

ENCORE CAPITAL GROUP INC
 Form 4
 January 04, 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 *
 JCF FPK I LP

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)
 717 FIFTH AVENUE, 26TH FLOOR
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 01/02/2008

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

NEW YORK, NY 10022

(City) (State) (Zip)

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

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

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| Common Stock | | | | | | D (2) (3) | |
| Common Stock | 01/02/2008 | | A | 5,931 | A \$ 0 | 5,742,963 (1) | D (2) (3) (4) |

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

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SEC 1474 (9-02)

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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 Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | 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 |
| JCF FPK I LP 717 FIFTH AVENUE 26TH FLOOR NEW YORK, NY 10022 | | X | | |
| JCF Associates II-A LP 717 FIFTH AVENUE 26TH FLOOR NEW YORK, NY 10022 | | X | | |
| JCF Associates II-A LLC 717 FIFTH AVENUE 26TH FLOOR NEW YORK, NY 10022 | | X | | |

Signatures

| | |
|---|------------|
| JCF FPK I LP /s/ Sally Rocker Title: Managing Director | 01/04/2008 |
| **Signature of Reporting Person | Date |
| JCF Associates II-A LP /s/ Sally Rocker Title: Managing Director | 01/04/2008 |
| **Signature of Reporting Person | Date |
| JCF Associates II-A LLC /s/ Sally Rocker Title: Managing Director | 01/04/2008 |
| **Signature of Reporting Person | Date |
| J. Christopher Flowers /s/ J. Christopher Flowers | 01/04/2008 |
| **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).

JCF FPK I LP, an Alberta limited partnership, JCF Associates II-A LP, a Delaware limited partnership, JCF Associates II-A LLC, a Delaware limited liability company and J. Christopher Flowers may be deemed to be part of a group with Red Mountain Capital Partners LLC, Red Mountain Capital Partners II, L.P., Red Mountain Capital Partners III, L.P., RMCP GP LLC, Red Mountain Capital Management Inc. and Willem Mesdag (collectively, "Red Mountain") and, accordingly, may be deemed, for the purposes of Section (1) 13(d) of the Securities Exchange Act of 1934, as amended and the rules promulgated thereunder (the "Exchange Act") to beneficially own the 3,435,062 shares of Common Stock of Encore Capital Group, Inc. ("Encore") beneficially owned by Red Mountain. The reporting persons do not have any pecuniary interest in such securities and disclaim beneficial ownership of such securities for purposes of Section 16 of the Exchange Act, or for any other purposes.

These shares are held directly by JCF FPK I LP. J. Christopher Flowers holds an indirect interest in the reported securities through a pecuniary interest in JCF Associates II-A LLC, a Delaware limited liability company. JCF Associates II-A LLC holds an indirect interest in the reported securities through a pecuniary interest in JCF Associates II-A LP, a Delaware limited partnership. JCF Associates II-A LP (2) holds an indirect interest in the reported securities through a pecuniary interest in JCF FPK I LP, a Delaware limited partnership. Mr. Flowers is the sole managing member of JCF Associates II-A LLC, which is the general partner of JCF Associates II-A LP, which is the general partner of JCF FPK I LP. Mr. Flowers therefore controls JCF Associates II-A LLC, which controls JCF Associates II-A LP, which controls JCF FPK I LP. (con't)

(3) (con't) Mr. Flowers, JCF Associates II-A LLC and JCF Associates II-A LP disclaim beneficial ownership of the reported securities except to the extent of any pecuniary interest therein, and the inclusion of these securities in this report shall not be deemed to be an admission that Mr. Flowers, JCF Associates II-A LLC and JCF Associates II-A LP have beneficial ownership of such securities for purposes of Section 16 of the Exchange Act, or for any other purposes.

On January 2, 2008, Encore issued 5,931 restricted stock units ("RSUs") to JCF FPK I LP under the Encore 2005 Stock Incentive Plan in (4) connection with the service of Tim Hanford and John Oros as members of Encore's board of directors. Each RSU represents the right to receive one share of Encore common stock. These 5,931 RSUs are not subject to vesting.

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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