

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>MESDAG WILLEM</u> (Last) (First) (Middle) 10100 SANTA MONICA BOULEVARD SUITE 925 (Street) LOS ANGELES CA 90067 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ENCORE CAPITAL GROUP INC [ECPG]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 07/01/2010	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	07/01/2010 ⁽¹⁾		A		1,232	A	\$0	20,776 ⁽²⁾	D	
Common Stock								748,009 ⁽³⁾	I	Through RMCP II
Common Stock								2,687,053 ⁽⁴⁾	I	Through RMCP III

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					

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)

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 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*

[RED MOUNTAIN CAPITAL PARTNERS II,
L.P.](#)

(Last) (First) (Middle)

10100 SANTA MONICA BOULEVARD
SUITE 925

(Street)

LOS ANGELES CA 90067

(City) (State) (Zip)

Explanation of Responses:

- On July 1, 2010, Encore Capital Group, Inc. ("Encore") issued 1,232 deferred issuance restricted stock units ("RSUs") to Willem Mesdag, under the Encore 2005 Stock Incentive Plan, in connection with his service as a member of Encore's board of directors.
- These shares are in the form of RSUs. Each RSU represents the right to receive one share of Encore common stock. All of these RSUs are fully vested.
- These shares are held directly by Red Mountain Capital Partners II, L.P. ("RMCP II").
- These shares are held directly by Red Mountain Capital Partners III, L.P. ("RMCP III").

Remarks:

This Form 4 is jointly filed by (i) RMCP II, (ii) RMCP III, (iii) RMCP GP LLC ("RMCP GP"), (iv) Red Mountain Capital Partners LLC ("RMCP LLC"), (v) Red Mountain Capital Management, Inc. ("RMCM"), and (vi) Mr. 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. Mr. Mesdag is also a director of Encore. Each of Mr. Mesdag, RMCM, RMCP LLC and RMCP GP, by virtue of their direct or indirect control of RMCP II and RMCP III, may be deemed to beneficially own some or all of the securities reported as being held by RMCP II and RMCP III. Each of the reporting persons hereunder disclaims beneficial ownership of the reported securities except to the extent of its or his pecuniary interest therein. In addition, RMCP II disclaims beneficial ownership of any securities held directly by RMCP III, and RMCP III disclaims beneficial ownership of any securities held directly by RMCP II. This Form 4 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.

[/s/ Willem Mesdag \(on behalf
of himself and the Red
Mountain Entities\)](#) [07/06/2010](#)

** 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 4 (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.

