thereof, and SunTrust Bank, as administrative agent and collateral agent.

On August 1, 2014, the Company amended the Restated Credit Agreement to, among other things, (i) modify the permitted investment provisions in the Restated Credit Agreement to allow investments of up to \$205 million for the purpose of consummating the Acquisition, (ii) increase the Company’s ability to incur additional unsecured or subordinated indebtedness from \$450 million to \$750 million, (iii) increase the basket of investments permitted in unrestricted subsidiaries from \$200 million to \$250 million, and (iv) add a basket to allow for investments in certain subsidiaries of Propel Financial Services, LLC of \$200 million. On August 1, 2014, the Company amended the Second Amended and Restated Senior Secured Note Purchase Agreement dated as of May 9, 2013 (as amended, the “Note Purchase Agreement”) by and among the Company, on the one hand, and The Prudential Insurance Company of America, Pruco Life Insurance Company, Prudential Retirement Insurance and Annuity Company and Prudential Annuities Life Assurance Corporations, on the other hand, for purposes of aligning the covenants in the Note Purchase Agreement with the modified covenants in the Restated Credit Agreement.

The foregoing summary of the Purchase Agreement and the amendments to the Restated Credit Agreement and the Note Purchase Agreement do not purport to be complete and are qualified in their entirety by reference to the complete text of the documents, copies of which will be filed as exhibits to the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.

Item 7.01. Regulation FD Disclosure.

On August 7, 2014, the Company issued a press release announcing the Acquisition. The press release is furnished hereto as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 7.01.

Item 9.01. Financial Statements and Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated August 7, 2014

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: August 7, 2014

/s/ Paul Grinberg

Paul Grinberg

Executive Vice President, Chief Financial Officer and Treasurer

EXHIBIT INDEX

Exhibit Number

Description

99.1

Press release dated August 7, 2014



Encore Capital Group Expands Credit Card Collections Capabilities through Purchase of Atlantic Credit & Finance

- Acquisition Strengthens Encore's Capabilities across the Account Lifecycle; Unites Two Companies Committed to Fair and Respectful Consumer Treatment -

SAN DIEGO – August 7, 2014 - Encore Capital Group, Inc. (Encore), a global specialty finance company (NASDAQ: ECPG), today announced that it has acquired Atlantic Credit & Finance (ACF), a leader in collecting fresh, higher-balance accounts, for approximately \$70 million in cash. Encore also made additional payments totaling approximately \$126 million to retire certain indebtedness and obligations of ACF.

Founded in 1996, ACF specializes in collecting fresh, higher-balance credit card and consumer loans by forging collaborative relationships with consumers. These strengths complement Encore's industry-leading success in collecting on later-stage debt.

"The acquisition of ACF provides Encore with a number of competitive advantages," said Kenneth A. Vecchione, chief executive officer of Encore. "It allows us to expand our expertise and deploy additional capital into a new market segment of fresh, higher-balance accounts, which is an ideal complement to our existing capabilities. ACF's strength in early-stage liquidation, coupled with our strength in late-state liquidation, creates a sustainable, winning strategy for both organizations."

ACF brings to Encore a portfolio with approximately \$275 million in Estimated Remaining Collections (ERC) as well as a platform that specializes in acquiring and collecting on high balance, fresh paper. The company has a team of experienced, highly productive collectors who will be a strong complement to Encore's current collections operations. The transaction will serve to satisfy a large portion of Encore's capital deployment for 2014.

"We're excited to be a part of the Encore family of companies," said Richard Woolwine, chief executive officer of ACF. "Encore's leadership position in the industry, combined with its reputation as a consumer-focused company, gives us great confidence that ACF will reach new levels of success."

"This acquisition is another clear signal that Encore will continue to drive consolidation and shape the future of our industry," said Vecchione. "Transactions like this one allow us to deliver on our commitment to earnings growth and help us expand our deep and talented team."

About Encore Capital Group, Inc.

Encore Capital Group, an international specialty finance company with operations spanning seven countries, provides debt recovery solutions for consumers and property owners across a broad range of assets. Through its subsidiaries, the Company purchases portfolios of consumer receivables from major banks, credit unions, and utility providers, and partners with individuals as they repay their obligations and work toward financial recovery. Through its Propel Financial Services subsidiary, the Company assists property owners who are delinquent on their property

taxes by structuring affordable monthly payment plans and purchases delinquent tax liens directly from selected taxing authorities. Through its subsidiaries in the United Kingdom, Cabot Credit Management, Marlin Financial Services and Grove Capital Management, the Company is a market-leading acquirer and manager of consumer debt in the United Kingdom and Ireland. Through its Refinancia subsidiary, the Company services distressed consumer debt in Colombia and Peru. Encore's success and future growth are driven by its sophisticated and widespread use of analytics, its broad investments in data and behavioral science, the significant cost advantages provided by its highly efficient operating model and proven investment strategy, and the Company's demonstrated commitment to conducting business ethically and in ways that support its consumers' financial recovery. Headquartered in San Diego, Encore is a publicly traded NASDAQ Global Select company (ticker symbol: ECPG) and a component stock of the Russell 2000, the S&P SmallCap 600, and the Wilshire 4500. More information about the Company can be found at www.encorecapital.com. More information about the Company's Cabot Credit Management subsidiary can be found at www.cabotcm.com. Information found on the Company's website or Cabot's website is not incorporated by reference.

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 "will," "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 our future operating results, performance, business plans or prospects. 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 in the reports filed by the Company with the Securities and Exchange Commission, including its most recent report on Form 10-K and its subsequent reports on Form 10-Q, each as it may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.

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