

ENCORE CAPITAL GROUP INC
Form SC 13D/A
November 30, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D/A
Under the Securities Exchange Act of 1934
(Amendment No. 1)*

ENCORE CAPITAL GROUP, INC.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

292554102

(CUSIP Number)

Red Mountain Capital Partners LLC

Attn: Willem Mesdag

10100 Santa Monica Boulevard, Suite 925

Los Angeles, California 90067

Telephone (310) 432-0200

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

November 28, 2017

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box.

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

2 Red Mountain Capital Partners LLC 73-1726370
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

AF (See Item 3)
5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER
SHARES
BENEFICIALLY 1,206,995 shares (See Item 5)
8 SHARED VOTING POWER
OWNED BY
EACH
REPORTING 1,206,995 shares (See Item 5)
9 SOLE DISPOSITIVE POWER
PERSON
WITH
10 SHARED DISPOSITIVE POWER

None (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,206,995 shares (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

(See Item 2)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.7% (See Item 5)

14. TYPE OF REPORTING PERSON*

OO Limited Liability Company

* See Instructions

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Red Mountain Partners, L.P. 20-4117349
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

WC (See Item 3)
5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER

SHARES

BENEFICIALLY 1,122,731 shares (See Item 5)

8 SHARED VOTING POWER

OWNED BY

EACH REPORTING 9 None (See Item 5)

SOLE DISPOSITIVE POWER

PERSON

WITH

10 1,122,731 shares (See Item 5) SHARED DISPOSITIVE POWER

None (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,122,731 shares (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

(See Item 2)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.4% (See Item 5)

14. TYPE OF REPORTING PERSON*

PN Limited Partnership

* See Instructions

1 NAME OF REPORTING PERSONS**I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)**

RMCP GP LLC 20-4442412
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) (b)

3 SEC USE ONLY**4 SOURCE OF FUNDS***

AF (See Item 3)
5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER

SHARES

BENEFICIALLY 1,122,731 shares (See Item 5)

8 SHARED VOTING POWER

OWNED BY

EACH REPORTING None (See Item 5)

9 SOLE DISPOSITIVE POWER

PERSON

WITH

1,122,731 shares (See Item 5)
10 SHARED DISPOSITIVE POWER

None (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,122,731 shares (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

(See Item 2)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.4% (See Item 5)

14. TYPE OF REPORTING PERSON*

OO Limited Liability Company

* See Instructions

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Red Mountain Capital Management, Inc. 13-4057186
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

AF (See Item 3)
5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER
SHARES
BENEFICIALLY 1,206,995 shares (See Item 5)
8 SHARED VOTING POWER
OWNED BY
EACH
REPORTING 9 None (See Item 5)
PERSON 9 SOLE DISPOSITIVE POWER
WITH
10 1,206,995 shares (See Item 5)
10 SHARED DISPOSITIVE POWER

None (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,206,995 shares (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

(See Item 2)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.7% (See Item 5)

14. TYPE OF REPORTING PERSON*

CO Corporation

* See Instructions

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

2 Willem Mesdag
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

5 AF (See Item 3)
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

U.S. Citizen

NUMBER OF 7 SOLE VOTING POWER
SHARES
BENEFICIALLY 1,206,995 shares (See Item 5)
8 SHARED VOTING POWER
OWNED BY
EACH
REPORTING 9 None (See Item 5)
PERSON 9 SOLE DISPOSITIVE POWER
WITH
10 1,206,995 shares (See Item 5)
10 SHARED DISPOSITIVE POWER

None (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,206,995 shares (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

(See Item 2)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.7% (See Item 5)

14. TYPE OF REPORTING PERSON*

IN Individual

* See Instructions

This Amendment No. 1 amends and supplements the Schedule 13D filed with the Securities and Exchange Commission (the SEC) on April 30, 2013 (this Schedule 13D), by (i) Red Mountain Capital Partners LLC, a Delaware limited liability company (RMCP LLC), (ii) Red Mountain Partners, L.P., a Delaware limited partnership (RMP), (iii) RMCP GP LLC, a Delaware limited liability company (RMCP GP), (iv) Red Mountain Capital Management, Inc., a Delaware corporation (RMCM), and (v) Willem Mesdag, a natural person and citizen of the United States of America, with respect to the common stock, par value \$0.01 per share (the Common Stock), of Encore Capital Group, Inc., a Delaware corporation (Encore).

RMCP LLC, RMP and RMCP GP are sometimes collectively referred to herein as Red Mountain. Red Mountain, RMCM and Mr. Mesdag are sometimes collectively referred to herein as the Reporting Persons. The filing of any amendment to this Schedule 13D (including the filing of this Amendment No. 1) shall not be construed to be an admission by the Reporting Persons that a material change has occurred in the facts set forth in this Schedule 13D or that such amendment is required under Rule 13d-2 of the Securities Exchange Act of 1934, as amended.

This Amendment No. 1 will constitute an exit filing with respect to this Schedule 13D filed by the Reporting Persons.

ITEM 4. PURPOSE OF TRANSACTION

Item 4 of this Schedule 13D is hereby amended to include the following information:

Mr. Teets and Mr. Mesdag ceased to serve as directors on the Encore board of directors as of June 4, 2015 and November 1, 2017, respectively.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

Items 5(a) and 5(b) of this Schedule 13D are hereby amended and restated as follows:

(a)-(b) RMP beneficially owns, in the aggregate, 1,122,731 shares of Common Stock, which represent approximately 4.4% of the outstanding Common Stock.⁽¹⁾ RMP has the sole power to vote or direct the vote, and the sole power to dispose or direct the disposition, of all such 1,122,731 shares of Common Stock.

Because RMCP GP may be deemed to control RMP, RMCP GP may be deemed to beneficially own, and to have the power to vote or direct the vote of, and the sole power to dispose or direct the disposition of, 1,122,731 shares of Common Stock, representing approximately 4.4% of the outstanding Common Stock.

RMCP LLC beneficially owns directly 84,264 shares of Common Stock, which represent approximately 0.3% of the outstanding Common Stock. RMCP LLC has the sole power to vote or direct the vote, and the sole power to dispose or direct the disposition, of all such 84,264 shares of Common Stock. In addition, because RMCP LLC may be deemed to control RMCP GP and RMP, RMCP LLC may be deemed to beneficially own, and to have the power to vote or direct the vote of, or dispose or direct the disposition of, all of the Common Stock beneficially owned by RMCP GP and RMP. As a result, RMCP LLC may be deemed to beneficially own, in the aggregate, 1,206,995 shares of Common Stock, representing approximately 4.7% of the outstanding Common Stock.

Because each of RCMC and Mr. Mesdag may be deemed to control RMP, RMCP GP and RMCP LLC, RCMC and Mr. Mesdag may be deemed to beneficially own, and to have the power to vote or direct the vote of, or dispose or direct the disposition of, all of the Common Stock beneficially owned

- (1) All calculations of percentage ownership in this Schedule 13D are based on 25,745,485 shares of Common Stock outstanding as of October 27, 2017, as reported in the Form 10-Q which was filed by Encore with the SEC on November 2, 2017, plus the 45,371 shares issued to Mr. Mesdag upon settlement of his fully vested deferred issuance restricted stock units for board service.

by RMP, RMCP GP and RMCP LLC. Therefore, each of Mr. Mesdag and RMCM may be deemed to beneficially own, in the aggregate, 1,206,995 shares of Common Stock, which represent approximately 4.7% of the outstanding Common Stock.

Other than shares of Common Stock beneficially owned by RMP and RMCP LLC, none of the Reporting Persons or Mr. Teets may be deemed to beneficially own any shares of Common Stock.

Each of RMCP LLC, RMP and RMCP GP affirms membership in a group with each other but disclaims membership in a group with RMCM or Mr. Mesdag. Each of RMCM and Mr. Mesdag disclaims membership in a group with any person.

The filing of this Schedule 13D shall not be construed as an admission that any Reporting Person is the beneficial owner of any of the shares of Common Stock that such Reporting Person may be deemed to beneficially own. Without limiting the foregoing sentence, each of RMCM and Mr. Mesdag disclaims beneficial ownership of all shares of Common Stock reported in this Schedule 13D. In addition, the filing of this Schedule 13D shall not be construed as an admission that any partner, member, director, officer or affiliate of any Reporting Person is the beneficial owner of any of the shares of Common Stock that such partner, member, director, officer or affiliate may be deemed to beneficially own. Without limiting the foregoing sentence, Mr. Teets disclaims beneficial ownership of all shares of Common Stock reported in this Schedule 13D.

Item 5(c) of this Schedule 13D is hereby amended to include the following information:

- (c) On November 1, 2017, Mr. Mesdag transferred to RMCP LLC 45,371 shares of Common Stock issued upon settlement of his fully vested deferred issuance restricted stock units for board service.

The following table lists all transactions in Common Stock effected during the past sixty days by RMP. All such transactions were effected on the open market.

| Shares of | Weighted | Date of |
|------------------|-----------------------|-------------------|
| Common | Average Price | Sale |
| Stock | per Share (\$) | |
| Sold | | |
| 42,789 | 45.8022 | November 20, 2017 |
| 34,882 | 45.8732 | November 21, 2017 |
| 7,943 | 45.5626 | November 22, 2017 |
| 16,899 | 45.5890 | November 27, 2017 |
| 48,900 | 45.7597 | November 28, 2017 |
| 25,335 | 46.1042 | November 29, 2017 |
| 32,557 | 45.8267 | November 30, 2017 |

The following table lists all transactions in Common Stock effected during the past sixty days by RMCP LLC. All such transactions were effected on the open market.

| Shares of Common Stock Sold | Weighted Average Price per Share (\$) | Date of Sale |
|--|--|-------------------------|
| 3,211 | 45.8022 | November 20, 2017 |
| 2,618 | 45.8732 | November 21, 2017 |
| 596 | 45.5626 | November 22, 2017 |
| 1,268 | 45.5890 | November 27, 2017 |
| 3,670 | 45.7597 | November 28, 2017 |
| 1,901 | 46.1042 | November 29, 2017 |
| 2,443 | 45.8267 | November 30, 2017 |

Item 5(e) of this Schedule 13D is hereby amended to include the following information:

- (e) Each of the Reporting Persons ceased to be the beneficial owner of more than 5% of the outstanding Common Stock as of November 28, 2017, following the sale of Common Stock by RMP and RMCP LLC on the open market on such date. Therefore, this Amendment No. 1 will constitute the final amendment to this Schedule 13D and an exit filing for each of the Reporting Persons, and will terminate the obligations of the Reporting Persons to further amend this Schedule 13D.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: November 30, 2017

**RED MOUNTAIN CAPITAL PARTNERS
LLC**

/s/ Willem Mesdag
By: Willem Mesdag
Title: Authorized Signatory

RED MOUNTAIN PARTNERS, L.P.

By: RMCP GP LLC, its general partner

/s/ Willem Mesdag
By: Willem Mesdag
Title: Authorized Signatory

RMCP GP LLC

/s/ Willem Mesdag
By: Willem Mesdag
Title: Authorized Signatory

**RED MOUNTAIN CAPITAL
MANAGEMENT, INC.**

/s/ Willem Mesdag
By: Willem Mesdag
Title: President

WILLEM MESDAG

/s/ Willem Mesdag

EXHIBIT INDEX

| Exhibit No. | Description of Exhibit |
|----------------|--|
| 1 | Joint Filing Agreement, dated as of April 30, 2013, by and among the Reporting Persons (incorporated by reference to Exhibit 1 to the Schedule 13D filed by the Reporting Persons with the SEC on April 30, 2013). |