
**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): March 9, 2009

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

Effective March 9, 2009, the Compensation Committee of our Board of Directors (the “**Compensation Committee**”) approved the following executive compensation arrangements:

2008 Key Contributor Plan

The Compensation Committee approved awards of cash bonuses under the Company’s 2008 Key Contributor Bonus Plan. The awards were based upon individual performance in 2008, the Company’s performance relative to certain financial goals for the year ended December 31, 2008 and management’s contribution to certain key corporate initiatives during the year. The Company’s performance factor for 2008 under the 2008 Key Contributor Plan was earnings before interest, tax, depreciation, and amortization. The Compensation Committee approved the following payments under the 2008 Key Contributor Plan to the Named Executive Officers identified in the Company’s most recent proxy statement:

Brandon Black	\$257,877
Paul Grinberg	\$241,696

Named Executive Officer Salaries

Our Named Executive Officers’ salaries remain unchanged from 2008 levels.

Severance Agreements

On March 9, 2009, the Compensation Committee approved executive severance protection letter agreements for Brandon Black, our President and Chief Executive Officer, and Paul Grinberg, our Executive Vice President, Chief Financial Officer and Treasurer. The terms and conditions of the severance agreements are described below.

Mr. Black’s agreement supersedes and replaces his existing employment agreement dated June 13, 2005, as amended on June 5, 2006 and December 30, 2008, which was terminated. Pursuant to the terms of his new agreement, if Mr. Black’s employment is terminated without Cause or he resigns for Good Reason (as such terms are defined in the agreement) at any time during the term of the agreement, upon execution and delivery of a release and waiver of claims, he is entitled to continuation of his then-current salary for 24 months immediately following his date of termination. In addition, if he is terminated without Cause or resigns for Good Reason, he will receive a bonus payment in the amount of two times the average of his last three annual bonus payments when bonuses are paid to other employees for such year, plus an additional amount paid at termination equal to the prorated portion of his target bonus for the year of termination up to the date of termination. The Company will also pay up to 24 months of COBRA continuation for group health benefits or other individual health insurance premiums. The agreement contains a non-disparagement and a one-year non-solicitation covenant.

Mr. Grinberg’s agreement supersedes and replaces an executive severance agreement dated December 10, 2007, which was terminated. The terms of Mr. Grinberg’s severance protection are substantially similar to Mr. Black’s, with exception of the following. If Mr. Grinberg’s employment is terminated without Cause or he resigns for Good Reason, he is entitled to salary continuation for a period of 12 months. If he is terminated without Cause or resigns for Good Reason, he will receive his target annual bonus for the year in which his termination occurs if and when bonuses are paid to other employees, plus an additional amount paid at termination equal to the prorated portion of his target bonus for the year of termination up to the date of termination. The Company will pay his COBRA continuation premiums for group health benefits for a period of up to 12 months.

The timing of any payments to Messrs. Black and Grinberg under the severance protection letter agreements are subject to the applicable requirements of Section 409A of the Internal Revenue Code of 1986 (the “Code”) and the related Treasury Regulations. The payments and benefits payable under the agreements are also intended to comply with Section 280G and Section 4999 of the Code, and would be reduced, if necessary to comply therewith.

The above summary of the severance arrangements for Messrs. Black and Grinberg is qualified in its entirety by reference to the copies of the severance protection letter agreements attached hereto as Exhibits 10.1 and 10.2 and incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Severance protection letter agreement dated as of March 11, 2009 between the Company and J. Brandon Black
10.2	Severance protection letter agreement dated as of March 11, 2009 between the Company and Paul Grinberg

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: March 13, 2009

/s/ Paul Grinberg

Paul Grinberg

Executive Vice President, Chief Financial Officer and Treasurer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	Severance protection letter agreement dated as of March 11, 2009 between the Company and J. Brandon Black
10.2	Severance protection letter agreement dated as of March 11, 2009 between the Company and Paul Grinberg



8875 Aero Drive, Suite 200
San Diego, CA 92123
Tel: (800) 825-8131 • Fax: (800) 306-4443

March 11, 2009

Mr. J. Brandon Black
8875 Aero Drive, #200
San Diego, California 92123

Dear Brandon:

We are pleased to offer you the benefits outlined in this letter agreement (this “**Agreement**”) in connection with your continuing service as an officer of Encore Capital Group, Inc. (the “**Company**”) or one of its subsidiaries.

Notwithstanding any benefit provided to you in this Agreement, your employment with the Company remains “at will.” This means that either you or the Company may terminate your employment at any time and for any reason, with or without notice or cause. The Company also has the right to change at-will the compensation, benefits, duties, assignments or responsibilities of your position. While you are being offered certain benefits payable in the future, nothing in this Agreement may be construed as guaranteeing employment of any length or changing the “at will” nature of your employment.

The Company hereby agrees to provide the following benefits on the terms and conditions set forth in this Agreement:

1. Termination Without Cause. In the event your employment is terminated without Cause following the date of this Agreement, upon your execution and delivery of a General Release and Waiver of Claims in substantially the form attached as **Exhibit A** hereto, within the time period set forth therein (but in no event later than forty-five (45) days after your termination date), the Company will pay you an amount equal to two (2) times your annual base salary, less applicable taxes and withholdings. Subject to Section 3 below, all such amounts owed to you will be paid in equal increments in accordance with the Company’s then-current regular payroll schedule.

For purposes of this Agreement, “**Cause**” is defined as (i) your failure to adhere to any written policy of the Company that is legal and generally applicable to employees of the Company; (ii) your failure to substantially perform your duties, which failure amounts to a repeated and consistent neglect of your duties; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted misappropriation) of any of the Company’s funds or property; (v) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, a crime of moral turpitude or any other crime with respect to which imprisonment is a possible punishment; (vi) conduct materially injurious to the Company’s reputation or business; or (vii) willful misconduct.

2. Resignation for Good Reason. In the event you resign your employment for Good Reason following the date of this Agreement, upon your execution and delivery of the General Release and Waiver of Claims in substantially the form attached as **Exhibit A** hereto, within the time period set forth therein (but in no event later than forty-five (45) days after your termination date), the Company will pay you an amount equal to two (2) times your annual base salary, less applicable taxes and withholdings. Subject to Section 3 below, all such amounts owed to you will be paid in equal increments in accordance with the Company’s then-current regular payroll schedule.

For purposes of this Agreement, a “**Good Reason**” is defined as any of the following reasons: (i) a material reduction in your base or target bonus compensation; (ii) a material reduction in your authority, duties or responsibilities; (iii) a material reduction in the authority, duties or responsibilities of the person to whom you report; (iv) a material reduction in the budget over which you retain authority; or (v) a material change in the location at which you provide services for the Company (which is defined as any relocation by the Company of your employment to a location that is more than thirty-five (35) miles from your present office location and is more than thirty-five (35) miles from your primary residence at the time of such relocation, without your consent). To be eligible to receive the benefits set forth in this Section, (x) you must provide written notice of the “Good Reason” condition to the Company within ninety (90) . days after the initial existence of such condition, (y) the Company must not have cured such condition within thirty (30) days of receipt of your written notice or it must have stated unequivocally in writing that it does not intend to attempt to cure such condition; and (z) you resign from employment within twelve (12) months following the end of the period within which the Company was entitled to remedy the condition constituting Good Reason but failed to do so.

3. Compliance with Code Section 409A. Compensation and benefits payable under the Agreement are intended to be exempt from the definition of “nonqualified deferred compensation” under Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) in accordance with one or more of the exemptions available under the Treasury Regulations promulgated under Section 409A. In this regard, each such payment that is made in a series of scheduled installments shall be deemed a separate payment for purposes of Section 409A. To the extent that any amounts or benefits payable under this Agreement are or become subject to Section 409A due to a failure to qualify for an exemption from the definition of nonqualified deferred compensation under Section 409A, this Agreement is intended to comply with the applicable requirements of Section 409A with respect to such amounts or benefits. This Agreement shall be interpreted and administered to the extent possible in a manner consistent with the foregoing statement of intent.

Payments made from the date of your termination through March 15th of the calendar year following such termination are intended to be exempt from Section 409A pursuant to the “short-term deferral” rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations. Payments made following said March 15th are intended to be made upon an involuntary termination from service and payable pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations, to the maximum extent permitted by said provision. Notwithstanding any contrary provision of this Agreement, any amount or benefit that fails to qualify for an exemption from Section 409A shall be subject to the distribution requirements of Section 409A(a)(2)(A) of the Code, including, without limitation, the requirement of Section 409A(a)(2)(B)(i) of the Code that amounts or benefits payable to you upon separation from service be delayed until the first regular payroll date which occurs more than 6 months after separation from service (or if earlier, the date of your death) if you are a “specified employee” within the meaning of the aforesaid section of the Code at the time of such separation from service, with the first of such payments including all payments which would have been made during the period of such delay without regard thereto and without interest, and with subsequent payments, if any, made in accordance with the dates and terms otherwise provided herein.

Your date of termination for purposes of determining the date that any amount or benefit that is treated as nonqualified deferred compensation under Code Section 409A is to be paid (or in determining whether an exemption to such treatment applies), and for purposes of determining whether you are a “specified employee” on the date of termination, shall be the date on which you have incurred a “separation from service” within the meaning of Section 409A(a)(2)(A)(i) and applicable guidance thereunder.

In each case where this Agreement provides for the payment of an amount or benefit that constitutes nonqualified deferred compensation under Section 409A to be made to you within a designated period and such period begins and ends in different calendar years, the exact payment date within such range shall be determined by the Company, in its sole discretion, and you shall have no right to designate the year in which the payment shall be made.

4. Compliance with Code Section 280G. You agree that the Company may withhold from any amounts payable to you hereunder all federal, state, local or other taxes that the Company determines are required to be withheld pursuant to any applicable law or regulation. You further agree that if the Internal Revenue Service or other taxing authority (each, a Taxing Authority) asserts a liability against the Company for failure to withhold taxes on any payment hereunder, you will pay to the Company the amount determined by such Taxing Authority that had not been withheld within ninety (90) days of notice to you of such determination. Such notice shall include a copy of any correspondence received from a Taxing Authority with respect to such withholding.

Notwithstanding the foregoing paragraph, if any payment or benefit you would receive pursuant to a change in control of the Company or otherwise (“**Payment**”) would (i) constitute a “**parachute payment**” within the meaning of Section 280G of the Code, and (ii) be subject to the excise tax imposed by Section 4999 of the Code (the “**Excise Tax**”), then such Payment shall be reduced to the Reduced Amount. The “**Reduced Amount**” shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater amount of the Payment. If the Payment equals the Reduced Amount, the reduction shall occur in the following order: reduction of cash payments (in reverse chronological order of the date otherwise payable); cancellation of accelerated vesting of stock awards (in the reverse order of the date of grant); reduction of employee benefits (in reverse chronological order of the date otherwise payable).

The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of any change in control shall perform all the foregoing calculations described in the preceding paragraph, including the amount of the parachute payment, if any. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the change in control, the Company shall appoint a different nationally recognized accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and to you within fifteen (15) calendar days after the date on which your right to a Payment is triggered (if requested at that time by the Company or you) or such other time as requested by the Company or you. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and you.

5. Bonus Payments. If you have been terminated without Cause or have resigned for Good Reason, you will receive two (2) times the average of your last three annual bonus payments on the earlier of when bonuses are paid to employees for such year under any such bonus program for the year in which your termination occurs or seventy-five (75) days following the end of such year, plus an additional amount paid at such time equal to the prorated portion of your target bonus for such year to your date of

termination. If no target bonus has been set for such year, you will be paid a prorated portion of the average of your last three annual bonus payments. It is intended that any bonus payments made under this Agreement will not be deferred compensation within the meaning of Section 409A of the Code. Accordingly, any bonus amount will be paid out during the first two and one-half (2 1/2) months following the end of the calendar year in which your termination occurs.

6. Continuation of Health Benefits. If you have been terminated without Cause or have resigned for Good Reason, the Company will pay, on your behalf, the cost of group health continuation coverage premiums for you and your eligible dependents under Title X of the Consolidated Budget Reconciliation Act of 1985, as amended, or comparable provisions of state law ("COBRA"), through the earliest of (x) the expiration of twenty-four (24) months after your termination date, (y) the date upon which you have obtained substantially comparable health benefits by becoming covered under the group health plan of a subsequent employer, or (z) the date you no longer constitute a "Qualified Beneficiary" (as such term is defined in Section 4980B(g) of the Internal Revenue Code); provided, however, that you will be solely responsible for electing such coverage within the required time period, and provided further, that to the extent COBRA coverage is not available due to the expiration of the maximum COBRA period prior to the end of the period for which the Company is obligated to provide health benefits under this paragraph, the Company will reimburse you for the cost of premiums for individual health coverage, if obtained by you, but not in excess of the amount of the monthly COBRA premium then being paid, for the remainder of the period for which the Company is obligated under this paragraph. You agree to provide notice to the Company within ten (10) days of securing such comparable benefits with a subsequent employer.

7. Continued Cooperation. Both during and after your employment with the Company or any of its subsidiaries, you will cooperate with all outstanding legal and administrative matters, issues that you have been involved with during your employment and other transition matters. This obligation includes, but is not limited to, spending adequate time for preparation to testify or give depositions, and cooperating with the Company or its attorneys in gathering information regarding any legal or investigative matter.

8. Restrictive Covenants.

(a) Non-Solicitation. You agree that for the one (1) year period commencing on and following the date of termination of your employment, you will not directly or indirectly (i) solicit or encourage the solicitation of any person who was an employee of the Company or any Subsidiary at any time on or after the date of termination (unless more than six (6) months shall have elapsed between the last day of such person's employment by the Company or any of its subsidiaries and the first date of such solicitation) or (ii) induce or attempt to induce any employee of the Company or any of its subsidiaries to leave the employ thereof or in any way interfere with the relationship between the Company or any of its subsidiaries and any employee thereof.

(b) Non-Disparagement. You agree (whether during or after your employment with the Company) not to issue, circulate, publish or make any false or disparaging statements, remarks or rumors about the Company or the officers or directors of the Company other than to the extent reasonably necessary in order to (i) assert a bona fide claim against the Company arising out of your employment with the Company, or (ii) respond in a truthful and appropriate manner to any legal process or give truthful and appropriate testimony in a legal, administrative or regulatory proceeding.

(c) Remedies Upon Breach. If you breach the provisions of Section (a) or (b), the Company shall have the right to have such restrictive covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach of such restrictive covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy for such

injury. Accordingly, the Company shall be entitled to injunctive relief to enforce the terms of such restrictive covenants and to restrain you from any violation thereof. The rights and remedies set forth in this Section 8(c) shall be independent of all other others rights and remedies available to the Company for a breach of such restrictive covenants, and shall be severally enforceable from, in addition to, and not in lieu of, any other rights and remedies available at law or in equity.

9. Full Settlement. In the event you are owed separation benefits as a result of the terms of this Agreement, the Company's obligation to make any such payments shall be in full settlement of all other severance payments that may be owed to you under any other severance or employment related agreement between you and the Company. The Company's obligations hereunder shall not be affected by any set-off, counterclaim, recoupment defense or other claim, right or action which the Company may have against you or others. In no event shall you be obligated to seek other employment or take other action by way of mitigation of the amounts payable to you under any of the provisions of this Agreement and such amounts shall not be reduced whether or not you obtain other employment.

10. Employment with Subsidiaries. Employment with the Company for purposes of this Agreement shall include employment with any subsidiary of the Company.

11. Successors. This Agreement shall not be terminated by any reorganization, merger or consolidation involving the Company (each, a "**Business Combination**"). In the event of any Business Combination, the provisions of this Agreement shall be binding upon the person resulting from such Business Combination (the "**Surviving Person**"), and the Surviving Person shall be treated as the Company hereunder.

12. Binding Agreement. This Agreement shall inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you shall die while any amounts would be payable to you hereunder had you continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to such person or persons appointed in writing by you to receive such amounts or, if no person is so appointed, to your estate.

13. Notice. For purposes of this Agreement all notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given (1) on the date of delivery if delivered personally or by facsimile upon confirmation of receipt, (2) on the first business day following the date of dispatch if delivered by a recognized next-day courier service or (3) five days after deposit in the United States mail, certified and return receipt requested, postage prepaid. All such notices and communications shall be delivered as set forth below.

If to you: To the home address last appearing in the Company's records.

If to the Company:

Encore Capital Group, Inc.
8875 Aero Drive, Suite 200
San Diego, California 92123
Attn: Chief HR Officer

14. Survival. The respective obligations and benefits afforded to the Company and you as provided in Sections 1 and 2 (to the extent that payments or benefits are owed as a result of a termination of employment that occurs during the term of this Agreement) and Section 8 of this Agreement shall survive the termination of this Agreement.

15. Dispute Resolution. You and the Company agree that any controversy or claim arising out of or relating to this Agreement (as amended) (other than a controversy under Section 8 of this Agreement), or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association (“AAA”) in accordance with its Employment Arbitration Rules then in effect. Venue for any arbitration pursuant to this Agreement will lie in the County of San Diego, California. One of the arbitrators shall be appointed by the Company, one shall be appointed by you and the third shall be appointed by the first two arbitrators. If the first two arbitrators cannot agree on the third arbitrator within 30 days following the appointment of the second arbitrator, then the third arbitrator shall be appointed by AAA. All three arbitrators shall be experienced in the resolution of disputes under employment agreements for senior executives of major corporations. Any award entered by the arbitrators shall be final, binding and non-appealable and judgment may be entered thereon by either party in accordance with applicable law in any court of competent jurisdiction. This arbitration provision shall be specifically enforceable. The arbitrators shall have no authority to modify any provision of this Agreement or to award a remedy for a dispute involving this Agreement other than a benefit specifically provided under or by virtue of this Agreement. Each party shall be responsible for its own expenses relating to the conduct of the arbitration (including reasonable attorneys’ fees and expenses). The Company shall pay the fees of the AAA and the arbitrators, if applicable.

16. Prior Agreements Superseded. This Agreement shall supersede and replace in its entirety any other oral or written agreement, arrangement or award provided to you by the Company or any of its subsidiaries with respect to the subject matter hereof. Without limiting the generality of the foregoing, this Agreement shall terminate the Employment Agreement dated as of June 13, 2005 (the “**Employment Agreement**”), and the Employment Agreement shall have no further force and effect following the date of your acceptance of this Agreement.

17. Amendment. Neither you or the Company may alter or amend this Agreement without a document signed by you and the President of the Company.

18. Governing Law; Consent to Jurisdiction. All disputes arising under this Agreement will be governed by, and interpreted in accordance with, the laws of the State of California, without regard to its conflict of law provisions. Any action to enforce this Agreement (other than an action which must be brought by arbitration pursuant to Section 15) must be brought in, and you and the Company hereby consent to the jurisdiction of, the County of San Diego, California. Both you and the Company hereby waive the right to claim that any such court is an inconvenient forum for the resolution of any such action.

19. Headings. The section and subsection headings contained in this Agreement are used solely for convenience of reference and shall not affect the meaning or interpretation of this Agreement or of any term or provision hereof.

[Remainder of Page Intentionally Blank]

Sincerely,

/s/ George Lund

George Lund

Chairman of the Board

AGREED AND ACCEPTED:

/s/ J Brandon Black

(Signature of Executive)

March 12, 2009

(Date Signed)

EXHIBIT A

GENERAL RELEASE AND WAIVER OF CLAIMS

TO ALL WHOM THESE PRESENTS SHALL COME OR MAY CONCERN, KNOW that:

1. J. Brandon Black (the “**Executive**”), on his or her own behalf and on behalf of his or her descendants, dependents, heirs, executors and administrators and permitted assigns, past and present, in consideration for the amounts payable to the undersigned under that letter agreement dated as of March 11, 2009 (the “**Agreement**”) between Executive and Encore Capital Group, Inc. (the “**Company**”), does hereby agree not to bring any claim or pursue any litigation (or file any charge or otherwise correspond with any Federal, state or local administrative agency) against, and waives, releases and discharges the Company, and its respective assigns, affiliates, subsidiaries, parents, predecessors and successors, and the past and present stockholders, employees, officers, directors, members, managers, representatives and agents or any of them (collectively, the “**Company Group**”), from any and all claims, demands, rights, judgments, defenses, actions, charges or causes of action whatsoever, of any and every kind and description, whether known or unknown, accrued or not accrued, that Executive ever had, now has or shall or may have or assert as of the date of this General Release and Waiver of Claims against any of them, including, without limiting the generality of the foregoing, any claims, demands, rights, judgments, defenses, actions, charges or causes of action related to employment or termination of employment or that arise out of or relate in any way to the Age Discrimination in Employment Act of 1967 (“**ADEA**”), as amended, the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, as amended, and other Federal, state and local laws relating to discrimination on the basis of age, sex or other protected class, all claims under Federal, state or local laws for express or implied breach of contract, wrongful discharge, defamation, intentional infliction of emotional distress, and any related claims for attorneys’ fees and costs; provided, however, that nothing herein shall release any member of the Company Group from any of its obligations under the Agreement or any rights to indemnification under any charter or by-laws (or similar documents) of any member of the Company Group. The Executive further agrees that this General Release and Waiver of Claims may be pleaded as a full defense to any action, suit or other proceeding covered by the terms hereof which is or may be initiated, prosecuted or maintained by the Executive, his or her heirs or assigns. Notwithstanding the foregoing, the Executive understands and confirms that he is executing this General Release and Waiver of Claims voluntarily and knowingly, and that the same shall not affect the Executive’s right to claim otherwise under ADEA. In addition, the Executive shall not be precluded by this General Release and Waiver of Claims from filing a charge with any relevant federal, state or local administrative agency, but the Executive agrees not to participate in, and agrees to waive his or her rights with respect to any monetary or other financial relief arising from any such administrative proceeding.

2. Notwithstanding anything herein to the contrary, Executive does not release any claims that the law does not permit Executive to release, including, without limitation, claims under the Family Medical Leave Act, the Fair Labor Standards Act, California Workers’ Compensation, California Family Rights Act, and Division 3, Article 2 of the California Labor Code (including indemnification rights).

3. The Company, on its own behalf and on behalf of the Company Group, does hereby agree not to bring any claim or pursue any litigation (or file any charge or otherwise correspond with any federal, state or local administrative agency) against, and waives, releases and discharges Executive and his or her heirs, successors and assigns, descendants, dependents, executors and administrators, past and present, and any of his or her affiliates and each of them (collectively, the “**Executive Releasees**”) from any and all claims, demands, rights, judgments, defenses, actions, charges or causes of action whatsoever, of any and every kind and description, whether known or unknown, accrued or not accrued, that any person or entity of the Company Group ever had, now has or shall or may have or assert as of the date of this General Release and Waiver of Claims against any of them, based on facts known to any executive officer of the Company as of the date of this General Release and Waiver of Claims (other than the Executive), including specifically, but not exclusively and without limiting the generality of the foregoing, any and all claims, demands, agreements, obligations and causes of action arising out of or in any way connected with any transaction, occurrence, act or omission related to Executive’s employment by the Company or any of its subsidiaries or the termination of that employment; provided, however, that nothing herein shall release the Executive Releasees from any obligations arising out of or related in any way to Executive’s obligations under the Agreement, the Confidentiality Agreement (as defined in the Agreement) or any agreement governing the terms of any equity award granted to the Executive or impair the right or ability of the Company to enforce the terms thereof.

4. In furtherance of their respective agreements set forth above, each of the Executive and the Company hereby expressly waives and relinquishes any and all rights under any applicable statute, doctrine or principle of law restricting the right of any person to release claims which such person does not know or suspect to exist at the time of executing a release, which claims, if known, may have materially affected such person’s decision to give such a release. In connection with such waiver and relinquishment, each of the Executive and the Company acknowledges that it is aware that it may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which it now knows or believes to be true, with respect to the matters released herein. Nevertheless, it is the intention of each of the Executive and the Company to fully, finally and forever release all such matters, and all claims relative thereto which now exist, may exist or theretofore have existed, as specifically provided herein. The parties hereto acknowledge and agree that this waiver shall be an essential and material term of the release contained above. In addition, and not by way of limitation to the foregoing, each of the Executive and the Company fully understands and knowingly and expressly waives its rights and benefits under Section 1542 of the California Civil Code or under any similar provision of law. Section 1542 of the California Civil Code states that:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE [EMPLOYEE] DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH [THE COMPANY].

Nothing in this paragraph is intended to expand the scope of the release as specified herein.

5. This General Release and Waiver of Claims shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of law provisions.

6. To the extent that the Executive is forty (40) years of age or older, this paragraph shall apply. Executive acknowledges that Executive is waiving and releasing any rights he or she may have under the ADEA and that this General Release and Waiver of Claims is entered into knowingly and voluntarily. Executive acknowledges that this General Release and Waiver of Claims does not apply to any rights or claims that may arise under the ADEA after the date of this General Release and Waiver of Claims. Executive acknowledges that the consideration given for this General Release and Waiver of Claims is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing as required by the ADEA that:

- (a) Executive has the right to and is advised to consult with an attorney prior to executing this General Release and Waiver of Claims;
- (b) Executive has up to twenty-one (21) days within which to consider this General Release and Waiver of Claims (although Executive may choose to execute this General Release and Waiver of Claims earlier);
- (c) Executive has seven (7) days following the execution of this General Release and Waiver of Claims to revoke; and
- (d) This General Release and Waiver of Claims and Executive's right to receive payments or other benefits payable by the Company pursuant to the Agreement shall not be effective until the revocation period has expired.

In order to cancel or revoke this General Release and Waiver of Claims, Executive must deliver to the General Counsel of the Company written notice stating that the Executive is canceling or revoking this General Release and Waiver of Claims. If this General Release and Waiver of Claims is timely cancelled or revoked, none of the provisions of this General Release and Waiver of Claims shall be effective or enforceable and the Company shall not be obligated to make the payments to the Executive under the Agreement or to provide the Executive with the other benefits described in this General Release and Waiver of Claims, and all contracts and provisions modified, relinquished or rescinded hereunder shall be reinstated to the extent in effect immediately prior hereto.

7. Each of the Executive and the Company acknowledge that they have entered into this General Release and Waiver of Claims knowingly and willingly and has had ample opportunity to consider the terms and provisions of this General Release.

IN WITNESS WHEREOF, the parties hereto have caused this General Release and Waiver of Claims to be executed on this ____ day of _____, 20__.

(Executive's Signature)

ENCORE CAPITAL GROUP, INC.

By: _____
Name: _____
Title: _____



8875 Aero Drive, Suite 200
San Diego, CA 92123
Tel: (800) 825-8131 • Fax: (800) 306-4443

March 11, 2009

Mr. Paul Grinberg
8875 Aero Drive, #200
San Diego, California 92123

Dear Paul:

We are pleased to offer you the benefits outlined in this letter agreement (this “**Agreement**”) in connection with your continuing service as an officer of Encore Capital Group, Inc. (the “**Company**”) or one of its subsidiaries.

Notwithstanding any benefit provided to you in this Agreement, your employment with the Company remains “at will.” This means that either you or the Company may terminate your employment at any time and for any reason, with or without notice or cause. The Company also has the right to change at-will the compensation, benefits, duties, assignments or responsibilities of your position. While you are being offered certain benefits payable in the future, nothing in this Agreement may be construed as guaranteeing employment of any length or changing the “at will” nature of your employment.

The Company hereby agrees to provide the following benefits on the terms and conditions set forth in this Agreement:

1. Termination Without Cause. In the event your employment is terminated without Cause following the date of this Agreement, upon your execution and delivery of a General Release and Waiver of Claims in substantially the form attached as **Exhibit A** hereto, within the time period set forth therein (but in no event later than forty-five (45) days after your termination date), the Company will pay you an amount equal to your annual base salary, less applicable taxes and withholdings. Subject to Section 3 below, all such amounts owed to you will be paid in equal increments in accordance with the Company’s then-current regular payroll schedule.

For purposes of this Agreement, “**Cause**” is defined as (i) your failure to adhere to any written policy of the Company that is legal and generally applicable to employees of the Company; (ii) your failure to substantially perform your duties, which failure amounts to a repeated and consistent neglect of your duties; (iii) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (iv) the misappropriation (or attempted misappropriation) of any of the Company’s funds or property; (v) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, a crime of moral turpitude or any other crime with respect to which imprisonment is a possible punishment; (vi) conduct materially injurious to the Company’s reputation or business; or (vii) willful misconduct.

2. Resignation for Good Reason. In the event you resign your employment for Good Reason following the date of this Agreement, upon your execution and delivery of the General Release and Waiver of Claims in substantially the form attached as **Exhibit A** hereto, within the time period set forth therein (but in no event later than forty-five (45) days after your termination date), the Company will pay you an amount equal to your annual base salary, less applicable taxes and withholdings. Subject to Section 3 below, all such amounts owed to you will be paid in equal increments in accordance with the Company’s then-current regular payroll schedule.

For purposes of this Agreement, a “**Good Reason**” is defined as any of the following reasons: (i) a material reduction in your base or target bonus compensation; (ii) a material reduction in your authority, duties or responsibilities; (iii) a material reduction in the authority, duties or responsibilities of the person to whom you report; (iv) a material reduction in the budget over which you retain authority; or (v) a material change in the location at which you provide services for the Company (which is defined as any relocation by the Company of your employment to a location that is more than thirty-five (35) miles from your present office location and is more than thirty-five (35) miles from your primary residence at the time of such relocation, without your consent). To be eligible to receive the benefits set forth in this Section, (x) you must provide written notice of the “Good Reason” condition to the Company within ninety (90) days after the initial existence of such condition, (y) the Company must not have cured such condition within thirty (30) days of receipt of your written notice or it must have stated unequivocally in writing that it does not intend to attempt to cure such condition; and (z) you resign from employment within twelve (12) months following the end of the period within which the Company was entitled to remedy the condition constituting Good Reason but failed to do so.

3. Compliance with Code Section 409A. Compensation and benefits payable under the Agreement are intended to be exempt from the definition of “nonqualified deferred compensation” under Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) in accordance with one or more of the exemptions available under the Treasury Regulations promulgated under Section 409A. In this regard, each such payment that is made in a series of scheduled installments shall be deemed a separate payment for purposes of Section 409A. To the extent that any amounts or benefits payable under this Agreement are or become subject to Section 409A due to a failure to qualify for an exemption from the definition of nonqualified deferred compensation under Section 409A, this Agreement is intended to comply with the applicable requirements of Section 409A with respect to such amounts or benefits. This Agreement shall be interpreted and administered to the extent possible in a manner consistent with the foregoing statement of intent.

Payments made from the date of your termination through March 15th of the calendar year following such termination are intended to be exempt from Section 409A pursuant to the “short-term deferral” rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations. Payments made following said March 15th are intended to be made upon an involuntary termination from service and payable pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations, to the maximum extent permitted by said provision. Notwithstanding any contrary provision of this Agreement, any amount or benefit that fails to qualify for an exemption from Section 409A shall be subject to the distribution requirements of Section 409A(a)(2)(A) of the Code, including, without limitation, the requirement of Section 409A(a)(2)(B)(i) of the Code that amounts or benefits payable to you upon separation from service be delayed until the first regular payroll date which occurs more than 6 months after separation from service (or if earlier, the date of your death) if you are a “specified employee” within the meaning of the aforesaid section of the Code at the time of such separation from service, with the first of such payments including all payments which would have been made during the period of such delay without regard thereto and without interest, and with subsequent payments, if any, made in accordance with the dates and terms otherwise provided herein.

Your date of termination for purposes of determining the date that any amount or benefit that is treated as nonqualified deferred compensation under Code Section 409A is to be paid (or in determining whether an exemption to such treatment applies), and for purposes of determining whether you are a “specified employee” on the date of termination, shall be the date on which you have incurred a “separation from service” within the meaning of Section 409A(a)(2)(A)(i) and applicable guidance thereunder.

In each case where this Agreement provides for the payment of an amount or benefit that constitutes nonqualified deferred compensation under Section 409A to be made to you within a designated period and such period begins and ends in different calendar years, the exact payment date within such range shall be determined by the Company, in its sole discretion, and you shall have no right to designate the year in which the payment shall be made.

4. Compliance with Code Section 280G. You agree that the Company may withhold from any amounts payable to you hereunder all federal, state, local or other taxes that the Company determines are required to be withheld pursuant to any applicable law or regulation. You further agree that if the Internal Revenue Service or other taxing authority (each, a Taxing Authority) asserts a liability against the Company for failure to withhold taxes on any payment hereunder, you will pay to the Company the amount determined by such Taxing Authority that had not been withheld within ninety (90) days of notice to you of such determination. Such notice shall include a copy of any correspondence received from a Taxing Authority with respect to such withholding.

Notwithstanding the foregoing paragraph, if any payment or benefit you would receive pursuant to a change in control of the Company or otherwise (“**Payment**”) would (i) constitute a “**parachute payment**” within the meaning of Section 280G of the Code, and (ii) be subject to the excise tax imposed by Section 4999 of the Code (the “**Excise Tax**”), then such Payment shall be reduced to the Reduced Amount. The “**Reduced Amount**” shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater amount of the Payment. If the Payment equals the Reduced Amount, the reduction shall occur in the following order: reduction of cash payments (in reverse chronological order of the date otherwise payable); cancellation of accelerated vesting of stock awards (in the reverse order of the date of grant); reduction of employee benefits (in reverse chronological order of the date otherwise payable).

The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of any change in control shall perform all the foregoing calculations described in the preceding paragraph, including the amount of the parachute payment, if any. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the change in control, the Company shall appoint a different nationally recognized accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and to you within fifteen (15) calendar days after the date on which your right to a Payment is triggered (if requested at that time by the Company or you) or such other time as requested by the Company or you. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and you.

5. Bonus Payments. If you have been terminated without Cause or have resigned for Good Reason, you will receive your target annual bonus for the year in which your termination occurs on the earlier of when bonuses are paid to employees for such year under any such bonus program or seventy-five (75) days following the end of such year, plus an additional amount paid at such time equal to the prorated portion of your target bonus for such year to your date of termination. If no target bonus has been set for such year,

you will be paid an amount equal to the average of your last three annual bonus payments plus a prorated portion of such average bonus. It is intended that any bonus payments made under this Agreement will not be deferred compensation within the meaning of Section 409A of the Code. Accordingly, any bonus amount will be paid out during the first two and one-half (2 1/2) months following the end of the calendar year in which your termination occurs.

6. Continuation of Health Benefits. If you have been terminated without Cause or have resigned for Good Reason, the Company will pay, on your behalf, the cost of group health continuation coverage premiums for you and your eligible dependents under Title X of the Consolidated Budget Reconciliation Act of 1985, as amended, or comparable provisions of state law ("COBRA"), through the earliest of (x) the expiration of twelve (12) months after your termination date, (y) the date upon which you have obtained substantially comparable health benefits by becoming covered under the group health plan of a subsequent employer, or (z) the date you no longer constitute a "Qualified Beneficiary" (as such term is defined in Section 4980B(g) of the Internal Revenue Code); provided, however, that you will be solely responsible for electing such coverage within the required time period. You agree to provide notice to the Company within ten (10) days of securing such comparable benefits with a subsequent employer.

7. Continued Cooperation. Both during and after your employment with the Company or any of its subsidiaries, you will cooperate with all outstanding legal and administrative matters, issues that you have been involved with during your employment and other transition matters. This obligation includes, but is not limited to, spending adequate time for preparation to testify or give depositions, and cooperating with the Company or its attorneys in gathering information regarding any legal or investigative matter.

8. Restrictive Covenants.

(a) Non-Solicitation. You agree that for the one (1) year period commencing on and following the date of termination of your employment, you will not directly or indirectly (i) solicit or encourage the solicitation of any person who was an employee of the Company or any Subsidiary at any time on or after the date of termination (unless more than six (6) months shall have elapsed between the last day of such person's employment by the Company or any of its subsidiaries and the first date of such solicitation) or (ii) induce or attempt to induce any employee of the Company or any of its subsidiaries to leave the employ thereof or in any way interfere with the relationship between the Company or any of its subsidiaries and any employee thereof.

(b) Non-Disparagement. You agree (whether during or after your employment with the Company) not to issue, circulate, publish or make any false or disparaging statements, remarks or rumors about the Company or the officers or directors of the Company other than to the extent reasonably necessary in order to (i) assert a bona fide claim against the Company arising out of your employment with the Company, or (ii) respond in a truthful and appropriate manner to any legal process or give truthful and appropriate testimony in a legal, administrative or regulatory proceeding.

(c) Remedies Upon Breach. If you breach the provisions of Section 8(a) or (b), the Company shall have the right to have such restrictive covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach of such restrictive covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy for such injury. Accordingly, the Company shall be entitled to injunctive relief to enforce the terms of such restrictive covenants and to restrain you from any violation thereof. The rights and remedies set forth in this Section 8(c) shall be independent of all other others rights and remedies available to the Company for a breach of such restrictive covenants, and shall be severally enforceable from, in addition to, and not in lieu of, any other rights and remedies available at law or in equity.

9. **Full Settlement.** In the event you are owed separation benefits as a result of the terms of this Agreement, the Company's obligation to make any such payments shall be in full settlement of all other severance payments that may be owed to you under any other severance or employment related agreement between you and the Company. The Company's obligations hereunder shall not be affected by any set-off, counterclaim, recoupment defense or other claim, right or action which the Company may have against you or others. In no event shall you be obligated to seek other employment or take other action by way of mitigation of the amounts payable to you under any of the provisions of this Agreement and such amounts shall not be reduced whether or not you obtain other employment.

10. **Employment with Subsidiaries.** Employment with the Company for purposes of this Agreement shall include employment with any subsidiary of the Company.

11. **Successors.** This Agreement shall not be terminated by any reorganization, merger or consolidation involving the Company (each, a "**Business Combination**"). In the event of any Business Combination, the provisions of this Agreement shall be binding upon the person resulting from such Business Combination (the "**Surviving Person**"), and the Surviving Person shall be treated as the Company hereunder.

12. **Binding Agreement.** This Agreement shall inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you shall die while any amounts would be payable to you hereunder had you continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to such person or persons appointed in writing by you to receive such amounts or, if no person is so appointed, to your estate.

13. **Notice.** For purposes of this Agreement all notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given (1) on the date of delivery if delivered personally or by facsimile upon confirmation of receipt, (2) on the first business day following the date of dispatch if delivered by a recognized next-day courier service or (3) five days after deposit in the United States mail, certified and return receipt requested, postage prepaid. All such notices and communications shall be delivered as set forth below.

If to you: To the home address last appearing in the Company's records.

If to the Company:

Encore Capital Group, Inc.
8875 Aero Drive, Suite 200
San Diego, California 92123
Attn: Senior HR Officer

14. **Survival.** The respective obligations and benefits afforded to the Company and you as provided in Sections 1 and 2 (to the extent that payments or benefits are owed as a result of a termination of employment that occurs during the term of this Agreement) and Section 7 of this Agreement shall survive the termination of this Agreement.

15. Dispute Resolution. You and the Company agree that any controversy or claim arising out of or relating to this Agreement (as amended) (other than a controversy under Section 8 of this Agreement), or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association (“AAA”) in accordance with its Employment Arbitration Rules then in effect. Venue for any arbitration pursuant to this Agreement will lie in the County of San Diego, California. One of the arbitrators shall be appointed by the Company, one shall be appointed by you and the third shall be appointed by the first two arbitrators. If the first two arbitrators cannot agree on the third arbitrator within 30 days following the appointment of the second arbitrator, then the third arbitrator shall be appointed by AAA. All three arbitrators shall be experienced in the resolution of disputes under employment agreements for senior executives of major corporations. Any award entered by the arbitrators shall be final, binding and non-appealable and judgment may be entered thereon by either party in accordance with applicable law in any court of competent jurisdiction. This arbitration provision shall be specifically enforceable. The arbitrators shall have no authority to modify any provision of this Agreement or to award a remedy for a dispute involving this Agreement other than a benefit specifically provided under or by virtue of this Agreement. Each party shall be responsible for its own expenses relating to the conduct of the arbitration (including reasonable attorneys’ fees and expenses). The Company shall pay the fees of the AAA and the arbitrators, if applicable.

16. Prior Agreements Superseded. This Agreement shall supersede and replace in its entirety any other oral or written agreement, arrangement or award provided to you by the Company or any of its subsidiaries with respect to the subject matter hereof.

17. Amendment. Neither you or the Company may alter or amend this Agreement without a document signed by you and the President of the Company.

18. Governing Law; Consent to Jurisdiction. All disputes arising under this Agreement will be governed by, and interpreted in accordance with, the laws of the State of California, without regard to its conflict of law provisions. Any action to enforce this Agreement (other than an action which must be brought by arbitration pursuant to Section 14) must be brought in, and you and the Company hereby consent to the jurisdiction of, the County of San Diego, California. Both you and the Company hereby waive the right to claim that any such court is an inconvenient forum for the resolution of any such action.

19. Headings. The section and subsection headings contained in this Agreement are used solely for convenience of reference and shall not affect the meaning or interpretation of this Agreement or of any term or provision hereof.

Sincerely,

/s/ George Lund

George Lund
Chairman of the Board

AGREED AND ACCEPTED:

Paul Grinberg

(Signature of Executive)

March 12, 2009
(Date Signed)

EXHIBIT A

GENERAL RELEASE AND WAIVER OF CLAIMS

TO ALL WHOM THESE PRESENTS SHALL COME OR MAY CONCERN, KNOW that:

1. Paul Grinberg (the "**Executive**"), on his or her own behalf and on behalf of his or her descendants, dependents, heirs, executors and administrators and permitted assigns, past and present, in consideration for the amounts payable to the undersigned under that letter agreement dated as of March 11, 2009 (the "**Agreement**") between Executive and Encore Capital Group, Inc. (the "**Company**"), does hereby agree not to bring any claim or pursue any litigation (or file any charge or otherwise correspond with any Federal, state or local administrative agency) against, and waives, releases and discharges the Company, and its respective assigns, affiliates, subsidiaries, parents, predecessors and successors, and the past and present stockholders, employees, officers, directors, members, managers, representatives and agents or any of them (collectively, the "**Company Group**"), from any and all claims, demands, rights, judgments, defenses, actions, charges or causes of action whatsoever, of any and every kind and description, whether known or unknown, accrued or not accrued, that Executive ever had, now has or shall or may have or assert as of the date of this General Release and Waiver of Claims against any of them, including, without limiting the generality of the foregoing, any claims, demands, rights, judgments, defenses, actions, charges or causes of action related to employment or termination of employment or that arise out of or relate in any way to the Age Discrimination in Employment Act of 1967 ("**ADEA**"), as amended, the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, as amended, and other Federal, state and local laws relating to discrimination on the basis of age, sex or other protected class, all claims under Federal, state or local laws for express or implied breach of contract, wrongful discharge, defamation, intentional infliction of emotional distress, and any related claims for attorneys' fees and costs; provided, however, that nothing herein shall release any member of the Company Group from any of its obligations under the Agreement or any rights to indemnification under any charter or by-laws (or similar documents) of any member of the Company Group. The Executive further agrees that this General Release and Waiver of Claims may be pleaded as a full defense to any action, suit or other proceeding covered by the terms hereof which is or may be initiated, prosecuted or maintained by the Executive, his or her heirs or assigns. Notwithstanding the foregoing, the Executive understands and confirms that he is executing this General Release and Waiver of Claims voluntarily and knowingly, and that the same shall not affect the Executive's right to claim otherwise under ADEA. In addition, the Executive shall not be precluded by this General Release and Waiver of Claims from filing a charge with any relevant federal, state or local administrative agency, but the Executive agrees not to participate in, and agrees to waive his or her rights with respect to any monetary or other financial relief arising from any such administrative proceeding.

2. Notwithstanding anything herein to the contrary, Executive does not release any claims that the law does not permit Executive to release, including, without limitation, claims under the Family Medical Leave Act, the Fair Labor Standards Act, California Workers' Compensation, California Family Rights Act, and Division 3, Article 2 of the California Labor Code (including indemnification rights).

3. The Company, on its own behalf and on behalf of the Company Group, does hereby agree not to bring any claim or pursue any litigation (or file any charge or otherwise correspond with any federal, state or local administrative agency) against, and waives, releases and discharges Executive and his or her heirs, successors and assigns, descendants, dependents, executors and administrators, past and present, and any of his or her affiliates and each of them (collectively, the “**Executive Releasees**”) from any and all claims, demands, rights, judgments, defenses, actions, charges or causes of action whatsoever, of any and every kind and description, whether known or unknown, accrued or not accrued, that any person or entity of the Company Group ever had, now has or shall or may have or assert as of the date of this General Release and Waiver of Claims against any of them, based on facts known to any executive officer of the Company as of the date of this General Release and Waiver of Claims (other than the Executive), including specifically, but not exclusively and without limiting the generality of the foregoing, any and all claims, demands, agreements, obligations and causes of action arising out of or in any way connected with any transaction, occurrence, act or omission related to Executive’s employment by the Company or any of its subsidiaries or the termination of that employment; provided, however, that nothing herein shall release the Executive Releasees from any obligations arising out of or related in any way to Executive’s obligations under the Agreement, the Confidentiality Agreement (as defined in the Agreement) or any agreement governing the terms of any equity award granted to the Executive or impair the right or ability of the Company to enforce the terms thereof.

4. In furtherance of their respective agreements set forth above, each of the Executive and the Company hereby expressly waives and relinquishes any and all rights under any applicable statute, doctrine or principle of law restricting the right of any person to release claims which such person does not know or suspect to exist at the time of executing a release, which claims, if known, may have materially affected such person’s decision to give such a release. In connection with such waiver and relinquishment, each of the Executive and the Company acknowledges that it is aware that it may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which it now knows or believes to be true, with respect to the matters released herein. Nevertheless, it is the intention of each of the Executive and the Company to fully, finally and forever release all such matters, and all claims relative thereto which now exist, may exist or theretofore have existed, as specifically provided herein. The parties hereto acknowledge and agree that this waiver shall be an essential and material term of the release contained above. In addition, and not by way of limitation to the foregoing, each of the Executive and the Company fully understands and knowingly and expressly waives its rights and benefits under Section 1542 of the California Civil Code or under any similar provision of law. Section 1542 of the California Civil Code states that:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE [EMPLOYEE] DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH [THE COMPANY].

Nothing in this paragraph is intended to expand the scope of the release as specified herein.

5. This General Release and Waiver of Claims shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of law provisions.

6. To the extent that the Executive is forty (40) years of age or older, this paragraph shall apply. Executive acknowledges that Executive is waiving and releasing any rights he or she may have under the ADEA and that this General Release and Waiver of Claims is entered into knowingly and voluntarily. Executive acknowledges that this General Release and Waiver of Claims does not apply to any rights or claims that may arise under the ADEA after the date of this General Release and Waiver of Claims. Executive acknowledges that the consideration given for this General Release and Waiver of Claims is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing as required by the ADEA that:

- (a) Executive has the right to and is advised to consult with an attorney prior to executing this General Release and Waiver of Claims;
- (b) Executive has up to twenty-one (21) days within which to consider this General Release and Waiver of Claims (although Executive may choose to execute this General Release and Waiver of Claims earlier);
- (c) Executive has seven (7) days following the execution of this General Release and Waiver of Claims to revoke; and
- (d) This General Release and Waiver of Claims and Executive's right to receive payments or other benefits payable by the Company pursuant to the Agreement shall not be effective until the revocation period has expired.

In order to cancel or revoke this General Release and Waiver of Claims, Executive must deliver to the General Counsel of the Company written notice stating that the Executive is canceling or revoking this General Release and Waiver of Claims. If this General Release and Waiver of Claims is timely cancelled or revoked, none of the provisions of this General Release and Waiver of Claims shall be effective or enforceable and the Company shall not be obligated to make the payments to the Executive under the Agreement or to provide the Executive with the other benefits described in this General Release and Waiver of Claims, and all contracts and provisions modified, relinquished or rescinded hereunder shall be reinstated to the extent in effect immediately prior hereto.

7. Each of the Executive and the Company acknowledge that they have entered into this General Release and Waiver of Claims knowingly and willingly and has had ample opportunity to consider the terms and provisions of this General Release.

IN WITNESS WHEREOF, the parties hereto have caused this General Release and Waiver of Claims to be executed on this ____ day of _____, 20__.

(Executive's Signature)

ENCORE CAPITAL GROUP, INC.

By: _____
Name: _____
Title: _____