

MESDAG WILLEM
Form 4
July 03, 2008

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MESDAG WILLEM

2. Issuer Name and Ticker or Trading Symbol
ENCORE CAPITAL GROUP INC
[ECPG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
(Month/Day/Year)
07/01/2008

Director 10% Owner
 Officer (give title below) Other (specify below)

10100 SANTA MONICA
BOULEVARD, SUITE 925

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

LOS ANGELES, CA 90067

(City) (State) (Zip)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | | | | | 748,009 ⁽¹⁾ | I | Through RMCP II |
| Common Stock | | | | | 2,687,053 ⁽²⁾ | I | Through RMCP III |
| Common Stock | 07/01/2008 ⁽³⁾ | | A | 2,828 A \$ 0 | 12,552 ⁽⁴⁾ | D | |

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

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SEC 1474
(9-02)

displays a currently valid OMB control number.

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 Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Beneficially (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| MESDAG WILLEM 10100 SANTA MONICA BOULEVARD SUITE 925 LOS ANGELES, CA 90067 | X | X | | |
| RED MOUNTAIN CAPITAL PARTNERS II, L.P. 10100 SANTA MONICA BOULEVARD SUITE 925 LOS ANGELES, CA 90067 | | X | | |
| RED MOUNTAIN CAPITAL PARTNERS III, L.P. 10100 SANTA MONICA BOULEVARD SUITE 925 LOS ANGELES, CA 90067 | | X | | |
| RMCP GP LLC 10100 SANTA MONICA BOULEVARD SUITE 925 LOS ANGELES, CA 90067 | | X | | |
| RED MOUNTAIN CAPITAL PARTNERS LLC 10100 SANTA MONICA BOULEVARD SUITE 925 LOS ANGELES, CA 90067 | | X | | |
| RED MOUNTAIN CAPITAL MANAGEMENT INC 10100 SANTA MONICA BOULEVARD | | X | | |

SUITE 925
LOS ANGELES, CA 90067

Signatures

/s/ Willem Mesdag (on behalf of himself and the Red Mountain
Entities)

07/03/2008

____Signature of Reporting Person

Date

Explanation of Responses:

- * 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).
- (1) These shares are held directly by Red Mountain Capital Partners II, L.P. ("RMCP II").
- (2) These shares are held directly by Red Mountain Capital Partners III, L.P. ("RMCP III").
- (3) On July 1, 2008, Encore Capital Group, Inc. ("Encore") issued 2,828 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. 3,450 of these
- (4) RSUs will vest on September 23, 2008. Another 3,450 of these RSUs will vest on August 23, 2009. The remaining 5,652 of these RSUs are fully vested.

Remarks:

This Form 4 is jointly filed by (i) RMCP II, (ii) RMCP III, (iii) RMCP GP LLC ("RMCP GP"), (iv) RMCP LLC, (v) Red Mountain

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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