

ENCORE CAPITAL GROUP INC
Form S-4
March 27, 2013
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As filed with the Securities and Exchange Commission on March 27, 2013

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

ENCORE CAPITAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

6153
(Primary Standard Industrial
Classification Code Number)
3111 Camino Del Rio North, Suite 1300,

48-1090909
(I.R.S. Employer
Identification Number)

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San Diego, California 92108

(877) 445-4581

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Gregory L. Call

Senior Vice President, General Counsel and Corporate Secretary

3111 Camino Del Rio North, Suite 1300,

San Diego, California 92108

(877) 445-4581

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

With copies to:

Steven B. Stokdyk, Esq.	Daryl Lansdale, Esq.	Edwin L. Herbert, Esq.	Jeffrey Symons, Esq.
Latham & Watkins LLP	Fulbright & Jaworski L.L.P.	Asset Acceptance Capital Corp.	Kirkland & Ellis LLP
355 South Grand Avenue	300 Convent Street, Suite 2100	28405 Van Dyke Avenue	601 Lexington Avenue
Los Angeles, California 90071	San Antonio, Texas 78205	Warren, Michigan 48093	New York, New York 10022
(213) 485-1234	(210) 224-5575	(586) 939-9600	(212) 446-4800

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer
 Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer x
 Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Share of Common Stock	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(2)
Common stock, par value \$0.01 per share	1,689,372	Not applicable	\$50,165,449.84	\$6,842.57

- (1) The maximum number of shares of Encore Capital Group, Inc. (Encore) common stock estimated to be issuable upon the completion of the merger (as defined herein) involving Asset Acceptance Capital Corp. (AACC) described herein. This number is based on the maximum number of shares of AACC common stock and options to acquire shares of AACC common stock estimated to be outstanding immediately prior to completion of the merger, and assumes that (x) all such options to acquire shares of AACC common stock are exercised prior to the merger and (y) holders owning 25% of the total shares of AACC common stock estimated to be outstanding immediately prior to the merger validly elect to receive only shares of Encore common stock as consideration pursuant to the merger agreement (as defined herein).
- (2) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rules 457(f)(1), 457(f)(3) and 457(c) under the Securities Act. The proposed maximum aggregate offering price was calculated by multiplying (a) the average of the high and low prices per share of the common stock of AACC (the securities to be cancelled in the merger) as reported on the NASDAQ Global Market on March 21, 2013, or \$6.48 per share (in accordance with Rule 457(c)) and (b) the maximum number of shares of AACC common stock outstanding and subject to outstanding stock options as of such date. Pursuant to Rule 457(f)(3) under the Securities Act, the amount of cash payable by the registrant in the merger has been deducted from the proposed maximum aggregate offering price (calculated by multiplying (x) the cash consideration of \$6.50 per share of AACC common stock by (y) 75% of the total shares of AACC common stock estimated to be outstanding (assuming holders owning 25% of such shares (the maximum number of shares that may make a stock election) validly elect to receive only shares of Encore common stock as consideration in accordance with the merger agreement)).

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such dates as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this proxy statement/prospectus is not complete and may be changed. We may not sell the securities offered by this proxy statement/prospectus until the registration statement filed with the United States Securities and Exchange Commission is effective. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation is not permitted.

SUBJECT TO COMPLETION, DATED March , 2013

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

To our Stockholders:

You are cordially invited to attend a special meeting of stockholders of Asset Acceptance Capital Corp., a Delaware Corporation (AACC), to be held on 2013, at 10:00 a.m. (local time), at AACC s corporate headquarters building located at 28405 Van Dyke Avenue, Warren, Michigan 48093.

At the special meeting, you will be asked to (i) adopt the Agreement and Plan of Merger (the merger agreement), dated as of March 6, 2013, by and among AACC, Encore Capital Group, Inc., a Delaware corporation (Encore), and Pinnacle Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Encore (Merger Sub), pursuant to which Merger Sub will be merged with and into AACC (the merger) with AACC continuing as the surviving corporation and a wholly owned subsidiary of Encore, and (ii) cast an advisory (non-binding) vote with respect to compensation payable to AACC named executive officers that is related to the merger (the golden parachute compensation).

If the merger is completed, you will be entitled to receive, at your election and subject to the terms of the merger agreement, either \$6.50 in cash or 0.2162 validly issued, fully paid and nonassessable shares of Encore common stock, in each case without interest and less any applicable withholding taxes, for each share of Company common stock you own at the time of the merger. Please note that no more than 25% of the total shares of AACC common stock outstanding immediately prior to the merger may be exchanged for shares of Encore common stock and any shares elected to be exchanged for Encore common stock in excess of such 25% limitation will be subject to proration in accordance with the terms of the merger agreement.

Upon completion of the merger, Encore will own all of AACC s capital stock. As a result, AACC will no longer have its stock listed on the NASDAQ Global Select Stock Market (NASDAQ) and will no longer be required to file periodic and other reports with the United States Securities and Exchange Commission (SEC) with respect to AACC common stock.

Any stockholder who does not vote in favor of the adoption of the merger agreement will have the right to seek appraisal of the fair value of their shares of AACC common stock in lieu of the per share merger consideration if the merger is completed, but only if such stockholder submits a written demand for appraisal of its shares before the taking of the vote on the merger agreement at the special meeting and they comply with all requirements of Section 262 of the General Corporation Law of the State of Delaware (the DGCL) for exercising appraisal rights, which are summarized in this proxy statement/prospectus. Such shares of AACC common stock will not be converted into the right to receive the per share merger consideration in connection with the merger.

After careful consideration, AACC s Board of Directors, by unanimous vote of those directors present, has determined that the merger agreement is advisable and in the best interests of AACC and its stockholders and has approved and authorized the merger agreement and the transactions contemplated thereby, including the merger. Accordingly, the Board of Directors unanimously recommends that you vote FOR the adoption of the merger agreement.

The accompanying proxy statement/prospectus provides you with detailed information about the special meeting, the background of and reasons for the proposed merger, the terms of the merger agreement and other important information. Please give this material your careful attention, including Risk Factors beginning on page 19, for a discussion of the risks relating to the proposed merger.

Your vote is very important regardless of the number of shares you own. The merger cannot be completed unless holders of a majority of the outstanding shares of AACC common stock vote FOR the adoption of the merger agreement. We would like you to attend the special meeting. However, whether or not you plan to attend the special meeting, it is important that your shares be represented. Accordingly, please complete, sign and submit the enclosed proxy or submit your proxy by following the instructions on the enclosed proxy card as soon as possible.

AACC s Board of Directors also unanimously recommends that you vote FOR the advisory (non-binding) approval of the golden parachute compensation. In considering the recommendation of AACC s Board of Directors, you should be aware that some of AACC s directors and executive officers have interests in the merger that are different from, or in addition to, interests of AACC s stockholders generally (for a discussion of such interests, see AACC Proposal No. 1 The Merger AACC s Directors and Officers Have Financial Interests in the Merger that begins on page 65).

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If you hold shares in street name or otherwise through a broker, bank or other nominee, you should follow the procedures provided by them, or they may not be unable to vote your shares. If you do not vote or instruct your broker or nominee how to vote, it will have the same effect as a vote AGAINST the adoption of the merger agreement and will have no effect on the advisory non-binding vote on the golden parachute compensation. If you complete, sign and submit your proxy card without indicating how you wish to vote, your proxy will be counted as a vote FOR the adoption of the merger agreement, FOR the advisory non-binding vote on the golden parachute compensation and FOR the approval of any adjournment of the special meeting. Remember, failing to vote has the same effect as a vote AGAINST the adoption of the merger agreement.

Thank you for your continued support and we look forward to seeing you on _____, 2013.

Sincerely,

Rion B. Needs

President and Chief Executive Officer

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger or the Encore common stock to be issued to the holders of AACC common stock if the merger is consummated, passed upon the merits or fairness of the merger agreement or the transactions contemplated thereby, including the proposed merger, or passed upon the adequacy or accuracy of the information contained in this document or the accompanying proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The date of this notice of special meeting and proxy statement/prospectus and form of proxy is _____, 2013, and it is first being mailed or otherwise distributed and made available to AACC stockholders on or about _____, 2013.

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Asset Acceptance Capital Corp.

28405 Van Dyke Avenue

Warren, MI 48093

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON _____, 2013

To the Stockholders of Asset Acceptance Capital Corp.:

Notice is hereby given that a special meeting of stockholders of Asset Acceptance Capital Corp., a Delaware corporation (AACC), will be held on _____, 2013, at 10:00 a.m. (local time), at AACC s corporate headquarters building located at 28405 Van Dyke Avenue, Warren, Michigan 48093:

1. To consider and vote on a proposal to adopt the Agreement and Plan of Merger (the merger agreement), dated as of March 6, 2013, by and among AACC, Encore Capital Group, Inc., a Delaware corporation (Encore), and Pinnacle Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Encore (Merger Sub), pursuant to which Merger Sub will be merged with and into AACC (the merger) with AACC continuing as the surviving corporation and a wholly owned subsidiary of Encore;
2. To consider and cast an advisory (non-binding) vote with respect to certain agreements or understandings with, and items of compensation payable to, AACC named executive officers that are related to the merger (the golden parachute compensation);
3. To consider and vote upon a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement; and
4. To consider and vote upon any other matters that properly come before the special meeting or any adjournment or postponement thereof.

Only holders of record of AACC common stock at the close of business on _____, 2013, the record date of the special meeting (the record date), are entitled to notice of, and to vote at, the special meeting or any adjournments or postponements of the special meeting.

The merger agreement, the merger, and the golden parachute compensation arrangements are more fully described in the accompanying proxy statement/prospectus, which AACC urges you to read carefully and in its entirety. A copy of the merger agreement is attached as Annex A to the accompanying proxy statement/prospectus, which AACC also urges you to read carefully and in its entirety.

The merger cannot be completed without the affirmative vote of the holders of a majority of the shares of AACC common stock outstanding as of the record date to adopt the merger agreement. The approval of the golden parachute compensation is advisory (non-binding) and is not a condition to completion of the merger. Whether or not you plan to attend the special meeting, please complete, sign and return the enclosed proxy card or submit your proxy by Internet, by telephone, or by mail following the instructions on the proxy card.

AACC s Board of Directors has, by a unanimous vote of those directors present, approved and authorized the merger agreement and recommends that you vote FOR adoption of the merger agreement. AACC s Board of Directors recommends that you vote FOR approval, on any advisory (non-binding) basis, of the golden parachute compensation payable to AACC s named executive officers in connection with the merger.

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Under the DGCL, AACC's stockholders may exercise appraisal rights in connection with the merger. Record holders of AACC common stock who do not vote in favor of the proposal to adopt the merger agreement and who comply with all of the other necessary procedural requirements under the DGCL will have the right to dissent from the merger and to seek appraisal of the fair value of their shares of AACC common stock in lieu of receiving the per share merger consideration, as determined by the Delaware Court of Chancery. For a description of appraisal rights and the procedures to be followed to assert them, stockholders should review the provisions of Section 262 of the DGCL, a copy of which is included as Annex C to the accompanying proxy statement/prospectus.

The affirmative vote of a majority of the shares of AACC common stock present (in person or by proxy) and entitled to vote on the proposal is required for the approval of the advisory (non-binding) proposal on golden parachute compensation.

AACC urges you to read the proxy statement/prospectus and merger agreement carefully and in their entirety.

If you have questions about the merger agreement or the merger, including the procedures for voting your shares, you should contact AACC's proxy solicitor, _____, toll-free at _____.

BY ORDER OF THE BOARD OF DIRECTORS

Edwin L. Herbert, Esq.,
Vice President, General Counsel & Secretary

_____, 2013

Please do not return your AACC common stock certificates with the enclosed proxy card. Rather, as more fully described in this proxy statement/prospectus, you should surrender your AACC common stock certificates only in accordance with the instructions set forth in the election form delivered to you (or, if you hold your shares in street name, to your broker, bank or other nominee) by the exchange agent on or about the date this proxy statement/prospectus was first mailed to AACC stockholders. See The Merger Agreement Election Procedures on page 78 for additional information related to the exchange of your AACC common stock certificates for the proposed merger consideration.

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REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Encore and AACC from documents that are not included in or delivered with this proxy statement/prospectus. You can obtain documents incorporated by reference in this proxy statement/prospectus, other than certain exhibits to those documents, at www.sec.gov or by requesting them in writing or by telephone from the appropriate company at the following addresses:

Encore Capital Group, Inc.

3111 Camino Del Rio North, Suite 1300

San Diego, California 92108

Phone: (877) 445-4581

Email: adam.sragovicz@encorecapital.com

Asset Acceptance Capital Corp.

28405 Van Dyke Avenue

Warren, Michigan 48093

Phone: (586) 939-9600

Email: marraf@assetacceptance.com

You will not be charged for any of these documents that you request. AACC stockholders requesting documents should do so by , 2013 in order to receive them before the special meeting. See Where You Can Find More Information on page 118.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

The questions and answers below, which are for your convenience only, briefly address some commonly asked questions about the merger, highlight only selected procedural information from this proxy statement/prospectus and are qualified in their entirety by the more detailed information contained elsewhere in this proxy statement/prospectus. These questions and answers may not address all of the questions, nor do they contain all of the information, that may be important to you as an AACC stockholder. You should read carefully the entire document (including the attached annexes) and the additional documents incorporated by reference into this document.

Q: Why am I receiving these materials?

A: You are receiving this proxy statement/prospectus and proxy card because you own shares of AACC common stock. AACC's Board of Directors is providing these proxy materials to give you information to determine how to vote in connection with the special meeting of AACC's stockholders. Additionally, this proxy statement/prospectus is being provided to assist you in determining whether to elect to receive Encore common stock as your merger consideration (as defined below).

Q: When and where is the special meeting?

A: The special meeting will be held on _____, 2013, at 10:00 a.m. (local time), at AACC's corporate headquarters building located at 28405 Van Dyke Avenue, Warren, Michigan 48093.

Q: Upon what am I being asked to vote at the special meeting?

A: You are being asked to consider and vote upon the following proposals:

1. To consider and vote on a proposal to adopt the merger agreement, by and among AACC, Encore and Merger Sub, pursuant to which Merger Sub will be merged with and into AACC, with AACC continuing as the surviving corporation and a wholly owned subsidiary of Encore;
2. To consider and cast an advisory (non-binding) vote with respect to certain agreements or understandings with, and items of compensation payable to, AACC named executive officers that are related to the merger (the golden parachute compensation);
3. To consider and vote upon a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement; and
4. To consider and vote upon any other matters that properly come before the special meeting or any adjournment or postponement thereof.

Q: Why is the merger being proposed?

A: AACC's purpose in proposing the merger is to enable stockholders to receive, upon completion of the merger, the applicable merger consideration (as defined below) for each share of AACC common stock outstanding immediately prior to the merger. After careful consideration, AACC's Board of Directors has, by unanimous vote of all directors present, (i) determined that the merger is fair to, and in the best interests of, AACC and its stockholders, (ii) approved and declared advisable the merger agreement, the merger and the other transactions contemplated by the merger agreement, (iii) resolved to recommend adoption of the merger agreement to the holders of AACC common stock and (iv) directed that the merger agreement be submitted to the holders of AACC common stock for their adoption at a stockholders' meeting duly called and held for such purpose. For a more detailed discussion of the conclusions, determinations and reasons of AACC's Board of Directors for recommending that AACC undertake the merger on the terms of the merger agreement, see AACC Proposal No. 1 The Merger AACC's Reasons for the Merger; Recommendation of the AACC Board of Directors beginning on page 41.

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Q: What will happen in the merger?

A: If the merger is completed, Merger Sub will merge with and into AACC and AACC will continue as the surviving corporation and become a wholly owned subsidiary of Encore. As a result of the merger, AACC's common stock will no longer be publicly traded and you will no longer have any interest in AACC's future earnings or growth, unless you own Encore common stock (whether through the receipt of Encore common stock as merger consideration (as defined below) or otherwise). In addition, AACC common stock will be delisted from NASDAQ and deregistered under the Securities Exchange Act of 1934, as amended (the Exchange Act), and AACC will no longer be required file periodic reports with the SEC with respect to AACC common stock, in each case in accordance with applicable law, rules and regulations.

Q: What will I receive in the merger?

A: If the merger is completed, you will be entitled, in accordance with the terms of the merger agreement, to elect to receive cash, shares of Encore common stock or a combination thereof in exchange for the shares of AACC common stock you own at the time of the merger. Specifically, each share of AACC common stock with respect to which you validly elect to receive cash (a cash election) will be converted into the right to receive an amount in cash equal to \$6.50 without interest and less any applicable withholding taxes (the cash consideration). Subject to proration as described below, each share of AACC common stock with respect to which you elect to receive Encore common stock (a stock election) will be converted into the right to receive 0.2162 validly issued, fully paid and nonassessable shares of Encore Common Stock less any applicable withholding taxes (together with any cash in lieu of fractional shares of Encore common stock to be paid pursuant to the terms of the merger agreement, the stock consideration and together with the cash consideration, the merger consideration), which reflects the quotient determined by dividing the per share merger consideration of \$6.50 by the closing stock price per share of Encore common stock on March 5, 2013 (the last trading day prior to the announcement of the merger agreement).

Please note that no more than 25% of the shares of AACC common stock outstanding as of the time of the merger may be exchanged for stock consideration (the maximum stock election). If you elect to receive stock consideration and the holders of AACC common stock elect in the aggregate to receive stock consideration in excess of the maximum stock election, then the number of shares of AACC common stock owned by you that will be exchanged for stock consideration will be subject to a pro rata reduction based on the total number of shares of AACC common stock for which you made a stock election compared to the total number of shares of AACC common stock for which all AACC stockholders made a stock election, such that that the aggregate number of shares of AACC common stock actually exchanged for stock consideration equals the maximum stock election. Each share of AACC common stock with respect to which neither a cash election nor a stock election has been validly made will automatically be converted into the right to receive only the cash consideration. See The Merger Agreement Consideration to be Received in the Merger beginning on page 76, and The Merger Agreement Election Procedures on page 78, for additional information related to the exchange of your AACC common stock for the proposed merger consideration.

The foregoing does not apply to shares owned by Encore, Merger Sub or any of their subsidiaries or any AACC stockholders who are entitled to and who properly exercise, and do not properly withdraw, their appraisal rights under the DGCL.

Q: How does the per share merger consideration compare to the market price of AACC common stock prior to announcement of the merger?

A: The \$6.50 per share merger consideration (which is payable in cash or shares of Encore common stock as described above) represents a premium of approximately 24.76% relative to AACC's closing stock price of \$5.21 on March 1, 2013, the last full trading day prior to the announcement by AACC (made before the opening of NASDAQ on March 4, 2013) that AACC was rescheduling its 2012 fourth quarter and year-end earnings release and conference call, approximately 12.85% relative to AACC's closing stock price of \$5.76 on March 5, 2013,

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the last full trading day before the announcement of the proposed transaction, and approximately 23.57% premium over AACC's volume-weighted average closing stock price of \$5.26 over the last 30 full trading days prior to announcement of the proposed merger with Encore on the morning of March 6, 2013.

Q: What is the recommendation of AACC's Board of Directors?

A: Based on the factors described in AACC Proposal No. 1 The Merger AACC's Reasons for the Merger; Recommendation of the AACC Board of Directors beginning on page 41, AACC's Board of Directors, after careful consideration, has, by a unanimous vote of all directors present, approved and authorized the merger agreement, the merger and the other transactions contemplated by the merger agreement, and determined that the merger agreement is advisable and in the best interests of the stockholders of AACC. **AACC's Board of Directors has, by a unanimous vote of all directors present, approved and authorized the merger agreement and unanimously recommends that you vote FOR the adoption of the merger agreement.** The recommendation of AACC's Board of Directors is based, in part, upon the unanimous recommendation of a strategic alternatives review committee of AACC's Board of Directors consisting of four disinterested directors. AACC's Board of Directors established the review committee for the purpose of determining which, if any, strategic alternatives AACC should pursue and, in the event that a strategic alternative was to be pursued, to, among other things, determine whether such strategic alternative is fair to and in the best interests of AACC and its stockholders and make an appropriate recommendation to AACC's Board of Directors. AACC's Board of Directors also recommends that you vote FOR the approval of the golden parachute compensation. See AACC Proposal No. 1 The Merger AACC's Reasons for the Merger; Recommendation of the AACC Board of Directors beginning on page 41 and AACC Proposal No. 2 Advisory Vote Regarding Golden Parachute Compensation on page 107.

Q: Who will own AACC after the merger?

A: Immediately following the merger, AACC will be a wholly owned subsidiary of Encore and the current stockholders of AACC will cease to own any shares of AACC capital stock.

Q: What are the consequences of the merger to present members of management and AACC's Board of Directors?

A: Shares of AACC common stock owned by members of management and AACC's Board of Directors will be treated the same as shares held by other AACC stockholders. Options, restricted stock units and deferred stock units related to AACC common stock that are held by members of management and AACC's Board of Directors will be treated the same as outstanding options, restricted stock units and deferred stock units related to AACC common stock which are held by other AACC employees. Each such option, restricted stock unit and deferred stock unit will be cancelled in exchange for the right to receive a lump sum cash payment equal to the per share merger consideration, without interest and less any applicable exercise price per share of AACC common stock underlying such option, restricted stock unit or deferred stock unit and less any applicable withholding taxes. See The Merger Agreement Treatment of AACC Stock Options and Other Equity-Based Awards beginning on page 77. For information regarding other payments and benefits to AACC's named executive officers that are tied to or based on the merger, see AACC Proposal No. 2 Advisory Vote Regarding Golden Parachute Compensation on page 107.

Q: Is the merger subject to the satisfaction of any conditions?

A: Yes. The completion of the merger is subject to the satisfaction or waiver of the conditions described in The Merger Agreement Conditions to Complete the Merger beginning on page 81. These conditions include:

the adoption of the merger agreement by the holders of a majority of the of the outstanding AACC common stock;

the expiration or termination of the regulatory waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act);

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the absence of any order or law, judgment or ruling of any governmental entity that restrains, enjoins, prohibits or otherwise prevents the consummation of the merger;

the approval for listing on NASDAQ (subject to official notice of issuance) of the shares of Encore common stock to be issued as stock consideration;

the declaration by the SEC of the effectiveness of Encore's registration statement on Form S-4 and the absence of any stop order suspending such effectiveness (or proceeding seeking such suspension) issued by the SEC;

the absence of a material adverse effect on each of AACC and Encore;

the accuracy of the representations and warranties of AACC, Encore and Merger Sub (subject in certain cases to certain materiality, knowledge and other qualifications); and

AACC's, Encore's and Merger Sub's performance in all material respects of their respective obligations under the merger agreement.

Q: Who can attend and vote at the special meeting?

A: All holders of AACC common stock at the close of business on the record date will be entitled to vote (in person or by proxy) on the merger agreement at the special meeting or any adjournments or postponements of the special meeting. As of the record date, there were _____ shares of AACC Common Stock issued and outstanding.

For directions to the special meeting, please call AACC's Investor Relations line at (586) 939-9600 option 5. We look forward to having you at the meeting.

Q: What vote is required to approve the merger agreement?

A: The merger agreement will only be adopted upon the affirmative vote of a majority of the shares of AACC common stock outstanding on the record date. Because the required vote is based on the number of shares outstanding rather than on the number of votes cast at the special meeting, failure to vote your shares (including as a result of broker non-votes) and abstentions will have the same effect as voting AGAINST the adoption of the merger agreement. AACC urges you to attend the special meeting to vote your shares in person. If you are not able to attend the special meeting in person, AACC urges you to either complete, execute and return the enclosed proxy card in accordance with the instructions set forth in The Merger Agreement Election Procedures on page 78 or submit your proxy or voting instructions by Internet, by telephone or by mail to assure the representation of your shares at the special meeting. A broker non-vote occurs when a broker does not have discretion to vote on the matter and has not received instructions from the beneficial owner (i.e., you) as to how such beneficial owner's shares are to be voted on the matter.

Q: Have any stockholders already agreed to approve the merger?

A: In connection with the merger agreement, AAC Quad-C Investors LLC (the supporting stockholder), which owned as of March 6, 2013, approximately 35.6% of the outstanding shares of AACC, entered into a voting agreement with Encore, dated as of March 6, 2013 (the voting agreement), pursuant to which the supporting stockholder has agreed to vote all of its shares of AACC common stock in favor of the adoption of the merger agreement. See The Merger Agreement Voting Agreement on page 94.

Other than the supporting stockholder, to AACC's knowledge, none of AACC's stockholders have entered into an agreement to vote their shares of AACC common stock in favor or against the adoption of the merger agreement.

Q: Why am I being asked to cast an advisory (non-binding) vote with respect to golden parachute compensation payable to AACC's named executive officers in connection with the merger?

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A: The applicable rules of the SEC require AACC to seek an advisory (non-binding) vote with respect to certain payments that will be made to AACC's named executive officers in connection with the merger.

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Q: What is the golden parachute compensation for purposes of this advisory vote?

A: The golden parachute compensation is certain compensation that is tied to or based on the merger and payable to AACC's named executive officers. See AACC Proposal No. 2 Advisory Vote Regarding Golden Parachute Compensation on page 107.

Q: What vote is required to approve the golden parachute compensation payable to AACC's named executive officers in connection with the merger?

A: The affirmative vote of a majority of the shares of AACC common stock present (in person or by proxy) and entitled to vote on the proposal is required for approval of the advisory (non-binding) proposal on golden parachute compensation.

Q: What will happen if stockholders do not approve the golden parachute compensation at the special meeting?

A: Approval of the golden parachute compensation is not a condition to completion of the merger. The vote with respect to the golden parachute compensation is an advisory vote and will not be binding on AACC or Encore. If the merger agreement is adopted by AACC stockholders and the merger is completed, the golden parachute compensation may be paid to AACC's named executive officers even if stockholders fail to approve the golden parachute compensation.

Q: What is a quorum for the special meeting i.e., how many shares must be present to hold the special meeting?

A: In order for AACC to convene the special meeting, a majority of the shares of AACC common stock outstanding as of _____, 2013 (or _____ shares) must be present in person or by proxy (which shares comprise a majority in voting power of the AACC capital stock issued and outstanding and entitled to vote at the special meeting). This majority is referred to as a quorum. If a quorum is not present at the special meeting, the special meeting may be adjourned or postponed from time to time until a quorum is obtained. If you submit a proxy, your shares will be counted to determine whether AACC has a quorum even if you abstain or fail to provide voting instructions on any of the proposals listed on the proxy card. If your shares are held in the name of a nominee that submits a proxy card with regard to your shares and you do not tell the nominee how to vote your shares, these shares will be counted for purposes of determining the presence or absence of a quorum for the transaction of business.

Q: How many votes do I have?

A: You have one vote for each share of AACC common stock that you own as of the record date.

Q: How are votes counted?

A: Votes will be counted by the inspector of election appointed for the special meeting, who will separately count FOR and AGAINST votes, abstentions and broker non-votes and separately count votes in respect of each proposal. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not receive instructions from the beneficial owner with respect to the merger proposal, or the proposal for golden parachute compensation, or the adjournment proposal, counted separately.

Because Delaware law and the amended and restated certificate of incorporation of AACC require the affirmative vote of holders of a majority of the outstanding shares of AACC common stock to approve the adoption of the merger agreement, the failure to vote, broker non-votes and abstentions will have the same effect as voting AGAINST the merger proposal. If you complete, sign and submit your proxy card without indicating how you wish to vote, your proxy will be counted as a vote FOR the adoption of the merger agreement.

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Because the advisory non-binding vote to approve the golden parachute compensation and the vote to approve any adjournment or postponement of the special meeting each require the affirmative vote of the holders of a majority of the shares of AACC common stock having voting power which are present (in person or by proxy) at the special meeting, the failure to vote and broker non-votes will have no effect on the golden parachute compensation and adjournment proposals. However, abstentions will have the same effect as a vote AGAINST each such proposal. If you complete, sign and submit your proxy card without indicating how you wish to vote, your proxy will be counted as a vote FOR the advisory non-binding vote on the golden parachute compensation and FOR the approval of any adjournment or postponement of the special meeting. See The AACC Special Meeting Record Date; Stockholders Entitled to Vote; Quorum; Voting Information on page 28.

Q: How do I vote my shares of AACC common stock?

A: Before you vote, you should read this proxy statement/prospectus carefully and in its entirety, including the annexes and documents incorporated herein by reference, and carefully consider how the merger affects you. Then, mail your completed, dated and signed proxy card in the enclosed return envelope or submit your proxy by Internet, by telephone or by mail as soon as possible so that your shares can be voted at the special meeting. For more information on how to vote your shares, see The AACC Special Meeting How You Can Vote beginning on page 30.

If your shares are registered in the name of a broker, bank or other nominee, follow the instructions provided by your broker, bank or nominee to vote your shares. If your shares are registered in your name:

You may vote in person at the special meeting. You may obtain directions to the special meeting in order to vote in person by calling AACC's Investor Relations line at (586) 939-9600 option 5.

You may vote by telephone. You may vote by telephone regardless of whether you receive your special meeting materials through the mail or over the Internet. Simply follow the instructions on your proxy card or electronic access notification. If you vote by telephone, you should not vote over the Internet or mail in your proxy card.

You may vote over the Internet. You may vote over the Internet regardless of whether you receive your special meeting materials through the mail or over the Internet. Simply follow the instructions on your proxy card or electronic access notification. If you vote over the Internet, you should not vote by telephone or mail in your proxy card.

You may vote by mail. If you received proxy material through the mail, simply complete and sign the proxy card included therein and mail it in the enclosed prepaid and addressed envelope. If you mark your voting instructions on the proxy card, your shares will be voted as you instruct.

All shares of AACC common stock represented by validly executed proxies will be voted at the special meeting, and such shares will be voted in accordance with the instructions provided. If you complete, sign and submit your proxy card without indicating how you wish to vote, your proxy will be counted as a vote FOR the adoption of the merger agreement, FOR the advisory non-binding vote on the golden parachute compensation and FOR the approval of any adjournment of the special meeting. Broker non-votes (and other failures to vote) will have the same effect as if you had voted AGAINST the merger proposal and will have no effect on the outcome of the golden parachute compensation and adjournment proposals. Abstentions will have the same effect as if you had voted AGAINST the merger, golden parachute compensation and adjournment proposals. See The AACC Special Meeting Record Date; Stockholders Entitled to Vote; Quorum; Voting Information beginning on page 28.

Q: What happens if I do not vote?

A: The vote to adopt the merger agreement is based on the total number of shares of AACC common stock outstanding on the record date, and not just the shares that are voted. If you do not vote, it will have the same effect as a vote AGAINST the merger proposal. If the merger is completed, whether or not you vote for the

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merger proposal, you will be paid the per share merger consideration for your shares of AACC common stock upon completion of the merger in accordance with the terms of the merger agreement, unless you properly exercise your appraisal rights. See AACC Proposal No. 1 The Merger Appraisal Rights beginning on page 61, and Annex C to this proxy statement/prospectus.

The vote to approve the golden parachute compensation is advisory only and will not be binding on AACC or Encore and is not a condition to completion of the merger. If the merger agreement is adopted by the stockholders and completed, the golden parachute compensation may be paid to AACC's named executive officers even if AACC stockholders fail to approve the golden parachute compensation. See AACC Proposal No. 2 Advisory Vote Regarding Golden Parachute Compensation on page 107.

Q: If the merger is completed, how will I receive the merger consideration for my shares?

A: If the merger agreement is adopted and the merger is consummated, and if you are the record holder of your shares of AACC common stock immediately prior to the effective time of the merger, you will be sent a letter of transmittal to complete and return to an exchange agent to be designated by Encore (the exchange agent). In order to receive the stock consideration in exchange for all or a portion of your shares of AACC common stock, you must send the exchange agent, according to the instructions provided by the exchange agent in a separate mailing, your validly completed merger consideration election form prior to the election deadline (see The Merger Agreement Consideration to be Received in the Merger on page 76 and The Merger Agreement Election Procedures on page 78). Even if you do not intend to make a stock election, you must submit a validly completed letter of transmittal together with your AACC common stock certificates and other required documents to the exchange agent as instructed in order to receive the per share merger consideration in exchange for your shares. Once you have properly submitted a completed letter of transmittal, you will receive the applicable merger consideration in accordance with the terms of any such validly submitted election form and the terms of the merger agreement. If your shares of AACC common stock are held in street name by your broker, bank or other nominee, you will receive instructions from your broker, bank or other nominee as to how to submit an election form and how to effect the surrender of your street name shares in order to receive the applicable merger consideration for those shares.

Q: What happens to AACC's outstanding common stock option awards if the merger is completed?

A: At least 15 days prior to the effective time of the merger, all outstanding stock options will become fully vested and exercisable in accordance with the terms and conditions of the applicable award agreement and any equity compensation plan of AACC under which such option was granted. Upon completion of the merger, each stock option issued under AACC's equity compensation plans will be cancelled and terminated in exchange for the right to receive a cash amount equal to the total number of shares of AACC common stock for which the option may be exercised as of immediately prior to the merger multiplied by the excess, if any, of the cash consideration over the per share option exercise price, without interest and less any applicable withholding taxes.

Q: What happens to AACC's outstanding restricted stock units if the merger is completed?

A: Upon completion of the merger, each restricted stock unit that is issued under AACC's equity compensation plans and outstanding immediately prior to the effective time will be cancelled and converted into the right to receive an amount in cash equal to the cash consideration multiplied by the total number of shares of AACC common stock subject to such AACC restricted stock unit (using, if applicable, the goal (100%) level of achievement under the respective award agreement to determine such number), without interest and less any applicable withholding taxes.

Q: What happens to AACC's outstanding deferred stock units if the merger is completed?

A: Upon completion of the merger, each deferred stock unit that is issued under AACC's equity compensation plans and outstanding immediately prior to the effective time will be cancelled and converted into the right to

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receive an amount in cash equal to cash consideration multiplied by the total number of shares of AACC common stock subject to such AACC deferred stock unit (using, if applicable the goal (100%) level of achievement under the respective award agreement to determine such number), without interest and less any applicable withholding taxes.

Q: What happens if the merger is not completed?

A: If the merger agreement is not adopted by the stockholders of AACC or if the merger is not completed for any other reason, the holders of AACC capital stock will not receive any payment for their shares of AACC common stock, options, restricted stock units or deferred stock units in connection with the merger. Instead, AACC will remain an independent public company, AACC common stock will continue to be listed and traded on NASDAQ and registered under Exchange Act and AACC will continue to file periodic reports with the SEC with respect to AACC common stock. Under specified circumstances, AACC may be required to pay to Encore a fee with respect to the termination of the merger agreement, as described under The Merger Agreement Termination Fee beginning on page 87.

Q: How do I make a valid election to receive the merger consideration and when should I send in my stock certificates?

A: In accordance with the merger agreement, contemporaneously with the AACC's mailing of this proxy statement/prospectus to the record holders of AACC common stock on the record date, the exchange agent will deliver to each such holder an election form, a letter of transmittal and instructions on how such holder may surrender its certificates or book-entry shares representing AACC common stock in exchange for payment of the applicable merger consideration (collectively, the election form). Each election form will permit the holder to specify the number of its shares of AACC common stock with respect to which a cash election is made and the number with respect to which a stock election is made.

Each share of AACC common stock with respect to which no election has been made, or for which a properly completed election form was not received by the exchange agent, before 5:00 p.m. New York local time on the date (the election deadline) that is four (4) business days prior to the effective time of the merger (which date will be publicly announced by Encore as soon as reasonably practicable prior to the effective time of the merger), will be automatically converted into the right to receive the cash consideration. After the consummation of the merger, the exchange agent will send each stockholder who has not submitted a valid letter of transmittal covering all of its shares of AACC common stock a letter of transmittal and instructions on how such holder may surrender any certificates or book-entry shares representing such shares in exchange for payment of the cash consideration.

You should send your stock certificates, together with a completed and executed election form, to the exchange agent, and not AACC, as far in advance of the election deadline as possible. If you hold your shares of AACC common stock in street name, your broker, bank or other nominee will be sent the election form and you will receive instructions from such broker, bank or other nominee on how to timely submit an election form.

Q: I do not know where my stock certificate is how will I get my merger consideration?

A: The election form sent prior to the completion of the merger (and, should you fail to submit a valid election form prior to the election deadline, the materials you are sent after the completion of the merger) will include the procedures that you must follow if you cannot locate your stock certificate(s). This will include an affidavit that you will need to sign attesting to the loss or destruction of your stock certificate(s). The exchange agent or the surviving corporation may also require that you post a bond in an amount that Encore reasonably directs as indemnity against any claim that may be made against it with respect to such lost stock certificate.

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Q: What happens if I sell my shares of AACC common stock before the special meeting?

A: The record date for stockholders entitled to vote at the special meeting is earlier than the consummation of the merger. If you transfer your shares of AACC common stock after the record date but before the special meeting you will, unless special arrangements are made, retain your right to vote at the special meeting, but will transfer the right to receive the per share merger consideration to the person to whom you transfer your shares.

Q: If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee vote my shares for me?

A: Your broker, bank or other nominee will *not* vote your shares of AACC common stock on your behalf unless you provide instructions to your broker, bank or nominee on how to vote. You should follow the directions provided by your broker, bank or nominee regarding how to instruct it to vote your shares of AACC common stock. Without those instructions to your nominee, your shares will not be voted, which will have the same effect as voting AGAINST the adoption of the merger agreement, but will have no effect for purposes of the advisory (non-binding) vote on the golden parachute compensation or the proposals to adjourn the special meeting, if necessary or appropriate, or to solicit additional proxies.

Q: Will my shares held in street name or another form of record ownership be combined for voting purposes with shares I hold of record?

A: No. Because any shares of AACC common stock you may hold in street name will be deemed to be held by a different stockholder than any shares you hold of record, any shares so held will not be combined for voting purposes with shares you hold of record. Similarly, if you own shares in various registered forms, such as jointly with your spouse, as trustee of a trust or as custodian for a minor, you will receive, and will need to complete, sign and return, a separate proxy card for those shares because they are held in a different form of record ownership. Shares held by a corporation or business entity must be voted by an authorized officer of the entity. Shares held in an individual retirement account must be voted under the rules governing the account.

Q: What does it mean if I receive more than one set of proxy materials?

A: This means you own shares of AACC common stock that are registered under different names or are in more than one account. For example, you may own some shares directly as a stockholder of record and other shares through a broker, bank or other nominee or you may own shares through more than one nominee. In these situations, you will receive multiple sets of proxy materials. You must vote, complete, sign and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the proxy cards that you receive in order to vote all of the shares of AACC common stock that you own. Each proxy card you receive comes with its own prepaid return envelope. If you submit your proxy by mail, make sure you return each proxy card in the return envelope that accompanies that proxy card.

Q: What if I fail to instruct my broker, bank or other nominee?

A: Without instructions from you, your broker, bank or other nominee will not vote any of your shares held in street name. Broker non-votes will be counted for purposes of determining the presence or absence of a quorum. Broker non-votes will have exactly the same effect as a vote AGAINST the merger proposal, but will have no effect on the advisory (non-binding) vote on golden parachute compensation or the adjournment proposal.

Q: When do you expect the merger to be completed?

A: In order to complete the merger, AACC must obtain the stockholder approval described in this proxy statement/prospectus and the other closing conditions under the merger agreement must be satisfied or waived. The parties to the merger agreement currently expect to complete the merger in the second quarter of 2013,

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although none of AACC, Encore or Merger Sub can assure completion by any particular date, if at all. Because the merger is subject to a number of conditions, the exact timing of completion of the merger cannot be determined at this time.

Q: What are the U.S. federal income tax consequences of the merger?

A: Your exchange of AACC common stock for the merger consideration in the merger will be a taxable transaction for U.S. federal income tax purposes and may also be taxable under state and local and non-U.S. tax laws. Accordingly, a U.S. holder (as defined in this proxy statement/prospectus) generally will recognize capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between (a) the sum of (i) the amount of cash received by such holder in the merger and (ii) the fair market value, at the effective time of the merger, of the shares of Encore common stock received by such holder in the merger, and (b) such holder's adjusted tax basis in the shares of AACC common stock owned by such holder immediately prior to the effective time of the merger. See Material United States Federal Income Tax Consequences of the Merger beginning on page 101 for a discussion of material U.S. federal income tax consequences of the merger. **The tax consequences of the merger to you will depend on the facts of your own situation. You should consult your tax advisor for a full understanding of the U.S. federal income tax consequences of the merger to you, as well as U.S. federal income tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.**

Q: What happens if I do not return a proxy card by mail, vote via the Internet or telephone or attend the special meeting and vote in person?

A: Your (or your nominee's) failure to return your proxy card by mail, vote via the Internet or telephone, or your (or your nominee's) failure to attend the special meeting and vote your shares of AACC common stock in person, will have the same effect as a vote AGAINST adoption of the merger agreement, but will have no effect on the advisory (non-binding) vote on golden parachute compensation or the adjournment proposal.

Q: May I vote in person?

A: Yes. You may attend the special meeting and vote your shares in person whether or not you sign and return your proxy card. If your shares are held of record by a broker, bank or other nominee and you wish to vote at the special meeting, you must obtain a proxy from such record holder.

Q: May AACC stockholders ask questions at the special meeting?

A: Yes, representatives of AACC will answer stockholder questions of general interest at the meeting as time permits.

Q: May I change my vote after I have delivered my signed proxy card?

A: Yes. You may revoke and change your vote at any time before your proxy card is voted at the special meeting. You can do this in one of three ways:

first, you can send a written notice to AACC's Corporate Secretary stating that you would like to revoke your proxy;

second, you can complete and submit a new, later-dated proxy by Internet, by telephone or by mail; or

third, you can attend the meeting and vote in person. Your attendance alone will not revoke your proxy.

If you have instructed a broker, bank or other nominee to vote your shares, you must follow directions received from your broker, bank or other nominee to change those instructions.

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Q: Can my shares of AACC common stock be voted on matters other than those described in this proxy statement/prospectus?

A: Yes, if any other item or proposal properly comes before the special meeting, the proxies received will be voted in accordance with the discretion of the persons named as proxy holders. However, as of the date of this document, we have not received proper notice of, and are unaware of, any business to be transacted at the special meeting other than as indicated in this proxy statement/prospectus.

Q: Where can I find the voting results of the special meeting?

A: We intend to announce preliminary voting results at the special meeting and publish final results in a Current Report on Form 8-K to be filed with the SEC as soon as practicable following the meeting (and in any event within four business days of the meeting).

Q: What rights do I have to seek a valuation of my shares?

A: Under Delaware law, holders of AACC common stock who do not vote in favor of the merger may exercise appraisal rights, but only if they do not vote in favor of the merger proposal and they otherwise comply with the procedures of Section 262 of the DGCL, which is the appraisal statute applicable to Delaware corporations. See AACC Proposal No. 1 The Merger Appraisal Rights beginning on page 61. A copy of Section 262 of the DGCL is included as Annex C to this proxy statement/prospectus.

Q: What do I need to do now?

A: You should carefully read this proxy statement/prospectus, including the annexes in their entirety, and consider how the merger would affect you. Please complete, sign, date and mail your proxy card in the enclosed postage prepaid envelope (or follow the instructions for voting your shares on the back of such proxy card) as soon as possible so that your shares may be represented at the special meeting.

Q: Who can help answer my questions?

A: If you have questions about the merger agreement or the merger, including the procedures for voting your shares at the special meeting, you should contact AACC's proxy solicitor, _____, toll-free at _____.

More information on AACC can be obtained by contacting AACC's Investor Relations line at (586) 939-9600 option 5, going to AACC's website at www.assetacceptance.com or writing to: Asset Acceptance Capital Corp., Attn: Investor Relations, 28405 Van Dyke Avenue, Warren, Michigan 48093.

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SUMMARY

This summary highlights information contained elsewhere in this document and may not contain all of the information that is important to you. Before voting, we urge you to carefully read the entire document, including the annexes, and the other documents to which we refer in order to fully understand the merger and the related transactions. AACC has included section references to direct you to more complete descriptions of the topics described in this summary. You may obtain the information incorporated by reference into this document without charge by following the instructions in Where You Can Find More Information on page 118.

Special Meeting of AACC Stockholders to Consider and Adopt the Merger Agreement

This document contains information related to a special meeting of the stockholders of AACC to be held on _____, 2013, at 10:00 a.m. (local time), at AACC's corporate headquarters building located at 28405 Van Dyke Avenue, Warren, Michigan 48093, and at any adjournments or postponements thereof. AACC is furnishing this document, which, among other things, serves as AACC's proxy statement issued in connection with such special meeting, to holders of AACC common stock as part of the solicitation of proxies by AACC's Board of Directors for use at the special meeting. At the special meeting you will be asked to, among other things, (i) consider and vote on the adoption of the merger agreement and (ii) cast an advisory (non-binding) vote with respect to certain agreements or understandings with, and items of compensation payable to, AACC named executive officers that are based on or otherwise related to the merger (the golden parachute compensation). This document is first being mailed to stockholders on or about _____, 2013. The terms and conditions of the merger are contained in the merger agreement, which is attached as Annex A to this document. Please carefully read the merger agreement as it is the legal document that governs the merger. See AACC Proposal No. 1 The Merger beginning on page 32 and AACC Proposal No. 2 Advisory Vote Regarding Golden Parachute Compensation on page 107.

Required Vote of AACC Stockholders

Under the DGCL and AACC's amended and restated certificate of incorporation, the affirmative vote of the record holders of a majority of the shares of AACC common stock outstanding as of the record date is required to adopt and approve the merger agreement and the merger. Abstentions and broker non-votes (or other failures to vote) will have the same effect as votes AGAINST the merger agreement and the merger.

The affirmative vote of a majority of the shares of AACC common stock present (in person or by proxy) and entitled to vote on the proposal is required for the approval of the advisory (non-binding) proposal on golden parachute compensation. The vote to approve the golden parachute compensation is advisory only and will not be binding on AACC or Encore and is not a condition to completion of the merger. If the merger agreement is adopted by AACC stockholders and completed, the golden parachute compensation may be paid to the AACC's named executive officers even if AACC stockholders fail to approve the golden parachute compensation. Broker non-votes (or other failures to vote) will have no effect on the proposal to approve the golden parachute compensation, but abstentions will have the same effect as a vote AGAINST the proposal to approve the golden parachute compensation.

The approval of the proposal to adjourn the special meeting if there are not sufficient votes to adopt the merger agreement and the merger requires the affirmative vote of a majority of the shares of AACC common stock present (in person or by proxy) and entitled to vote on the proposal. Broker non-votes (or other failures to vote) will have no effect on, but abstentions will have the same effect as a vote AGAINST, the proposal to adjourn the special meeting.

See AACC Proposal No. 2 Advisory Vote Regarding Golden Parachute Compensation on page 107 and AACC Proposal No. 3 Adjournment of the Special Meeting on page 108.

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Record Date

You are entitled to vote at the special meeting of AACC's stockholders if you owned shares of AACC common stock at the close of business on _____, 2013, which is the record date for the special meeting. On the record date, _____ shares of AACC common stock were outstanding and entitled to vote at the special meeting. See The AACC Special Meeting Record Date; Stockholders Entitled to Vote; Quorum; Voting Information beginning on page 28.

Voting Information

You will have one vote for each share of AACC common stock that you owned at the close of business on the record date. If your shares are held in street name by a broker, bank or other nominee, you will need to provide your broker, bank or nominee with instructions on how to vote your shares. Before voting your shares of AACC common stock, you should read this proxy statement/prospectus in its entirety, including its annexes, and carefully consider how the merger affects you. Then, submit your completed, dated and signed proxy by Internet, by telephone or by mail, as soon as possible so that your shares can be voted at the special meeting. For more information on how to vote your shares, please refer to The AACC Special Meeting How You Can Vote beginning on page 30.

Merger Sub will Merge with and into AACC, Upon Completion of the Merger AACC will be a Wholly Owned Subsidiary of Encore

If the merger is completed, Merger Sub will have merged with and into AACC, with AACC continuing as the surviving corporation and a wholly owned subsidiary of Encore. Further, if the merger is completed, except as detailed below, each share of AACC common stock outstanding immediately prior to the completion of the merger will be converted into the right to receive the applicable per share merger consideration, without interest and less applicable withholding taxes, and you will cease to own any interest in AACC common stock. See AACC Proposal No. 1 The Merger Agreement Conversion of AACC Common Stock; Exchange of Certificates beginning on page 79 and The Merger Agreement Consideration to be Received in the Merger beginning on page 76.

AACC Stockholders will Receive Cash and/or Shares of Encore Common Stock in the Merger Depending on Their Election and any Proration

As a result of the merger, each share of AACC common stock issued and outstanding immediately prior to the effective time of the merger, other than certain excluded shares, will be converted into, and will represent the right to receive the applicable per share merger consideration. Subject to the proration adjustment described below, each AACC stockholder will have the right, with respect to each share of AACC common stock owned by such stockholder, to elect to receive merger consideration consisting of either cash or shares of Encore common stock. See The Merger Agreement Consideration to be Received in the Merger on page 76.

AACC stockholders must return their properly completed and signed election form (as defined below) to an exchange agent designated by Encore (the exchange agent) prior to the election deadline (as defined below). If you are an AACC stockholder and you do not return your election form by the election deadline or improperly complete or do not sign your election form, you will receive cash consideration only.

Cash Election

Each share of AACC common stock with respect to which an election to receive cash (a cash election) has been validly made will be converted into the right to receive an amount in cash equal to \$6.50, without interest and less any applicable withholding taxes (the cash consideration). The proration described below does not apply to cash elections.

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Stock Election

Each share of AACC common stock with respect to which an election to receive stock consideration (a stock election) has been validly made will be converted, subject to a proration adjustment in accordance with the terms of the merger agreement, into the right to receive 0.2162 validly issued, fully paid and nonassessable shares of Encore common stock less any applicable withholding taxes (together with any cash in lieu of fractional shares of Encore common stock to be paid pursuant to the merger agreement, the stock consideration). The cash consideration and the stock consideration are collectively referred to herein from time to time as the merger consideration . Please note, however, that no more than 25% of the shares of AACC common stock outstanding immediately prior to the effective time of the merger will be exchanged for shares of Encore common stock (the maximum stock election) and any shares of AACC common stock for which a stock election has been validly made in excess of such 25% limitation will be subject to the proration adjustment described below.

The closing stock price per share of Encore common stock as of March 5, 2013, the last full trading day prior to the announcement of the merger agreement, was \$30.07. The closing stock price per share of Encore common stock as of March 26, 2013, the last full trading day prior to the date of this proxy statement/prospectus, was \$30.00.

Non-Election Shares

Subject to your appraisal rights under applicable law, if you are an AACC stockholder and you do not make a cash election or stock election for each share of AACC common stock owned by you in accordance with the instructions received by you (or, if you hold your shares of AACC common stock in street name by your broker, bank or other nominee) from the exchange agent, your elections are not received by the exchange agent by the election deadline, your election form are improperly completed and/or are not signed, or you do not send together with your election form your certificates or book-entry shares representing you shares of AACC common stock, you will be deemed not to have made a valid election and your shares will be deemed non-election shares. Each non-election share of AACC common stock will be converted into the right to receive the cash consideration only.

Cancelled Shares

Shares of AACC common stock which are owned by AACC (as treasury stock) or Encore or any of its subsidiaries, in each case, will be automatically cancelled, cease to exist and will not be entitled to receive any merger consideration.

Proration

If AACC stockholders elect, in the aggregate, to receive stock consideration in excess of the 25% maximum stock election, then the number of shares AACC common stock elected to be exchanged for stock consideration by each AACC stockholder validly making a stock election will be reduced on a pro rata basis among all such stockholders, such that the aggregate number of shares of AACC common stock actually exchanged equals the maximum stock election amount (i.e., the total number of shares of AACC common stock outstanding immediately prior to the merger multiplied by 0.25). If proration is required, the maximum number of shares of AACC common stock that each stockholder validly making a stock election will be permitted to exchange for stock consideration will equal the maximum stock election amount multiplied by the ratio that the number of shares for which such stockholder made a stock election bears to the total number of shares for which a stock election was made by all AACC stockholders. To the extent an AACC stockholder does not receive Encore common stock for each share in respect of which he or she made a stock election due to the imposition of the 25% maximum stock election amount limitation and the proration described above, such stockholder will be entitled to receive the cash consideration for each such remaining share of AACC common stock not exchanged for stock consideration. As a result, if you make an election to receive only stock consideration, you may nevertheless receive a mix of cash consideration and stock consideration.

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What Holders of AACC Stock Options and Other Equity-Based Awards Will Receive

Stock Options

Each holder of an option that represents the right to acquire shares of AACC common stock granted under any equity compensation plans of AACC which is outstanding immediately prior to the effective time of the merger (whether or not then vested or exercisable) will be provided with notice pursuant to which all outstanding stock options held by such holder will become fully vested and exercisable by such holder for a period of at least 15 days prior to the effective time of the merger in accordance with the terms and conditions of the applicable award agreement and any equity compensation plan of AACC under which such option was granted. To the extent that any outstanding stock option is exercised prior to the effective time of the merger, AACC will issue to such exercising holder shares of AACC common stock in accordance with the terms of such option, which shares will be entitled to receive the per share merger consideration (as described above) upon consummation of the merger.

To the extent that any outstanding stock option is not so exercised on or prior to the effective time of the merger, such outstanding option to acquire shares of AACC common stock (whether or not then vested or exercisable) will be cancelled and terminated at the effective time of the merger in exchange for the right to receive, in full settlement of such option, a cash amount equal to the product of (i) the total number of shares of AACC common stock that may be acquired upon the full exercise of such stock option immediately prior to the effective time of the merger multiplied by (ii) the excess, if any, of the cash consideration over the exercise price per share of AACC common stock underlying such option, without interest and less any applicable withholding taxes. Please note, however, that if the per share exercise price of any such option is equal to or greater than the cash consideration, then, upon consummation of the merger, such option will be cancelled without any payment or other consideration being made in respect of such option.

Restricted Stock Units and Deferred Stock Units

Each restricted stock unit and each deferred stock unit granted with respect to shares of AACC common stock under any equity compensation plans of AACC that is outstanding immediately prior to the effective time of the merger will be cancelled and entitle the holder thereof to receive from AACC, in full settlement of such equity award, a cash amount equal to the product determined by multiplying (i) the cash consideration by (ii) the total number of shares of AACC common stock subject to such restricted stock unit or deferred stock unit, as the case may be (using, if applicable, the goal (100%) level of achievement under the respective award agreement to determine such number), in each case, less any applicable withholding taxes.

Please see *The Merger Agreement Treatment of AACC Stock Options and Other Equity-Based Awards* on page 77 for additional information regarding the treatment of AACC's equity-based awards in connection with the merger.

Election Procedures

At the time of mailing of this proxy statement/prospectus to the record holders of shares of AACC common stock entitled to vote at the special meeting of AACC stockholders discussed herein, Encore will, or Encore will cause the exchange agent to, mail to each such holder the election form (which will include (i) the election form, (ii) a letter of transmittal and (iii) instructions for surrendering the stock certificates or book-entry shares representing issued and outstanding shares of AACC common stock in exchange for payment of the applicable merger consideration). Each election form will permit each record holder of AACC common stock to specify the number of shares of AACC common stock with respect to which such holder is making a cash election and the number of shares of AACC common stock with respect to which such holder is making a stock election.

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The election deadline will be publicly announced by Encore as soon as reasonably practicable (but in no event less than five business days prior to the closing date of the merger). If you wish to elect the type or mix of merger consideration you will receive in the merger, you should carefully review and follow the instructions that will be set forth in the election form. To make a valid cash election or stock election, you must submit a properly completed election form, together with stock certificates (except with respect to book-entry shares, in which case you should follow the instructions set forth in the election form), so that the election form (together with any such stock certificates) is actually received by the exchange agent at or prior to the election deadline in accordance with the instructions set forth in the election form.

If you fail to submit a validly completed and signed election form prior to the election deadline with respect to any shares of AACC common stock owned by you immediately prior to the effective time of the merger, you will be deemed not to have made an election with respect to such shares and such shares will be deemed non-election shares. After the consummation of the merger, subject to your appraisal rights under applicable law, you will only be entitled to receive the cash consideration in exchange for each non-election share you own.

Please see The Merger Agreement Election Procedures on page 78 for additional information regarding procedures for making a valid cash election and/or stock election in accordance with the terms of the merger agreement.

William Blair & Company, L.L.C. has Provided an Opinion to the AACC Board of Directors Regarding the Merger Consideration

On March 5, 2013, in connection with the entry by AACC into the merger agreement, each of the Review Committee (as defined below) and the Board of Directors of AACC received an oral opinion (which opinion was subsequently confirmed in a written opinion dated March 5, 2013) from William Blair & Company, L.L.C. (William Blair), financial advisor retained by the Review Committee and AACC, to the effect that, as of such date, and subject to the various assumptions and qualifications set forth therein, the merger consideration to be received in the merger by holders of AACC common stock is fair from a financial point of view to the holders of AACC common stock. The full text of William Blair 's written opinion is attached to this proxy statement/prospectus as Annex B. You are encouraged to read this opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken. William Blair 's opinion was provided to the Review Committee and the Board of Directors of AACC in connection with, and for the purposes of, its evaluation of the merger consideration from a financial point of view, does not address any other aspect or implication of the merger or the merits of the underlying decision by AACC to engage in the merger or the relative merits of any alternatives discussed by the Review Committee or the Board of Directors of AACC and does not constitute a recommendation as to any vote or action AACC or any stockholders of AACC should take in connection with the merger or any aspect thereof, or as to whether any such stockholder should elect to receive cash consideration or stock consideration. Please see AACC Proposal No. 1 The Merger Opinion of AACC 's Financial Advisor beginning on page 48 for additional information.

The AACC Board of Directors Recommends that AACC Stockholders Vote FOR Adoption of the Merger Agreement

AACC 's Board of Directors, after careful consideration and acting upon the unanimous recommendation of a review committee of disinterested directors of AACC, has, by a unanimous vote of all directors present, approved and authorized the merger agreement and the transactions contemplated by the merger agreement, including the merger, determined that the merger agreement is advisable and in the best interests of AACC stockholders, and recommends that you vote FOR adoption of the merger agreement, whether in person or by proxy, at the special meeting and any adjournment thereof. AACC 's Board of Directors also recommends that

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you vote FOR approval of the golden parachute compensation and, if necessary, FOR the approval of any adjournment of the special meeting. See AACC Proposal No. 1 The Merger AACC's Reasons for the Merger; Recommendation of the AACC Board of Directors beginning on page 41 and see AACC Proposal No. 2 Advisory Vote Regarding Golden Parachute Compensation on page 107.

AACC's Directors and Officers Have Financial Interests in the Merger that may Differ from Your Interests

No stockholder is entitled to receive any special merger consideration. However, in considering the recommendation of AACC's Board of Directors, you should be aware that some of AACC's executive officers and directors have financial interests in the merger that may be different from, or in addition to, your interests as a stockholder (or the interests of AACC's stockholders generally) and that may present actual or potential conflicts of interest. The AACC Board of Directors was aware of and considered these potential interests and conflicts, among other matters, in evaluating and negotiating the merger agreement and the merger, in approving the merger agreement and the transaction contemplated thereby (including the merger), and in recommending that AACC's stockholders approve and adopt the merger agreement and the merger and the golden parachute compensation at the special meeting and any adjournment thereof. Please see Risk Factors beginning on page 19 and AACC Proposal No. 1 The Merger AACC's Directors and Officers Have Financial Interests in the Merger beginning on page 66 for additional information about these interests.

Voting Agreement with the Supporting Stockholder

In connection with the entry into the merger agreement the supporting stockholder entered into the voting agreement with Encore that provides that the supporting stockholder will vote FOR adoption of the merger agreement. As of March 6, 2013, the supporting stockholder held shares of AACC common stock representing approximately 35.6% of the total issued and outstanding shares. See The Merger Agreement Voting Agreement on page 94.

Appraisal Rights

Under Section 262 of the DGCL, holders of AACC common stock who oppose the merger may exercise their right to seek appraisal of the fair value of their shares of AACC common stock in connection with the merger as determined by the Court of Chancery of the State of Delaware if the merger is completed, but only if they do not vote in favor of adopting the merger agreement and otherwise comply with the procedures of Section 262 of the DGCL, which is the appraisal rights statute applicable to Delaware corporations. This appraisal amount could be more than, the same as or less than the per share merger consideration. To perfect appraisal rights, in addition to not voting for the adoption of the merger agreement, an AACC stockholder must continue to hold his, her or its shares of AACC common stock through the effective date of the merger and must strictly comply with all of the procedures required under Delaware law, including submitting a written demand for appraisal to AACC prior to the special meeting. Failure to strictly comply with Section 262 of the DGCL by an AACC stockholder will result in the loss or waiver of that stockholder's appraisal rights. Because of the complexity of Delaware law relating to appraisal rights, if any AACC stockholder is considering exercising his, her or its appraisal rights, Encore and AACC encourage such AACC stockholder to seek the advice of his, her or its own legal counsel. A summary of the requirements under Delaware law to exercise appraisal rights is included in this document under AACC Proposal No. 1 The Merger Appraisal Rights beginning on page 61, and the text of Section 262 of the DGCL as in effect with respect to this transaction is included as Annex C to this document.

Conditions that Must be Satisfied or Waived for the Merger to Occur

Currently, we expect to complete the merger in the second quarter of 2013, although none of AACC, Encore or Merger Sub can assure completion by any particular date, if at all. As more fully described in this document and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or,

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where legally permissible, waived. These conditions are described in The Merger Agreement Conditions to Complete the Merger beginning on page 81 and include:

the adoption of the merger agreement by the holders of a majority of the of the outstanding AACC common stock;

the expiration or termination of the regulatory waiting periods under the HSR Act;

the absence of any order or law, judgment or ruling of any governmental entity that restrains, enjoins, prohibits or otherwise prevents the consummation of the merger;

the approval for listing on NASDAQ (subject to official notice of issuance) of the shares of Encore common stock to be issued as stock consideration;

the declaration by the SEC of the effectiveness of Encore's registration statement on Form S-4 and the absence of any stop order suspending such effectiveness (or proceeding seeking such suspension) issued by the SEC;

the absence of a material adverse effect on each of AACC and Encore;

the accuracy of the representations and warranties of AACC, Encore and Merger Sub (subject in certain cases to certain materiality, knowledge and other qualifications); and

AACC's, Encore's and Merger Sub's performance in all material respects of their respective obligations under the merger agreement. None of AACC, Encore or Merger Sub can be certain when, or if, these conditions to the merger will be satisfied or waived, or that the merger will be completed.

Financing of the Merger

Encore has represented and warranted to AACC that, as and when needed, it will have sufficient unrestricted cash, marketable securities and other sources of immediately available funds necessary to consummate the merger and the other transactions contemplated by the merger agreement. The obligations of Encore and Merger Sub under the merger agreement, including their obligation to consummate the merger, are not subject to any conditions regarding Encore's, Merger Sub's or any other person's ability to obtain financing for the consummation of the merger and the other transactions contemplated by the merger agreement. See AACC Proposal No. 1 The Merger Merger Financing beginning on page 61.

No-Shop Provisions of the Merger Agreement Restrict AACC from Soliciting Other Offers; Exceptions

Upon execution of the merger agreement, AACC became subject to customary no-shop restrictions on its, its subsidiaries and their respective representatives' ability to initiate, solicit or encourage alternative acquisition proposals from third parties and to provide information to, or participate in discussions or negotiations with, third parties regarding alternative acquisition proposals. Notwithstanding such no-shop restrictions, AACC, its subsidiaries and their respective representatives were permitted to continue to initiate, solicit and encourage any inquiry or the making of acquisition proposals (including by providing access to non-public information), and engage or enter into or otherwise participate in any discussions or negotiations with any excluded party (as defined below) with respect to any acquisition proposal, or otherwise cooperate with, assist or participate in, or facilitate any such inquiries, proposals, discussions or negotiations or any effort or attempt to make any acquisition proposals, in each case, until 11:59 p.m. on March 27, 2013 (the excluded party deadline). Excluded parties means those third parties that made or were engaged with AACC in the process of making an alternative acquisition proposal as of March 6, 2013, the signing date of the

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merger agreement. If any excluded party makes a superior proposal on or before 11:59 p.m. on March 27, 2013, the excluded party deadline will automatically be extended until 11:59 p.m. on the date Encore's matching right under the merger agreement with respect to such superior proposal expires.

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Additionally, prior to the adoption of the merger agreement by AACC's stockholders at the special meeting or any adjournment thereof, the no-shop provisions are subject to a fiduciary out exception that allows AACC, its subsidiaries and their respective representatives, subject to certain limitations, to take or otherwise engage in any or all of the actions described in the paragraph above in response to an unsolicited written acquisition proposal by any third party if AACC's Board of Directors determines in good faith, after consultation with outside counsel and its independent financial advisors, that such proposal is or could reasonably be expected to result in a superior proposal and that the failure to engage in negotiations and discussions with, or furnish any information and other access to, such person would reasonably be expected to be a breach of its fiduciary duties under applicable law.

In addition, prior to the adoption of the merger agreement by AACC's stockholders, if there is an intervening event or AACC receives an unsolicited written alternative acquisition proposal, AACC's Board of directors may withhold, withdraw, qualify or modify its recommendation to AACC's stockholders to adopt the merger agreement if AACC's Board of Directors determines in good faith, (a) with respect to any such intervening event, after consultation with its outside counsel, that failure to do so could reasonably be expected to result in a breach of its fiduciary duties to stockholders under applicable law and (b) with respect to any such acquisition proposal, after consultation with its outside counsel and independent financial advisors, that such acquisition proposal would be more favorable to AACC's stockholders than the merger from a financial point of view and that the failure to take such action would reasonably be expected to result in a breach of its fiduciary duties under applicable law (after taking into account all adjustments to the terms of the merger agreement that may be offered by Encore), and may also terminate the merger agreement (subject to providing Encore with prior notice, allowing Encore certain matching rights and, with respect to any such termination in connection with a superior proposal, paying Encore a termination fee). See The Merger Agreement Solicitation of Alternative Acquisition Proposals; Change of Recommendation; Matching Rights beginning on page 82 and The Merger Agreement Termination Fee beginning on page 87.

As of March 27, 2013, one third party has submitted an alternative acquisition proposal to AACC.

Termination of the Merger Agreement

The merger agreement may be terminated before the completion of the merger in certain circumstances. See The Merger Agreement Termination of the Merger Agreement beginning on page 86.

Termination Fee

The merger agreement contains certain termination rights for both AACC and Encore. The merger agreement provides that upon termination in connection with a superior proposal from a party which is designated as an excluded party and entered into on or prior to the excluded party deadline, AACC would be required to pay Encore a termination fee equal to \$4.25 million and reimburse Encore for certain of its and its subsidiaries expenses incurred in connection with its negotiation and execution of the merger agreement in an aggregate amount up to \$2.0 million. Upon termination of the merger agreement under certain additional specified circumstances (not related to the circumstances described above in connection with a superior proposal by an excluded party), AACC would be required to pay Encore a termination fee in an amount equal to \$7.4 million and, if the termination is in connection with accepting a superior proposal from a person other than an excluded party, reimburse Encore for certain of its and its subsidiaries expenses incurred in connection with its negotiation and execution of the merger agreement in an aggregate amount up to \$2.0 million. See The Merger Agreement Termination Fee beginning on page 87.

Regulatory Approvals Required for the Merger

Encore and AACC have agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement. These approvals include clearance

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under the HSR Act as well as approval from various other regulatory authorities. Encore and AACC have completed, or will complete, the filing of applications and notifications to obtain the regulatory approvals required by law and the merger agreement to consummate the merger. However, neither AACC nor Encore can assure you that any such regulatory approvals will be obtained, and, if obtained, neither AACC nor Encore can assure you as to the date of any such approvals or the absence of any litigation challenging such approvals. See *The Merger Agreement - Other Reasonable Best Efforts Obligations; Regulatory Approvals* beginning on page 85.

Material U.S. Federal Income Tax Consequences of the Merger

A holder's exchange of AACC common stock for the merger consideration in the merger will be a taxable transaction for U.S. federal income tax purposes and may also be taxable under state and local and non-U.S. tax laws. Accordingly, a U.S. holder (as defined in this proxy statement/prospectus) generally will recognize capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between (a) the sum of (i) the amount of cash received by such holder in the merger and (ii) the fair market value, at the effective time of the merger, of the shares of Encore common stock received by such holder in the merger, and (b) such holder's adjusted tax basis in the shares of AACC common stock owned by such holder immediately prior to the effective time of the merger. See *Material United States Federal Income Tax Consequences of the Merger* beginning on page 101 for a discussion of material U.S. federal income tax consequences of the merger. **The tax consequences of the merger to you will depend on the facts of your own situation. You should consult your tax advisor for a full understanding of the U.S. federal income tax consequences of the merger to you, as well as U.S. federal income tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.**

The Rights of AACC Stockholders who Receive the Stock Consideration will be Governed by Encore's Restated Certificate of Incorporation and Bylaws After the Merger

The rights of AACC stockholders will change as a result of the merger due to differences in Encore's and AACC's governing documents. This document contains a description of stockholder rights under each of Encore and AACC governing documents and describes the material differences between them. See *Comparison of Stockholders' Rights* beginning on page 110 for additional information.

AACC will Hold its Special Meeting of its Stockholders on _____, 2013

The special meeting of the holders of AACC common stock will be held on _____, 2013, at 10:00 a.m. (local time), at AACC's corporate headquarters building located at 28405 Van Dyke Avenue, Warren, Michigan 48093. At the special meeting, AACC stockholders will be asked to:

adopt the merger agreement;

consider and cast an advisory (non-binding) vote on the specified compensation that may be received by AACC's named executive officers in connection with the merger;

approve the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the proposal to adopt the merger agreement; and

transact such other business as may properly come before the special meeting and any adjournment or postponement thereof.

Record Date. Only holders of record of AACC common stock at the close of business on _____, 2013 will be entitled to vote at the special meeting. Each share of AACC common stock is entitled to one vote. As of the record date, there were approximately _____ shares of AACC common stock entitled to vote at the special meeting.

Required Vote. The affirmative vote of holders of a majority of the outstanding shares of AACC's common stock entitled to vote as of the record date (approximately _____ shares of AACC common stock) is required to adopt the merger agreement. Abstentions and any broker non-votes (or other failures to vote) will have the

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same effect as a vote cast AGAINST such proposal. If you complete, sign and submit your proxy card without indicating how you wish to vote, your proxy will be counted as a vote FOR the adoption of the merger agreement.

The affirmative vote of a majority of the shares of AACC common stock present (in person or by proxy) and entitled to vote is required to approve, on an advisory (non-binding) basis, the golden parachute compensation that may be received by AACC's named executive officers in connection with the merger. The vote to approve the golden parachute compensation is not a condition to the completion of the merger, and the vote of AACC's stockholders on the proposal is advisory in nature and will not be binding on Encore or AACC. Accordingly, regardless of the outcome of the advisory vote, if the merger is approved and completed, the golden parachute compensation may be paid. Broker non-votes (or other failures to vote) will not be counted FOR or AGAINST the proposal and, accordingly, will have no effect on the proposal to approve the golden parachute compensation. Abstentions will have the same effect as a vote AGAINST the proposal. If you complete, sign and submit your proxy card without indicating how you wish to vote, your proxy will be counted as a vote FOR the advisory non-binding vote on the golden parachute compensation.

The affirmative vote of a majority of the shares of AACC common stock present (in person or by proxy) and entitled to vote as of the record date is required to approve any adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the merger proposal. Broker non-votes (or other failures to vote) will not be counted FOR or AGAINST the proposal and, accordingly, will have no effect on the proposal to approve any adjournment or postponement of the special meeting. Abstentions will have the same effect as a vote AGAINST the proposal. If you complete, sign and submit your proxy card without indicating how you wish to vote, your proxy will be counted as a vote FOR any adjournment or postponement of the special meeting.

As of the record date, directors and executive officers of AACC and its affiliates had the right to vote approximately _____ shares of AACC common stock, or _____ % of the outstanding AACC common stock entitled to be voted at the special meeting.

Litigation Relating to the Merger

After the announcement of the execution of the merger agreement, three lawsuits were filed in the Macomb County Circuit Court of the State of Michigan against AACC and its directors, as well as Encore and Merger Sub. The lawsuits are: (1) *Shell v. Asset Acceptance Capital Corp., et al.*, Index No. 13-0959-CZ, filed on March 8, 2013 (the Shell Action); (2) *Neumann v. Asset Acceptance Capital Corp. et. al.*, Index No. 13-1072-CZ, filed on March 19, 2013 (the Neumann Action); and (3) *Jaluka v. Asset Acceptance Capital Corp. et. al.*, Index No. 13-1081-CZ, filed on March 20, 2013 (the Jaluka Action). In these lawsuits, purportedly brought on behalf of all of AACC's public stockholders, the plaintiffs allege, among other things, that AACC's directors have breached their fiduciary duties of care, loyalty and candor, and have failed to maximize the value of AACC for its stockholders by accepting an offer to sell AACC at a price that fails to reflect the true value of AACC and that was agreed to as a result of an unfair process, thus depriving holders of AACC common stock of the reasonable, fair and adequate value of their shares. Plaintiffs in the Shell Action and Jaluka Action further allege that AACC's directors have breached their duties of loyalty, good faith, candor and independence owed to the stockholders of AACC because they have engaged in self-dealing and ignored or did not protect against conflicts of interest resulting from their own interrelationships or connection with the proposed acquisition. Finally, all plaintiffs allege that AACC, Encore, and Merger Sub aided and abetted the directors' breaches of their fiduciary duty. Among other things, plaintiffs in the three lawsuits seek injunctive relief prohibiting consummation of the proposed acquisition, or rescission of the proposed acquisition (in the event the transaction has already been consummated), as well as costs and disbursements, including reasonable attorneys' and experts' fees, and other equitable or injunctive relief as the court may deem just and proper. Plaintiffs in the Neumann Action also seek rescissory damages as an alternative to rescission of the proposed transaction, and damages suffered as a result of the defendants' wrongdoing.

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Information About the Companies

Encore Capital Group, Inc.

3111 Camino Del Rio North, Suite 1300

San Diego, California 92108

(877) 445-4581

Encore is a leading provider of debt management and recovery solutions for consumers and property owners across a broad range of assets. Through its subsidiaries, Encore purchases portfolios of consumer receivables from major banks, credit unions, and utility providers, and partners with individuals as they repay their obligations and work toward financial recovery. Through its Propel Financial Services, LLC subsidiary, Encore assists property owners who are delinquent on their property taxes by structuring affordable monthly payment plans. Headquartered in San Diego, Encore is a publicly traded NASDAQ company (ticker symbol: ECPG) and a component stock of the Russell 2000, the S&P SmallCap 600, and the Wilshire 4500.

Additional information about Encore and its subsidiaries is included in documents incorporated by reference in this document. See [Where You Can Find More Information](#) on page 118.

Asset Acceptance Capital Corp.

28405 Van Dyke Avenue

Warren, Michigan 48093

(586) 939-9600

AACC is a leading purchaser and collector of charged-off consumer debt. AACC helps creditors liquidate delinquent consumer receivables and assist consumers in resolving their financial challenges. In this way, AACC returns value to our credit driven economy.

For 50 years, AACC has provided credit originators, such as credit card issuers, consumer finance companies, retail merchants, utilities and others an efficient alternative in recovering defaulted consumer debt. AACC has approximately 900 associates across three offices in three states.

Additional information about AACC and its subsidiaries is included in documents incorporated by reference in this document. See [Where You Can Find More Information](#) on page 118.

Merger Sub

Pinnacle Sub, Inc.

c/o Encore Capital Group, Inc.

3111 Camino Del Rio North, Suite 1300

San Diego, California 92108

(877) 445-4581

Pinnacle Sub, Inc., a Delaware corporation, is a wholly owned subsidiary of Encore. Merger Sub was formed by Encore solely to complete the merger. Merger Sub has not commenced any operations, has only nominal assets and has no liabilities or contingent liabilities, nor any outstanding commitments other than as set forth in the merger agreement. In the merger, Merger Sub will merge with and into AACC, and Merger Sub will cease to exist.

Table of Contents**SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA****Summary Historical Consolidated Financial Data of Encore**

The selected consolidated financial and operating data below is derived from Encore's audited consolidated financial statements for each of the years ended December 31, 2012, 2011, 2010, 2009 and 2008. These historical results are not necessarily indicative of results that you can expect for any future period. You should read this data in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and Encore's consolidated financial statements and notes thereto contained in Encore's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which is incorporated by reference in this proxy statement/prospectus. See [Where You Can Find More Information](#) on page 118.

	2012	As of and For The Year Ended December 31,			2008
		2011	2010	2009	
		(In thousands, except per share data)			
Revenues					
Revenue from receivable portfolios, net(1)	\$ 545,412	\$ 448,714	\$ 364,294	\$ 299,732	\$ 240,802
Net interest income tax lien transfer	10,460				
Total revenues	555,872	448,714	364,294	299,732	240,802
Operating expenses					
Salaries and employee benefits	101,084	77,805	64,077	54,587	54,445
Cost of legal collections	168,703	157,050	121,085	112,570	96,187
Other operating expenses	48,939	35,708	32,055	22,620	20,146
Collection agency commissions	15,332	14,162	20,385	19,278	13,118
General and administrative expenses	61,798	39,760	29,798	25,738	17,928
Depreciation and amortization	5,840	4,081	2,552	1,771	1,707
Total operating expenses	401,696	328,566	269,952	236,564	203,531
Income from operations	154,176	120,148	94,342	63,168	37,271
Other (expense) income					
Interest expense	(25,564)	(21,116)	(19,349)	(16,160)	(20,572)
Other income (expense)	1,713	(363)	368	3,266	5,235
Total other expense	(23,851)	(21,479)	(18,981)	(12,894)	(15,337)
Income from continuing operations before income taxes	130,325	98,669	75,361	50,274	21,934
Provision for income taxes	(51,754)	(38,076)	(27,967)	(19,360)	(9,036)
Income from continuing operations	78,571	60,593	47,394	30,914	12,898
(Loss) income from discontinued operations, net of tax	(9,094)	365	1,658	2,133	948
Net income	\$ 69,477	\$ 60,958	\$ 49,052	\$ 33,047	\$ 13,846
Weighted-average shares outstanding:					
Basic	24,855	24,572	23,897	23,215	23,046
Diluted	25,836	25,690	25,091	24,082	23,577

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	2012	As of and For The Year Ended December 31,			2008
		2011	2010	2009	
		(In thousands, except per share data)			
Basic earnings (loss) per share from:					
Continuing operations	\$ 3.16	\$ 2.47	\$ 1.98	\$ 1.33	\$ 0.56
Discontinued operations	\$ (0.36)	\$ 0.01	\$ 0.07	\$ 0.09	\$ 0.04
Net basic earnings per share	\$ 2.80	\$ 2.48	\$ 2.05	\$ 1.42	\$ 0.60
Diluted earnings (loss) per share from:					
Continuing operations	\$ 3.04	\$ 2.36	\$ 1.89	\$ 1.28	\$ 0.55
Discontinued operations	\$ (0.35)	\$ 0.01	\$ 0.06	\$ 0.09	\$ 0.04
Net diluted earnings per share	\$ 2.69	\$ 2.37	\$ 1.95	\$ 1.37	\$ 0.59
Cash flow data:					
Cash flows provided by (used in):					
Operating activities	\$ 98,520	\$ 84,579	\$ 75,475	\$ 76,519	\$ 63,071
Investing activities	(343,770)	(88,088)	(142,807)	(79,171)	(107,252)
Financing activities	254,713	651	69,849	699	45,846
Selected operating data:					
Purchases of receivable portfolios, at cost	\$ 562,335	\$ 386,850	\$ 361,957	\$ 256,632	\$ 230,278
Gross collections for the period	948,055	761,158	604,609	487,792	398,633
Consolidated statements of financial condition data:					
Cash and cash equivalents	\$ 17,510	\$ 8,047	\$ 10,905	\$ 8,388	\$ 10,341
Investment in receivable portfolios, net	873,119	716,454	644,753	526,877	461,346
Total assets	1,171,340	812,483	736,468	595,159	549,079
Total debt	706,036	388,950	385,264	303,075	303,655
Total liabilities	765,524	440,948	433,771	352,068	345,653
Total stockholders' equity	405,816	371,535	302,697	243,091	203,426

- (1) Includes net allowance reversal of \$4.2 million for the year ended December 31, 2012, and net allowance charges of \$10.8 million, \$22.2 million, \$19.3 million, and \$41.4 million for the years ended December 31, 2011, 2010, 2009, and 2008, respectively.

Table of Contents**Summary Historical Consolidated Financial Data of AACC**

The selected consolidated financial and operating data shown below is derived from AACC's audited consolidated financial statements for each of the years ended December 31, 2012, 2011, 2010, 2009 and 2008. This information is not necessarily indicative of our future results. You should read this data in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and AACC's consolidated financial statements and notes thereto included in AACC's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which is incorporated by reference in this proxy statement/prospectus. See "Where You Can Find More Information" on page 118.

	Years Ended December 31,				
	2012	2011	2010	2009	2008
	(In thousands, except per share and dividend data)				
STATEMENT OF OPERATIONS DATA:					
Revenues					
Purchased receivable revenues, net	\$ 226,049	\$ 216,920	\$ 195,794	\$ 171,275	\$ 232,901
Gain on sale of purchased receivables	8		1,212	399	165
Other revenues, net	884	1,156	1,394	813	1,146
Total revenues	226,941	218,076	198,400	172,487	234,212
Expenses					
Salaries and benefits	59,501	67,476	72,389	77,666	83,348
Collections expense	112,830	98,705	99,298	89,095	89,459
Occupancy	5,595	5,722	6,730	7,588	7,727
Administrative	8,874	9,025	9,818	8,694	10,511
Depreciation and amortization	4,788	4,166	4,666	4,107	3,955
Restructuring charges	727	75	4,225		
Impairment of assets				1,168	616
(Gain) loss on disposal of equipment and other assets	(167)	(4)	214	355	222
Total operating expenses	192,148	185,165	197,340	188,673	195,838
Income (loss) from operations	34,793	32,911	1,060	(16,186)	38,374
Other income (expense)					
Interest expense	(20,768)	(11,760)	(11,204)	(10,169)	(13,024)
Interest income	28		8	34	32
Loss on extinguishment of debt		(1,111)			
Other	9	(32)	68	130	22
Income (loss) before income taxes	14,062	20,008	(10,068)	(26,191)	25,404
Income tax expense (benefit)	3,144	7,983	(8,452)	(9,757)	9,681
Net income (loss)	\$ 10,918	\$ 12,025	\$ (1,616)	\$ (16,434)	\$ 15,723
Net income (loss) per share basic	\$ 0.35	\$ 0.39	\$ (0.05)	\$ (0.54)	\$ 0.51
Net income (loss) per share diluted	\$ 0.35	\$ 0.39	\$ (0.05)	\$ (0.54)	\$ 0.51
Weighted-average shares basic	30,884	30,763	30,693	30,634	30,566
Weighted-average shares diluted	31,057	30,834	30,693	30,634	30,592
Dividends per common share	\$	\$	\$	\$	\$

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	Years Ended December 31,				
	2012	2011	2010	2009	2008
(In thousands, except per share and dividend data)					
FINANCIAL POSITION DATA:					
Cash	\$ 14,013	\$ 6,991	\$ 5,636	\$ 4,935	\$ 6,043
Purchased receivables, net	370,900	348,711	321,318	319,772	361,809
Total assets	424,738	396,040	363,774	366,416	408,171
Deferred tax liability, net	65,422	60,474	52,864	57,525	64,470
Total debt, including capital lease obligations	182,948	172,344	157,462	160,301	181,550
Total stockholders' equity	150,057	137,981	123,903	123,097	136,628
OPERATING AND OTHER FINANCIAL DATA:					
Cash collections	\$ 367,834	\$ 349,998	\$ 328,818	\$ 334,031	\$ 369,578
Operating expenses to cash collections	52.2%	52.9%	60.0%	56.5%	53.0%
Acquisitions of purchased receivables, at cost(1)	\$ 164,657	\$ 160,591	\$ 135,893	\$ 120,864	\$ 153,445
Acquisitions of purchased receivables, at face value	\$ 4,980,497	\$ 5,320,597	\$ 3,780,844	\$ 4,413,689	\$ 3,747,746
Acquisitions of purchased receivables cost as a percentage of face value	3.31%	3.02%	3.59%	2.74%	4.09%

(1) Amount of purchased receivables at cost refers to the cash paid to a seller to acquire a portfolio less buybacks.

Table of Contents**Unaudited Summary Pro Forma Condensed Combined Financial Information**

The following table presents unaudited summary pro forma combined financial information about Encore's consolidated financial condition and statements of earnings, after giving effect to the merger. The information under Summary Pro Forma Condensed Combined Earnings Information in the table below gives effect to the merger as if it had been completed on January 1, 2012. Reclassifications have been made to AACC's consolidated statement of operations for the year ended December 31, 2012 to conform to Encore's financial statement presentations. The information under Summary Pro Forma Condensed Combined Financial Condition Information in the table below assumes the merger had been completed on December 31, 2012. This unaudited summary pro forma condensed combined financial information was prepared using the acquisition method of accounting with Encore considered the acquirer of AACC. Accordingly, the merger consideration has been allocated to assets and liabilities of AACC based upon their estimated fair values as of the assumed date of completion of the merger. Any amount of the merger consideration that is in excess of the estimated fair values of assets acquired and liabilities assumed in the merger will be recorded as goodwill in Encore's statement of financial position after the completion of the merger. The acquisition method of accounting is dependent upon certain valuations and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measure. Accordingly, the pro forma adjustments are preliminary, have been made solely for the purpose of providing the unaudited pro forma financial data, and are subject to revision based on a final determination of fair value as of the date of acquisition. Differences between these preliminary estimates and the final acquisition accounting may have a material impact on the accompanying pro forma financial information and the combined company's future results of operations and financial position.

The unaudited summary pro forma condensed combined financial information has been derived from and should be read in conjunction with the more detailed unaudited pro forma condensed combined financial statements (the Statements) appearing elsewhere in this proxy statement/prospectus and the accompanying notes to the Statements. In addition, the Statements were based on and should be read in conjunction with the historical consolidated financial statements and related notes of each of Encore and AACC for the applicable periods, which have been incorporated in this proxy statement/prospectus by reference. See Where You Can Find More Information beginning on page 118 and Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 95.

The unaudited summary pro forma condensed combined financial information is being provided for illustrative purposes only and does not purport to represent what the actual consolidated results of operations or the consolidated financial position of Encore would have been had the merger occurred on the dates assumed, nor are they necessarily indicative of Encore's future consolidated results of operations or consolidated financial position. The unaudited summary pro forma condensed combined financial information is based upon currently available information and estimates and assumptions that Encore management believes are reasonable as of the date hereof. Any of the factors underlying these estimates and assumptions may change or prove to be materially different, and the estimates and assumptions may not be representative of facts existing at the closing date of the merger.

Summary Pro Forma Condensed Combined Earnings Information:

	Year Ended December 31, 2012			
	Historical Encore	AACC	Pro Forma Adjustments (Unaudited)	Pro Forma
Revenues				
Revenue from receivable portfolios, net	\$ 545,412	\$ 226,057	\$ (14,054)	\$ 757,415
Servicing fees and other related revenue		884		884
Net interest income tax lien transfer	10,460			10,460
Total revenues	555,872	\$ 226,941	\$ (14,054)	768,759

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	Year Ended December 31, 2012			
	Encore	Historical AACC	Pro Forma Adjustments (Unaudited)	Pro Forma (Unaudited)
Operating expenses				
Salaries and employee benefits	101,084	59,501		160,585
Cost of legal collections	168,703	53,799	(12,585)	209,917
Other operating expenses	48,939	18,353		67,292
Collection agency commissions	15,332	32,522		47,854
General and administrative expenses	61,798	22,626	(234)	84,190
Depreciation and amortization	5,840	4,788		10,628
Total operating expenses	401,696	191,589	(12,819)	580,466
Income from operations	154,176	35,352	(1,235)	188,293
Other (expense) income				
Interest expense	(25,564)	(20,740)	6,488	(39,816)
Other income (expense)	1,713	(550)		1,163
Total other expense	(23,851)	(21,290)	6,488	(38,653)
Income from continuing operations before income taxes	130,325	14,062	5,253	149,640
Provision for income taxes	(51,754)	(3,145)	(2,085)	(56,984)
Income from continuing operations	\$ 78,571	\$ 10,917	\$ 3,168	\$ 92,656
Weighted-average shares outstanding:				
Basic	24,855		1,663	26,518
Diluted	25,836		1,663	27,499
Income from continuing operations per share:				
Basic	\$ 3.16			\$ 3.49
Diluted	\$ 3.04			\$ 3.37

Summary Pro Forma Condensed Combined Financial Condition Information:

	As of December 31, 2012			
	Encore	Historical AACC	Pro Forma Adjustments (Unaudited)	Pro Forma (Unaudited)
Cash and cash equivalents	\$ 17,510	\$ 14,013	\$ (17,851)	\$ 13,672
Investment in receivable portfolios, net	873,119	370,900	60,000	1,304,019
Total assets	1,171,340	424,738	70,836	1,666,914
Total debt	706,036	182,911	148,834	1,037,781
Total liabilities	765,524	274,681	178,869	1,219,074
Total stockholders' equity	405,816	150,057	(108,033)	447,840

Comparative Per Share Data

The following table shows, for the year ended December 31, 2012, historical and pro forma equivalent per share data for AACC common stock and historical and pro forma combined per share data for Encore common stock. The information in the table is derived from each of AACC's and Encore's respective historical consolidated financial statements incorporated by reference herein, as well as the unaudited pro forma condensed combined financial information included elsewhere herein.

The pro forma equivalent information shows the effect of the merger from the perspective of an owner of AACC common stock. The information was computed by multiplying the pro forma combined income from continuing operations per share and Encore's historical cash

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dividends declared per share for the year ended December 31, 2012 and pro forma combined book value per share as of December 31, 2012 by the exchange ratio of the stock portion of the merger consideration of 0.2162 shares of Encore common stock for each share of AACC common stock. These computations exclude any potential benefit to AACC stockholders from receiving any amount of cash as a component of the merger consideration.

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The pro forma combined data below is presented for illustrative purposes only. The pro forma adjustments to the statement of earnings data are based on the assumption that the merger was completed on January 1, 2012, and the pro forma adjustments to the statement of financial position data are based on the assumption that the merger was completed on December 31, 2012.

Either company's actual historical financial condition and results of operations may have been different had the companies always been combined. You should not rely on this information as being indicative of the historical financial condition and results of operations that would have actually been achieved by either Encore or AACC or of the future results of Encore or its subsidiaries after the completion of the merger.

	Historical	AACC Common Stock Pro Forma Equivalent	Historical	Encore Common Stock Pro Forma Combined
Income from Continuing Operations Per Share				
Basic				
Year Ended December 31, 2012	\$ 0.35	\$ 0.75	\$ 3.16	\$ 3.49
Diluted				
Year Ended December 31, 2012	\$ 0.35	\$ 0.73	\$ 3.04	\$ 3.37
Cash Dividends Declared Per Share				
Year Ended December 31, 2012				
Book Value Per Share				
December 31, 2012	\$ 4.83	\$ 3.52	\$ 15.71	\$ 16.29
Comparative Market Value of Common Stock				

Encore common stock and AACC common stock are listed for trading on NASDAQ under the symbols "ECPG" and "AACC", respectively. The following table shows the closing prices per share of Encore common stock and AACC common stock as reported on March 1, 2013, the last full trading day prior to the announcement by AACC (made before the opening of NASDAQ on March 4, 2013) that AACC was rescheduling its 2012 fourth quarter and year-end earnings release and conference call, March 5, 2013, the final trading day prior to the public announcement of the merger, and on March 26, 2013, the latest practicable date prior to the date of this proxy statement/prospectus. This table also shows the implied value of the stock consideration for each share of AACC common stock, which was calculated by multiplying the closing price of Encore common stock on the relevant date by the exchange ratio of the stock portion of the merger consideration of 0.2162 shares of Encore common stock for each share of AACC common stock. These computations do not include any potential benefit to AACC stockholders from receiving any amount of cash as a component of merger consideration, as the implied value for each share for which a cash election is made will remain constant at \$6.50.

	Closing Price of Encore Common Stock	Closing Price of AACC Common Stock	Implied Value of Stock Consideration	Implied Premium of Stock Consideration to Closing Price of AACC Common Stock
As of March 1, 2013	\$ 29.82	\$ 5.21	\$ 6.45	23.8%
As of March 5, 2013	\$ 30.07	\$ 5.76	\$ 6.50	12.8%
As of March 26, 2013	\$ 30.00	\$ 6.59	\$ 6.49	(1.5%)

The market price of Encore common stock and AACC common stock will fluctuate prior to the AACC special meeting and before the merger is completed, which will affect the implied value of the stock consideration to be paid to AACC stockholders who validly make a stock election prior to the election deadline. You should obtain current market quotations for the shares before making any decision with respect to the merger or making any election with respect to the merger consideration.

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RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters under the caption "Cautionary Statement Regarding Forward-Looking Statements" and the matters discussed under the caption "Risk Factors" included in the Annual Reports on Form 10-K filed by each of Encore and AACC for the year ended December 31, 2012 as updated by any subsequently filed Forms 10-Q, 10-K/A and 8-K, you should carefully consider the following factors in deciding whether to vote for adoption of the merger agreement.

AACC stockholders electing to receive Encore common stock may receive a portion of the merger consideration in cash instead.

The consideration to be received by AACC stockholders in the merger is subject to the limitation that no more than 25% of the shares of AACC common stock issued and outstanding immediately prior to the effective time of the merger may be exchanged for shares of Encore common stock. The merger agreement contains proration and allocation methods to achieve this desired result. If you elect to receive all merger consideration to which you are entitled in the form of Encore common stock (i.e., if you make a valid stock election with respect to each share of AACC common stock you own prior to the election deadline) and the Encore common stock available to be issued as merger consideration to all AACC stockholders is oversubscribed, then you will receive cash consideration in exchange for a portion of your shares for which you made a stock election. However, you will receive cash consideration in exchange for all shares for which you make a cash election. For more information, see "The Merger Agreement - Consideration to be Received in the Merger" beginning on page 76 and "The Merger Agreement - Election Procedures" beginning on page 78.

AACC stockholders who fail to submit their election form by the election deadline or improperly complete or do not sign the election form will receive their merger consideration in cash.

The merger consideration election deadline will be 5:00 p.m., New York time, on the day that is four business days prior to the completion of the merger, which date will be publicly announced by Encore as soon as reasonably practicable. AACC stockholders who wish to receive stock consideration must return their properly completed and signed election form to the exchange agent prior to the election deadline. If you are an AACC stockholder and you do not return your election form by the election deadline or you improperly complete or do not sign your election form, you will receive cash consideration only.

The value of the stock consideration portion of the merger consideration will vary with changes in the price of Encore common stock.

Subject to the limitations set forth in the merger agreement, AACC stockholders may elect to exchange their shares of AACC common stock for shares of Encore common stock in the merger. The ratio at which the shares of AACC common stock are converted into Encore common stock is fixed at 0.2162 shares of Encore common stock for each share of AACC common stock (less any applicable withholding taxes). There will be no adjustment to this exchange ratio for changes in the market price of either AACC common stock or Encore common stock. Any change in the price of Encore common stock will affect the aggregate value AACC stockholders electing to receive stock consideration will receive in the merger. Stock price changes may result from a variety of factors that are beyond the control of Encore and AACC, including changes in businesses, operations and prospects, regulatory considerations, and general market and economic conditions. Accordingly, at the time of the special meeting, you will not know the exact value of the stock consideration to be received by AACC stockholders in the merger. In addition, there may be a time period between the completion of the merger and the time at which former AACC stockholders actually receive the shares of Encore common stock representing the stock consideration they are entitled to receive as part of the merger consideration. Until such shares of Encore common stock are received, former AACC stockholders may not be able to sell their Encore shares in the open market and, therefore, may not be able to avoid losses resulting from any decrease, or secure gains resulting from any increase, in the trading price of Encore common stock during this period.

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The cash consideration is fixed at \$6.50 and will not be adjusted to take into account any change in the business, assets, liabilities, prospects, outlook, financial condition or results of operations of AACC.

Each share of AACC common stock owned by AACC stockholders not converted into stock consideration will be converted into the right to receive the cash consideration (i.e., \$6.50, without interest and less any applicable withholding taxes). The market price of the AACC common stock currently owned by you may vary between the date of this proxy statement/prospectus, the date of AACC's special meeting and the closing of the merger due to changes in the business, assets, liabilities, prospects, outlook, financial condition or results of operations of AACC. Despite any such variations, the cash consideration AACC's stockholders are entitled to receive upon completion of the merger will not change.

The parties may be unable to satisfy the conditions to the completion of the merger and the merger may not be completed.

Completion of the merger is conditioned on, among other things, the adoption of the merger agreement by AACC stockholders, the expiration or termination of the applicable waiting period under the HSR Act, the absence of any law or regulation that prohibits the completion of the merger, and the approval of the shares of Encore common stock to be issued in the merger for listing on NASDAQ. Each party's obligation to close the merger is also subject to the material accuracy of the representations and warranties of the other party in the merger agreement, the compliance in all material respects of such other party with covenants in the merger agreement applicable to such other party and the absence of a material adverse effect on the other party.

Although Encore and AACC have agreed in the merger agreement to use reasonable best efforts to complete the merger as promptly as practicable, these and other conditions to the completion of the merger may fail to be satisfied. In addition, satisfying the conditions to and completion of the merger may take longer, and could cost more, than Encore and AACC expect.

Failure to complete the merger could negatively impact the market price of Encore common stock and AACC common stock, respectively, and their respective future businesses and financial results.

If the merger is not completed, the ongoing businesses of Encore and AACC may be adversely affected and Encore and AACC will be subject to several risks and consequences, including the following:

under the merger agreement, AACC may be required, under certain circumstances, to either pay Encore a termination fee of \$4.25 million or \$7.4 million and, under certain circumstances, reimburse up to \$2.0 million of Encore's expenses;

Encore and AACC will be required to pay certain costs relating to the merger, whether or not the merger is completed, such as legal, accounting, filing, financial advisor and printing fees;

Encore and AACC would not realize the expected benefits of the merger;

under the merger agreement, AACC is subject to certain restrictions on the conduct of its business prior to completing the merger, which may adversely affect its ability to execute certain of its business strategies; and

matters relating to the merger may require substantial commitments of time and resources by Encore and AACC management, which could otherwise have been devoted to other opportunities that may have been beneficial to Encore and AACC as independent companies.

In addition, if the merger is not completed, Encore and AACC may experience negative reactions from the financial markets and from their respective customers and employees. Encore and/or AACC could also be subject to litigation related to any failure to complete the merger or to enforcement proceedings commenced against Encore or AACC to attempt to force them to perform their respective obligations under the merger agreement.

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Any delay in completing the merger may substantially reduce the benefits that Encore expects to obtain from the merger.

The merger is subject to certain conditions, including obtaining the required governmental approvals that may prevent, delay, or otherwise materially adversely affect its completion. The requirements for obtaining the required approvals could delay the effective time of the merger for a significant period of time or prevent it from occurring. Any delay in completing the merger may materially adversely affect the synergies and other benefits that Encore expects to achieve if the merger and the integration of the companies' respective businesses are completed within the expected timeframe.

AACC's directors and executive officers have financial interests in the merger that may be different from, or in addition to, the interests of AACC stockholders.

No stockholder is entitled to receive any special merger consideration. However, in considering the information contained in this proxy statement/prospectus, including the recommendation of AACC's Board of Directors, you should be aware that some of AACC's executive officers and directors have financial interests in the merger that may be different from, or in addition to, your interests as a stockholder (or the interests of AACC's stockholders generally) and that may present actual or potential conflicts of interest. For example, certain executive officers and directors of AACC will receive certain payments with respect to outstanding equity awards, certain payments conditioned on completion of the merger or severance pay and benefits upon a qualifying termination of employment. Additionally, there will be accelerated vesting of certain outstanding AACC equity awards of executive officers and directors in accordance with their existing terms. The AACC Board of Directors was aware of and considered these potential interests and conflicts, among other matters, in evaluating and negotiating the merger agreement and the merger, in approving the merger agreement and the transaction contemplated thereby (including the merger), and in recommending that AACC's stockholders approve and adopt the merger agreement and the merger and the golden parachute compensation at the special meeting and any adjournment thereof. For information concerning these interests, see AACC Proposal No. 1 "The Merger" AACC's Directors and Officers Have Financial Interests in the Merger beginning on page 66.

AACC will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees, third-party vendors who deal with AACC and other business relationships may have an adverse effect on AACC and its operations. These uncertainties may impair AACC's ability to attract, retain and motivate key personnel until the merger is completed, and could cause third-party vendors and others who deal with AACC to seek to change existing business relationships with AACC. AACC employee retention and recruitment may be particularly challenging prior to the effective time of the merger, as employees and prospective employees may experience uncertainty about their future roles with the combined company.

The pursuit of the merger and the preparation for the integration may place a significant burden on management and internal resources. Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition and integration process could affect the financial results of AACC and Encore and, following the merger, the combined company. In addition, the merger agreement requires that AACC operate its business in the usual, regular and ordinary course consistent in all material respects with past practice and restricts AACC from taking certain actions prior to the effective time of the merger or termination of the merger agreement without the prior written consent of Encore. These restrictions may prevent AACC from pursuing attractive business opportunities that may arise prior to the completion of the merger.

The unaudited pro forma financial information included in this document is preliminary and Encore's actual consolidated financial position and results of operations after the merger may differ materially from the unaudited pro forma financial information included in this document.

The unaudited pro forma financial information in this document is presented for illustrative purposes only and is not necessarily indicative of what the combined company's actual financial position or results of

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operations would have been had the merger been completed on the dates indicated. The acquisition method of accounting is dependent upon certain valuations and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measure. Accordingly, the pro forma adjustments are preliminary, have been made solely for the purpose of providing the unaudited pro forma financial information and are subject to revision based on a final determination of fair value as of the date of acquisition. Differences between these preliminary estimates and the final acquisition accounting may have a material impact on the accompanying unaudited pro forma financial information and the combined company's future results of operations and financial position. The actual financial condition and results of operations of the combined company following the merger may not be consistent with, or evident from, these pro forma financial statements. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the merger. Any potential decline in the combined company's financial condition or results of operations may cause significant variations in the price of Encore common stock after completion of the merger.

The termination fee and the restrictions on solicitation contained in the merger agreement may discourage third parties from trying to acquire AACC.

Until the completion of the merger, subject to certain exceptions set forth in the merger agreement and more fully discussed in this proxy statement/prospectus in *The Merger Agreement Solicitation of Alternative Acquisition Proposals; Change of Recommendation; Matching Rights* on page 82, AACC is prohibited from soliciting, initiating, encouraging, or facilitating any inquiries or proposals from third parties that may lead to a proposal or offer for a merger or other business combination transaction with any person other than Encore. In addition, as more fully discussed herein, AACC has agreed to pay a termination fee and expense reimbursement to Encore in specified circumstances. These provisions could discourage other companies from trying to acquire AACC even though those other companies might be willing to offer greater value to AACC stockholders than Encore has offered in the merger. The payment of any termination fee and expense reimbursement could have an adverse effect on AACC that is material to the results of its operations. For more information, see *The Merger Agreement Termination Fee* beginning on page 87.

The fairness opinion obtained by AACC from William Blair, its independent financial advisor, will not reflect changes in circumstances subsequent to the date of the fairness opinion.

The opinion obtained by the Review Committee (as defined below) and the Board of Directors of AACC from William Blair does not speak as of the time the merger will be completed or as of any date other than the date of such opinion, and AACC has not obtained an updated opinion. The opinion does not reflect changes that may occur or may have occurred after the date of the opinion, including changes to the operations and prospects of Encore or AACC, changes in general market and economic conditions or regulatory or other factors. Any such changes, or changes in other factors on which the opinion was based, may materially alter or affect the value of the merger consideration which AACC stockholders are to receive in connection with the merger. For more information regarding the opinion delivered by William Blair, see *AACC Proposal No. 1 The Merger Opinion of AACC's Financial Advisor*, beginning on page 48.

Encore may fail to realize the anticipated benefits of the merger.

The success of the merger will depend on, among other things, Encore's ability to realize anticipated cost savings and to combine the businesses of Encore and AACC in a manner that does not materially disrupt the existing business relationships of Encore or AACC nor result in decreased revenues from any disruption in its business operations. The success of the merger will also depend upon the integration of employees, systems, operating procedures and information technologies, as well as the retention of key employees. If Encore is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected, and any such events could adversely affect the value of the Encore common stock that AACC stockholders elect to receive as part of the merger consideration.

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Encore and AACC have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of AACC's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of AACC and/or Encore to maintain relationships with its third party vendors and employees or to achieve the anticipated benefits of the merger.

Unanticipated costs relating to the merger could reduce Encore's future earnings per share.

Encore believes that it has reasonably estimated the likely costs of integrating the operations of Encore and AACC, and the incremental costs of operating as a combined company. However, it is possible that unexpected transaction costs, such as taxes, fees or professional expenses or unexpected future operating expenses such as increased personnel costs or increased taxes, as well as other types of unanticipated adverse developments, could have a material adverse effect on the results of operations and financial condition of the combined company. If unexpected costs are incurred, the merger could have a dilutive effect on the combined company's earnings per share. In other words, if the merger is completed, the earnings per share of Encore common stock could be less than they would have been if the merger had not been completed.

Pending litigation against AACC and Encore could result in an injunction preventing completion of the merger, the payment of damages in the event that the merger is completed and/or may adversely affect the combined company's business, financial condition or results of operations following the merger.

After the announcement of the execution of the merger agreement, the Shell Action, the Neumann Action and the Jaluka Action were filed in the Macomb County Circuit Court of the State of Michigan against AACC and its directors, as well as Encore and Merger Sub. In these lawsuits, purportedly brought on behalf of all of AACC's public stockholders, the plaintiffs allege, among other things, that AACC's directors have breached their fiduciary duties of care, loyalty and candor, and have failed to maximize the value of AACC for its stockholders by accepting an offer to sell AACC at a price that fails to reflect the true value of AACC and that was agreed to as a result of an unfair process, thus depriving holders of AACC common stock of the reasonable, fair and adequate value of their shares. Plaintiffs in the Shell Action and Jaluka Action further allege that AACC's directors have breached their duties of loyalty, good faith, candor and independence owed to the stockholders of AACC because they have engaged in self-dealing and ignored or did not protect against conflicts of interest resulting from their own interrelationships or connection with the proposed acquisition. Finally, all plaintiffs allege that AACC, Encore, and Merger Sub aided and abetted the directors' breaches of their fiduciary duty. Among other things, plaintiffs in the three lawsuits seek injunctive relief prohibiting consummation of the proposed acquisition, or rescission of the proposed acquisition (in the event the transaction has already been consummated), as well as costs and disbursements, including reasonable attorneys' and experts' fees, and other equitable or injunctive relief as the court may deem just and proper. Plaintiffs in the Neumann Action also seek rescissory damages as an alternative to rescission of the proposed transaction, and damages suffered as a result of the defendants' wrongdoing.

After the merger is completed, AACC stockholders who elect to become Encore stockholders will have different rights that may be less advantageous than their current rights.

Upon completion of the merger, AACC stockholders electing to receive Encore common stock as a portion of the merger consideration to be paid to them will become Encore stockholders. Differences in AACC's amended and restated certificate of incorporation and bylaws and Encore's restated certificate of incorporation and bylaws will result in changes to the rights inuring to such electing AACC stockholders who become Encore stockholders as a result of the fact that they will no longer own or have any interest in AACC common stock, but will instead own Encore common stock. For more information, see "Comparison of Stockholders' Rights" beginning on page 110 of this document.

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If the merger is consummated, Encore will incur additional debt to finance the cash portion of the merger consideration.

In connection with the merger, Encore will borrow up to \$381.7 million under Encore's revolving credit facility, which assumes that all of the holders of AACC common stock receive only cash consideration. On a pro forma basis, giving effect to the borrowings of \$381.7 million under Encore's revolving credit facility, Encore's indebtedness would be approximately \$1,087,800,000. This indebtedness could have important consequences to Encore's business, including increasing its vulnerability to general adverse economic and industry conditions, limiting its flexibility in planning for, or reacting to, changes in its business and the industry in which it operates and restricting Encore from pursuing certain business opportunities.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus, the annexes hereto and the documents incorporated by reference, as well as oral statements made or to be made includes and incorporates by reference a number of statements that are not historical facts and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, the statements specifically identified as forward-looking statements in this document, statements regarding the financial conditions, results of operations, earnings outlook and prospects of Encore, AACC and the potential combined company, and certain statements concerning the period following the completion of the merger. These forward-looking statements are based on Encore's and AACC's respective current estimates and assumptions and, as such, involve certain risks and uncertainties. The ability of either Encore or AACC to predict results or the actual effects of its plans and strategies, or those of the combined company, is subject to inherent uncertainty. Forward-looking statements include the information concerning the possible or assumed future results of operations of Encore, AACC or the combined company and each party's plans, intentions, and expectations to complete the merger and also include and typically are identified by words such as plan, believe, expect, anticipate, intend, outlook, estimate, forecast, project, may, should, could, targets and other similar words and expressions. They include statements relating to future revenue and expense, the expected growth of Encore's, AACC's and the combined company's business and trends and opportunities in its markets. These forward-looking statements include, among other things, whether and when the proposed merger will close and whether conditions to the proposed merger will be satisfied. These forward-looking statements also involve known and unknown risks, uncertainties and other factors that include, among others, the failure of the merger to be completed, the time at which the merger is completed, adoption of the merger agreement by AACC's stockholders, and failure by any of AACC, Encore, or Merger Sub to satisfy conditions to the merger.

The forward-looking statements are not guarantees of future performance or that the merger will be completed as planned and actual results may differ materially from those contemplated by these forward-looking statements. In addition to the factors discussed elsewhere in this proxy statement/prospectus, other factors that could cause actual results to differ materially include industry performance, general business, economic, regulatory and market and financial conditions, all of which are difficult to predict. The risk factors discussed herein are also discussed in the documents that are incorporated by reference into this proxy statement/prospectus. These factors may cause Encore's, AACC's or the combined entity's actual results, performance and achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Additionally, important factors could cause Encore's, AACC's or the combined company's actual results to differ materially from such forward-looking statements. Such risks, uncertainties and other important factors include those set forth on page 19 under Risk Factors, as well as, among others, risks related to the following:

the satisfaction of the conditions to complete the merger, including the failure of AACC's stockholders to adopt the merger agreement;

the amount of the costs, fees, expenses and charges related to the merger;

the potential adverse effect on AACC's and/or Encore's business and operations due to its compliance with certain covenants applicable to it in the merger agreement;

the effect of the announcement of the merger on AACC's and/or Encore's business relationships, operating results and business generally;

AACC's and/or Encore's inability to retain and, if necessary, attract key employees, particularly while the proposed merger is pending;

diverting management's attention from ongoing business operations;

worldwide financial markets and the global economy;

unforeseen material adverse changes to AACC's and/or Encore's business and operations;

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required regulatory approvals and third-party consents to the merger will not be obtained;

the merger may not be completed on the expected timetable, or at all, which may adversely affect Encore's and AACC's business and the share price of each of their common stock;

litigation in respect of the merger;

future ratings agency actions or downgrades as a result of the announcement of the merger;

the merger agreement may impact the ability of AACC to consummate certain growth-oriented transactions, which generally require the prior consent of Encore;

the fluctuation of the combined company's operating results;

the ability of Encore and AACC to each purchase receivables at favorable prices or terms, or at all;

losses on portfolios consisting of new types of receivables due to AACC's or Encore's lack of collection experience with these receivables;

the purchase of receivable portfolios that contain unprofitable accounts and AACC's or Encore's ability to collect sufficient amounts to recover its costs and to fund its operations;

sellers may deliver portfolios that contain accounts that do not meet AACC's or Encore's account collection criteria;

a significant portion of AACC's or Encore's portfolio purchases during any period may be concentrated with a small number of sellers;

the statistical models used by AACC and/or Encore to project remaining cash flows from their respective receivable portfolios may prove to be inaccurate and, if so, their respective financial results (and, consequently, the financial results of any combined company) may be adversely impacted;

the inability to make reasonable estimates of the timing and amount of future cash receipts potentially resulting in incorrect assigned internal rates of return and allowance charges to purchased receivables portfolios;

the possible impairment of AACC's and/or Encore's goodwill or amortizable intangible assets, which may require AACC and/or Encore to record a significant charge to earnings;

the extensive nature of, and possible increase in, statutory and regulatory oversight of AACC's and/or Encore's respective businesses;

the substantial additional federal regulation AACC and Encore will be subject to under the Dodd-Frank Wall Street Reform and Consumer Protection Act and the effect of such regulation on their (and any combined company s) respective businesses, results of operations, cash flows, or financial condition;

the potential material or adverse effect of any pending or threatened audits and investigations by governmental authorities or self regulatory organizations on AACC s, Encore s and/or the combined company s results of operations;

the potential material and adverse effect on AACC s, Encore s and/or the combined company s results of operations if bankruptcy filings increase or if bankruptcy or other debt collection laws change;

AACC s and/or Encore s failure to comply with governmental regulation, which could result in the suspension or termination of its ability to conduct business, require the payment of significant fines and penalties, or require other significant expenditures;

AACC s, Encore s and/or the combined company s dependence upon third parties to service a substantial portion of its consumer receivable portfolios;

increases in costs associated with AACC s and/or Encore s collections through collection litigation, which can materially raise costs associated with its collection strategies and the individual lawsuits brought against consumers to collect on judgments in AACC s and/or Encore s favor;

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the risk that AACC's and/or Encore's network of third-party agencies and attorneys may not utilize amounts collected on its behalf or amounts AACC and/or Encore advances for court costs in the manner for which they were intended;

AACC's, Encore's and/or the combined company's reliance upon success in individual lawsuits brought against consumers and its ability to collect on judgments in its favor to generate a significant portion of its collections;

the ongoing risks of litigation, including related to the merger and individual and class action lawsuits, under consumer credit, consumer protection, theft, privacy, collections and other laws, which may be subject to awards of substantial damages;

negative publicity associated with litigation, governmental investigations, regulatory actions and other public statements, which could damage AACC's and/or Encore's reputation;

the acquisitions that AACC and/or Encore have made or may make may prove to be unsuccessful or AACC's and/or Encore's time spent on mergers and acquisitions (including the merger) may strain or divert its resources;

AACC's and Encore's dependence on their respective management teams for the adoption and implementation of strategies and the potential material adverse effect on their respective businesses if AACC and/or Encore loses management's services or if the combined company fails to retain key AACC employees after the completion of the merger;

regulatory, political, and economic conditions in India, which expose the combined company to risk;

the risk that the combined company may not be able to manage its growth effectively, including the expansion of its operations in non-U.S. jurisdictions, including, as applicable, India and Costa Rica;

the possible adverse effect on the combined company's operations if its technology and telecommunications systems were to fail, or if it is not able to successfully anticipate, invest in, or adopt technological advances within its industry;

the risk of a security breach, which could cause the business and operations of either AACC or Encore to suffer;

the risk that the combined company's competitive advantage may be materially diminished if it is not able to adequately protect the intellectual property rights upon which it relies; and

assumptions relating to the foregoing.

These factors may cause AACC's and/or Encore's actual results, performance and achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this document and attributable to Encore or AACC or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements throughout this proxy statement/prospectus. Except to the extent required by applicable law or regulation, Encore and AACC undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

All information contained in this proxy statement/prospectus concerning Encore or Merger Sub has been supplied by Encore and Merger Sub, as applicable, and has not been independently verified by AACC or its representatives. All information contained in this proxy

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statement/prospectus concerning AACC has been supplied by AACC and has not been independently verified by Encore, Merger Sub or their respective representatives.

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THE AACC SPECIAL MEETING

Time, Place and Purpose of the Special Meeting

The enclosed proxy is solicited on behalf of AACC's Board of Directors for use at a special meeting of AACC's stockholders to be held on _____, 2013, at 10:00 a.m. (local time), or at any adjournments or postponements thereof, for the purposes set forth in this proxy statement/prospectus and in the accompanying notice of special meeting. The special meeting will be held at AACC's corporate headquarters building located at 28405 Van Dyke Avenue, Warren, Michigan 48093.

At the special meeting, AACC's stockholders are being asked to consider and vote upon a proposal to adopt the merger agreement. AACC's stockholders are also being asked to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement. Further, AACC's stockholders are being asked to cast an advisory (non-binding) vote with respect to golden parachute compensation payable under existing agreements to AACC's named executive officers in connection with the merger.

AACC does not expect a vote to be taken on any other matters at the special meeting or any adjournment or postponement thereof. If any other matters are properly presented at the special meeting or any adjournment or postponement thereof for consideration, however, the holders of the proxies will have discretion to vote on these matters in accordance with their best judgment.

Board Recommendation

AACC's Board of Directors, after careful consideration, has, by a unanimous vote of those directors present, approved and authorized the merger agreement and the transactions contemplated by the merger agreement, including the merger, determined that the merger agreement is advisable and in the best interests of the stockholders of AACC, and recommends that you vote **FOR** adoption of the merger agreement. For a discussion of the material factors considered by AACC's Board of Directors in reaching its conclusions, see AACC Proposal No. 1 The Merger AACC's Reasons for the Merger; Recommendation of the AACC Board of Directors beginning on page 41.

AACC's Board of Directors recommends that you vote **FOR the proposal to adopt the merger agreement, **FOR** the proposal to approve the golden parachute compensation and **FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies.**

Record Date; Stockholders Entitled to Vote; Quorum; Voting Information

Only holders of record of AACC's common stock at the close of business on _____, 2013, the record date for the special meeting, are entitled to notice of and to vote at the special meeting. At the close of business on the records date, _____ shares of AACC's common stock were outstanding and entitled to vote and there were no shares of AACC's preferred stock outstanding. A list of AACC's stockholders will be available for review at AACC's executive offices during regular business hours after the date of this proxy statement/prospectus and through the date of the special meeting. Each holder of record of AACC's common stock on the record date will be entitled to one vote for each share held by such holder. The presence, in person or by proxy, of the holders of a majority in voting power of the stock issued and outstanding and entitled to vote at the special meeting is necessary to constitute a quorum for the transaction of business at the special meeting.

All votes will be tabulated by the inspector of election appointed for the special meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes, if any.

If a stockholder's shares are held of record by a broker, bank or other nominee and the stockholder wishes to vote at the special meeting, the stockholder must obtain from the record holder a proxy issued in the stockholder's name. Brokers who hold shares in street name for clients typically have the authority to vote on

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routine proposals when they have not received instructions from beneficial owners. Absent specific instructions from the beneficial owner of the shares, however, brokers are not allowed to exercise their voting discretion with respect to the approval of non-routine matters, such as the merger agreement, the golden parachute compensation and the proposal to adjourn or postpone the special meeting if necessary to solicit additional proxies in support of the merger. Proxies submitted without a vote by brokers on these matters are referred to as broker non-votes. Abstentions and broker non-votes are counted for purposes of determining whether a quorum exists at the special meeting.

Proxies received at any time before the special meeting and not revoked or superseded before being voted will be voted at the special meeting. If the proxy indicates a specification, it will be voted in accordance with the specification. If no voting specification is indicated, the proxy will be voted FOR adoption of the merger agreement, FOR the approval of the golden parachute compensation, FOR the approval of the proposal to adjourn the special meeting if there are not sufficient votes to adopt the merger agreement, and in the discretion of the persons named in the proxy with respect to any other business that may properly come before the special meeting or any adjournment or postponement of the special meeting.

Stockholders may also vote in person by ballot at the special meeting.

The affirmative vote of holders of a majority of the outstanding shares of AACC common stock on the record date is required to adopt the merger agreement. Because adoption of the merger agreement requires the approval of stockholders representing a majority of the outstanding shares of AACC common stock, failure to vote your shares of AACC common stock (including failure to provide voting instructions if you hold through a broker, bank or other nominee) will have exactly the same effect as a vote AGAINST the merger agreement.

The affirmative vote of a majority of the shares of AACC common stock present (in person or by proxy) and entitled to vote on the proposal is required for the approval of each of the advisory (non-binding) proposal on golden parachute compensation and the proposal to adjourn the special meeting if there are not sufficient votes to adopt the merger agreement. Broker non-votes (and other failures to vote) will have no effect on the golden parachute compensation and adjournment proposals. However, abstentions will have the same effect as a vote AGAINST each such proposal.

The vote to approve the golden parachute compensation is advisory only and will not be binding on AACC or Encore and is not a condition to consummation of the merger. If the merger agreement is adopted by the stockholders and completed, the golden parachute compensation may be paid to AACC's named executive officers even if stockholders fail to approve the golden parachute compensation.

The persons named as proxies may propose and vote for one or more adjournments of the special meeting, including adjournments to permit further solicitations of proxies.

In connection with the merger agreement, AAC Quad-C Investors LLC (the supporting stockholder), which held, as of March 6, 2013, approximately 35.6% of the outstanding shares of AACC, entered into the voting agreement, pursuant to which the supporting stockholder has agreed to vote all of its shares of AACC common stock in favor of the adoption of the merger agreement. See The Merger Agreement Voting Agreement on page 94.

You should send your stock certificates, together with a completed and executed election form, to the exchange agent, and not AACC, as far in advance of the election deadline as possible. If you hold your shares of AACC common stock in street name, your broker, bank or other nominee will be sent the election form and you will receive instructions from such broker, bank or other nominee on how to timely submit an election form. If the merger is completed and you have not submitted a valid election form covering all of your shares, you will be sent a letter of transmittal regarding the procedures for exchanging such AACC common stock certificates for the merger consideration.

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How You Can Vote

Before you vote, you should read this proxy statement/prospectus carefully and in its entirety, including the annexes and the documents incorporated by reference herein, and carefully consider how the merger affects you. Then, mail your completed, dated and signed proxy card in the enclosed return envelope or submit your proxy by Internet, by telephone or by mail as soon as possible so that your shares can be voted at the special meeting. If your shares are registered in the name of a broker, bank or other nominee, follow the instructions provided by your broker, bank or nominee to vote your shares. If your shares are registered in your name, you may vote your shares in any of the following ways:

Submitting a Proxy by Mail. If you choose to have your shares voted at the special meeting by submitting a proxy by mail, simply mark your proxy, date and sign it, and return it in the postage-paid envelope provided.

Submitting a Proxy by Telephone. You can have your shares voted at the special meeting by submitting a proxy by telephone by calling the toll-free number on the proxy card until 11:59 p.m. Eastern Time on _____, 2013. You will then be prompted to enter the control number printed on your proxy card and to follow the subsequent instructions. Submitting a proxy by telephone is available 24 hours a day. If you submit a proxy by telephone with respect to a proxy card, do not return that proxy card.

Submitting a Proxy by Internet. You can also have your shares voted at the special meeting by submitting a proxy via the Internet until 11:59 p.m. Eastern Time on _____, 2013. Instructions on how to submit a proxy via the Internet are located on the proxy card enclosed with this proxy statement/prospectus. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and create an electronic voting form. If you submit a proxy via the Internet with respect to a proxy card, you should not return that proxy card.

Voting in Person. You can also vote by appearing and voting in person at the special meeting.

If you choose to have your shares of AACC common stock voted at the special meeting by submitting a proxy, your shares will be voted at the special meeting as you indicate on your proxy card. If no instructions are indicated on your signed proxy card, all of your shares of AACC common stock will be voted FOR the adoption of the merger agreement, FOR the approval of the golden parachute compensation and FOR the approval of the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement. You should return a proxy even if you plan to attend the special meeting in person.

Proxies; Revocation

Any person giving a proxy pursuant to this solicitation has the power to revoke and change it any time before it is voted. It may be revoked and/or changed at any time before it is voted at the special meeting by:

giving written notice of revocation to AACC's Corporate Secretary;

submitting another proper proxy by Internet, by telephone or by a later-dated written proxy; or

attending the special meeting and voting by paper ballot in person. Your attendance at the special meeting alone will not revoke your proxy.

If your shares of AACC common stock are held in the name of a bank, broker, trustee or other holder of record, including the trustee or other fiduciary of an employee benefit plan, you must obtain a proxy, executed in your favor from the holder of record, to be able to vote at the special meeting.

Expenses of Proxy Solicitation

AACC will pay for the costs of soliciting proxies for the special meeting. Officers, directors and employees of AACC may solicit proxies; however, they will not be paid additional or special compensation for soliciting

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proxies. AACC will also request that individuals and entities holding shares in their names, or in the names of their nominees, that are beneficially owned by others, send proxy materials to and obtain proxies from, those beneficial owners, and will reimburse those holders for their reasonable expenses in performing those services. [redacted] has been retained by AACC to assist it in the solicitation of proxies, using the means referred to above, and will receive a fee of approximately \$ [redacted]. AACC will reimburse [redacted] for certain expenses and costs incurred by [redacted] in connection with its services and will indemnify [redacted] for certain losses.

Adjournments and Postponements

Although AACC does not expect to do so, if AACC has not received sufficient proxies to constitute a quorum or sufficient votes for adoption of the merger agreement, the special meeting may be adjourned or postponed for the purpose of soliciting additional proxies. The proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the shares of AACC common stock present or represented by proxy at the special meeting and entitled to vote on the matter. Any signed proxies received by AACC that approve the proposal to adjourn or postpone the special meeting will be voted in favor of an adjournment or postponement in these circumstances. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow stockholders who have already sent in their proxies to revoke them at any time prior to their use.

Rights of Stockholders Who Object to the Merger

Holders of AACC common stock who oppose the merger are entitled to statutory appraisal rights under the DGCL in connection with the merger. This means that holders of AACC common stock who do not vote in favor of the adoption of the merger agreement may be entitled to have the value of their shares determined by the Court of Chancery of the State of Delaware, and to receive payment based on that valuation instead of receiving the per share merger consideration. The ultimate amount received in an appraisal proceeding may be more than, the same as or less than the amount that would have been received under the merger agreement.

To exercise appraisal rights, a dissenting holder of AACC common stock must submit a written demand for appraisal to AACC before the vote is taken on the merger agreement and must NOT vote in favor of the adoption of the merger agreement. Failure to follow exactly the procedures specified under the DGCL will result in the loss of appraisal rights. See AACC Proposal No. 1 The Merger Appraisal Rights beginning on page 61 and Annex C to this proxy statement/prospectus.

Other Matters

AACC's Board of Directors is not aware of any business to be brought before the special meeting other than that described in this proxy statement/prospectus. If, however, other matters are properly presented at the special meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters.

Questions and Additional Information

If you have questions about the special meeting or the merger after reading this proxy, or if you would like additional copies of this proxy statement/prospectus or the proxy card, you should contact AACC's proxy solicitor, [redacted], toll-free at [redacted].

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AACC PROPOSAL NO. 1 THE MERGER

Background of the Merger

From time to time, AACC has, under the supervision of AACC's Board of Directors, evaluated strategic alternatives to AACC's business and long-term strategic plan, each with a view towards enhancing stockholder value. Such strategic alternatives have included a possible sale of AACC, transformational combinations with large strategic parties, debt refinancings and private investments by financial sponsors in AACC. For example, in 2011, in response to an unsolicited indication of interest from a pair of financial sponsors (Financial Buyer A), AACC engaged William Blair & Co., L.L.C., or William Blair, a nationally recognized financial advisor, and Kirkland & Ellis LLP, or K&E, an internationally recognized law firm, as part of a thorough strategic review process that did not result in a transaction.

In early November 2012, following the release of AACC's third quarter results and the resulting decline in AACC's stock price, William Blair informed Mr. H. Eugene Lockhart, the Chairman of AACC's Board of Directors, that it had received an unsolicited informal inquiry from a potential strategic purchaser, or Company A, regarding AACC's interest in a potential strategic transaction. As a result of this inquiry, and, as part of the ongoing review and assessment of AACC's business strategy, Mr. Lockhart asked William Blair to informally assist AACC in further investigating, on a preliminary basis, the possibility of engaging in a strategic transaction with either Company A or with Encore, which had previously expressed interest in potentially pursuing a strategic transaction involving AACC.

On November 8, 2012, William Blair contacted Encore to see if it had any interest in investigating a potential strategic transaction with AACC. During this discussion, Encore informally indicated that it would be interested in exploring the potential opportunity. Following this discussion, William Blair suggested to each of Encore and Company A that it review AACC's publicly available information and prepare a preliminary, informal indication of AACC's value.

On November 26, 2012, the non-executive members of AACC's Board of Directors held a telephonic meeting to discuss AACC's performance, growing strategic concerns and recent events, including William Blair's communications with Encore and Company A and the likelihood that AACC would be able to refinance its existing credit facility on as favorable terms as had initially been hoped for by the Board of Directors.

Towards the end of November 2012, Encore and Company A each informed William Blair that it had completed its initial review of publicly available information and had conducted board level discussions regarding the opportunity to pursue a transaction with AACC. Encore verbally indicated that it was interested in pursuing a transaction that preliminarily valued AACC within a range from \$6.50 to \$6.60 per share. Company A verbally indicated that it was interested in pursuing a transaction that preliminarily valued AACC at \$6.50 per share, with the potential for an increase in value depending on the results of its diligence review, and Company A requested exclusivity in order to pursue a potential transaction.

On December 7, 2012, AACC's Board of Directors held a telephonic meeting. Mr. Lockhart provided the other directors with a brief update regarding the recent communications between William Blair and each of Encore and Company A. K&E then presented an in-depth review of the Board of Directors' fiduciary duties under Delaware law. K&E also discussed potential or apparent conflicts of interest that could arise in connection with the evaluation and negotiation of a potential transaction involving AACC and reviewed certain conduct guidelines for directors and senior management that it recommended the Board adopt during the exploration of strategic alternatives. Following discussion, AACC's Board of Directors decided to explore the potential for a strategic transaction involving AACC and, despite the lack of any immediately apparent conflict of interest, the Board established a board committee, or the Review Committee, composed of four disinterested directors to conduct the exploration and review of strategic alternatives, with a goal toward enhancing stockholder value. The initial mandate and authority of the Review Committee was to assess strategic alternatives available to AACC, including engaging with third parties that the Review Committee identified as likely being interested and capable

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of completing a transaction in order to obtain preliminary indications of the terms on which any such party might be willing to participate in a potential transaction involving AACC, and to report back to the full Board of Directors. The Review Committee was not initially authorized to enter into material negotiations with respect to any potential transaction, to approve any definitive agreement (other than non-disclosure agreements) involving or relating to any potential transaction, or to negotiate or explore in detail any potential refinancing alternatives that might be available to AACC (although the committee was authorized to take potential refinancing alternatives and their impact on AACC into account as it explored other strategic alternatives). After discussion and noting that the supporting stockholder, while interested in reducing its stake in AACC, did not need liquidity or otherwise have a conflict of interest relative to the interests of all stockholders, the members of the Board of Directors appointed to the Review Committee were Jennifer L. Adams, Philip Goodeve, Anthony R. Ignaczak (who is affiliated with the supporting stockholder) and Mr. Lockhart.

Later in the day on December 7, the Review Committee held a telephonic meeting. Mr. Lockhart was elected Chairperson of the Review Committee. Mr. Lockhart noted that, after interviewing multiple potential financial advisors, William Blair had been engaged by the Company in 2011 to assist in a review of strategic alternatives. William Blair had been selected based on, among other considerations, its familiarity with the primary debt collection industry participants and its expertise in transactions in the industry. In light of this expertise, as well as William Blair's familiarity with AACC, its independence with respect to Encore, Company A and Financial Buyer A, and concerns with respect to maintaining the confidentiality of the Board of Directors' consideration of a potential transaction, the Review Committee determined to again retain William Blair as a financial advisor to the Company. In addition, the Review Committee determined to retain K&E as legal advisor in connection with the review of potential strategic alternatives. William Blair then reviewed its recent communications with Encore and Company A. Following discussion, the Review Committee determined that neither party's proposal warranted exclusivity and instructed William Blair to request that each party conduct additional diligence of AACC's portfolio to facilitate the submission of a more informed expression of interest on December 21, 2012.

The Review Committee then discussed the merits of contacting additional potential bidders, particularly potential financial sponsors, and determined to limit the potential sale process to just Encore and Company A for the time being. In making this decision, the Review Committee took into account:

William Blair's recent experience in strategic sales processes involving participants in the debt collection industry;

the need to maintain the confidentiality of the process;

the disruptive and competitive impact that a broad-based due diligence exercise could potentially have on AACC's management and business, particularly if a transaction was not completed;

the difficulty that a financial sponsor would be expected to experience in financing an appealing transaction for AACC at this time, given dynamics in the debt collection industry, the state of the financial markets and the recent experience of AACC in discussing with lenders the potential refinancing of its debt;

the belief that Encore and Company A were the most likely candidates to pay the highest price given their strategic positions, ability to obtain synergies and certain market dynamics in the debt collection industry; and

the potential for AACC to use a "go-shop" provision in the definitive transaction agreement, which would permit AACC to undertake a broader market check at a later stage in the sale process.

On December 7, 2012, William Blair invited each of Encore and Company A to conduct additional diligence on AACC's debt portfolio and to submit a refined expression of interest on or around December 21, 2012. Shortly thereafter, each of Encore and Company A entered into a confidentiality agreement with AACC and were provided with access to an electronic data room that had been established to facilitate the due diligence process.

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On December 14, 2012, the Review Committee held a telephonic meeting. At this meeting, William Blair provided an update regarding its recent communications with, and the work being done by, each of Encore and Company A. Following this update, the Review Committee requested that management prepare projections for fiscal years 2013 through 2017, for use by William Blair with respect to its preliminary valuation of AACC and directed William Blair to provide a letter outlining the bidding process to each of Encore and Company A.

On December 17, 2012, William Blair sent a letter to each of Encore and Company A requesting that they submit expressions of interest no later than December 21, 2012.

On December 20, 2012, the Review Committee held a telephonic meeting to review the projections for fiscal years 2013 through 2017 that management had prepared at the Review Committee's request. Mr. Rion Needs, AACC's President and Chief Executive Officer, Mr. Reid Simpson, AACC's Senior Vice President and Chief Financial Officer, and Mr. Jeff Bankowski, AACC's Vice President Strategy, Analytics & Shared Services, discussed the historical and projected financial metrics set forth in the materials provided to the Review Committee. The Review Committee questioned the reliability of the projections, noting AACC's recent history of underperformance as compared to Wall Street consensus estimates, and requested that Mr. Simpson provide an expanded analysis of management's discounted estimated remaining collections (net of estimated cost to collect) per share analysis.

On December 21, 2012, Encore and Company A each submitted a preliminary indication of interest to acquire AACC. Encore's indication of interest valued AACC at a price of \$6.50 per share, to be paid in cash, although Encore did indicate a willingness to consider alternative cash/stock consideration if requested by AACC. Company A's indication of interest valued AACC at a price of \$7.30 per share, to be paid in cash, although Company A indicated that it was willing to consider including a limited number of its shares of common stock as part of the consideration if it would meaningfully improve the attractiveness of its offer. Each of Encore and Company A requested exclusivity as a condition to its willingness to continue investigating a potential transaction.

Later on December 21, the Review Committee met to discuss the preliminary indications of interest that had been received. William Blair reviewed the financial terms of the indications of interest and the potential business combination partners, as well as its preliminary financial analyses of AACC. After a discussion, the Review Committee determined to take the indications of interest back to AACC's Board of Directors and instructed William Blair to go back to Company A to see if its proposed purchase price could be increased, potentially in exchange for obtaining exclusivity, and to Encore to let it know that AACC would likely move in a different direction unless Encore increased its proposed purchase price.

Immediately following the Review Committee's meeting, William Blair contacted Company A and indicated that, before the Review Committee would recommend to AACC's Board of Directors that it negotiate with Company A, and that Company A perhaps be granted exclusivity, Company A would need to both increase its proposed purchase price and add a stock component to the proposed consideration. On that same night, William Blair informed Encore that AACC would likely move in a different direction unless Encore increased its proposed purchase price. In response, Encore indicated that its price was firm based on its extensive evaluation of AACC's debt portfolio.

Later on December 21, in response to William Blair's request, Company A submitted a revised preliminary indication of interest in which it increased the per share purchase price it was willing to pay AACC's stockholders to \$7.50 and indicated that it was willing to provide AACC's stockholders the right to elect to receive up to 15% of the aggregate transaction consideration in the form of Company A's common shares. Company A also requested exclusivity through February 8, 2013, as a condition to its willingness to continue investigating a potential transaction.

On December 26, 2012, the Review Committee held a telephonic meeting. William Blair provided an update regarding the revised indication of interest received from Company A and Encore's response to the

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request for additional purchase price. William Blair then again reviewed its preliminary financial analyses of AACC. The Review Committee then reviewed management's projected discounted estimated remaining collections (net of estimated cost to collect) per share value and the comparison between historical management projections versus AACC's actual performance which had been requested at the December 20, 2012, meeting. Following discussion, the members of the Review Committee unanimously agreed to recommend to AACC's Board of Directors that AACC pursue a potential transaction with Company A and grant it exclusivity through February 8, 2013.

On December 27, 2012, AACC's Board of Directors held a telephonic meeting. William Blair provided an update regarding the indications of interests received from Company A and Encore, and again reviewed its preliminary financial analyses of AACC with the Board. Mr. Lockhart then provided an overview of the steps that the Review Committee had taken to solici