

ENCORE CAPITAL GROUP INC
Form 424B3
May 06, 2013
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Registration No. 333-187581

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 June 13, 2013, at 9:00 a.m. (local time), at the offices of Kirkland & Ellis LLP located at 601 Lexington Avenue, New York, New York 10022.

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 (for which Encore expects that it may issue up to 1,689,372 shares of its common stock) and any shares of AACC common stock 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 23, 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 70).

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

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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 June 13, 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 May 6, 2013, and it is first being mailed to AACC stockholders on or about May 7, 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 JUNE 13, 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 June 13, 2013, at 9:00 a.m. (local time), at the offices of Kirkland & Ellis LLP located at 601 Lexington Avenue, New York, New York 10022:

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 May 3, 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, D.F. King & Co., Inc., toll-free (for stockholders) at (888) 644-5854 or (for banks and brokers) at (212) 269-5550.

BY ORDER OF THE BOARD OF DIRECTORS

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

May 6, 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 83 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 June 10, 2013 in order to receive them before the special meeting. See Where You Can Find More Information on page 123.

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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 June 13, 2013, at 9:00 a.m. (local time), at the offices of Kirkland & Ellis LLP located at 601 Lexington Avenue, New York, New York 10022.

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 46.

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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 81, and The Merger Agreement Election Procedures on page 83, 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 46, 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 46 and AACC Proposal No. 2 Advisory Vote Regarding Golden Parachute Compensation on page 112.

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 82. 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 112.

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 86. 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 30,838,459 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 83 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 99.

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. 1 The Merger Summary of Potential Payments to AACC's Executive Officers and Directors beginning on page 72 and AACC Proposal No. 2 Advisory Vote Regarding Golden Parachute Compensation on page 112.

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 so long as the otherwise applicable conditions to payment are satisfied. For a more detailed description of the golden parachute compensation and the terms and conditions applicable for payment of such compensation to be triggered, please see AACC Proposal No. 1 The Merger Summary of Potential Payments to AACC's Executive Officers and Directors beginning on page 72.

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 May 3, 2013 (or 15,419,230 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 32.

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 34.

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 32.

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 66, 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 112.

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 81 and The Merger Agreement Election Procedures on page 83). 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 92.

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 106 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: Are AACC Stockholders entitled to appraisal rights?

A: Yes. Under Section 262 of the DGCL, record holders of AACC common stock who do not vote in favor of the proposal to adopt the merger agreement will be entitled to seek appraisal rights in connection with the merger, and if the merger is completed, be entitled to receive payment based upon a valuation, together with a fair rate of interest and in lieu of any consideration to be received under the merger agreement, determined by the Court of Chancery of the State of Delaware. To exercise their appraisal rights, AACC stockholders must strictly follow the procedures prescribed by Section 262 of the DGCL. These procedures are summarized in this proxy statement/prospectus in the section entitled "AACC Proposal No. 1 The Merger Appraisal Rights" beginning on page 66. In addition, a copy of Section 262 of the DGCL is included as Annex C to this proxy statement/ prospectus. Failure to strictly comply with these provisions will result in the loss of appraisal rights.

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 66. 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, D.F. King & Co., Inc., toll-free (for stockholders) at (888) 644-5854 or (for banks and brokers) at (212) 269-5550.

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 123.**

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 June 13, 2013, at 9:00 a.m. (local time), at the offices of Kirkland & Ellis LLP located at 601 Lexington Avenue, New York, New York 10022, 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 May 7, 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 36 and AACC Proposal No. 2 **Advisory Vote Regarding Golden Parachute Compensation** on page 112.

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 112 and AACC Proposal No. 3 **Adjournment of the Special Meeting** on page 113.

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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 May 3, 2013, which is the record date for the special meeting. On the record date, 30,838,459 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 32.

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 34.

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 84 and *The Merger Agreement Consideration to be Received in the Merger* beginning on page 81.

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 81.

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 May 3, 2013, the last full trading day prior to the date of this proxy statement/prospectus, was \$29.74.

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 your 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

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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.

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 82 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

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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.

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 83 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 52 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,

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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 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 46 and see AACC Proposal No. 2 Advisory Vote Regarding Golden Parachute Compensation on page 112.

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 23 and AACC Proposal No. 1 The Merger AACC's Directors and Officers Have Financial Interests in the Merger beginning on page 70 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 99.

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 66, 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.

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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, where legally permissible, waived. These conditions are described in The Merger Agreement Conditions to Complete the Merger beginning on page 86 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 65.

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

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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

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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 merger agreement. If any excluded party makes a "superior proposal" (as defined below) 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.

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 87 and "The Merger Agreement Termination Fee" beginning on page 92.

For purposes of this summary, the term "takeover proposal" means any bona fide inquiry, proposal or offer from any person (other than Encore, Merger Sub and any of their affiliates) or "group" (as such term is defined in Rule 13d of the Exchange Act) to purchase or otherwise acquire, in a single transaction or series of related transactions, (i) assets of AACC and its subsidiaries (including securities of subsidiaries, but excluding sales of assets in the ordinary course of business) that account for 20% or more of AACC's consolidated assets (based on the fair market value thereof) or from which 20% or more of AACC's revenues, earnings or cash flows on a consolidated basis are derived or (ii) 20% or more of the outstanding common stock of AACC pursuant to a merger, consolidation or other business combination, sale of shares of capital stock, tender offer, exchange offer or similar transaction.

For purposes of this summary, the term "superior proposal" means any bona fide written takeover proposal (substituting references to "20%" with "50%") on terms which AACC's Board of Directors (or any duly authorized committee thereof) determines in good faith, after consultation with AACC's outside legal counsel and independent financial advisors, (i) to be more favorable to AACC stockholders than the merger from a financial point of view (after taking into account any revisions to the merger agreement set forth in any written, binding and irrevocable offer by Encore capable of being accepted by AACC), taking into account, to the extent applicable, the legal, financial, regulatory, timing and other aspects of such proposal and the merger agreement

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that AACC's Board of Directors (or any duly authorized committee thereof) considers relevant, (ii) the financing of which is fully committed or reasonably likely to be obtained and (iii) if accepted, is reasonably likely to be consummated (in the case of each of the foregoing clauses (ii) and (iii), as determined in good faith by AACC's Board of Directors (or any duly authorized committee thereof)).

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 91.

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 (as defined above) from a party which is designated as an excluded party (as defined above) and entered into on or prior to the excluded party deadline (as defined above), 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. The failure of AACC stockholders to adopt the merger agreement at the special meeting (or any adjournments or postponements thereof) will not, by itself, require AACC to pay Encore any termination fee. However, AACC is required to pay Encore a termination fee of \$7.4 million (without any expense reimbursement) if the merger agreement is terminated by AACC or Encore due to the failure of AACC stockholders to adopt the merger agreement, there is a publicly disclosed bona fide takeover proposal (with references to 20% substituted with 50%) made after March 6, 2013 but prior to the termination date (or, as applicable, the date of the special meeting) and, within 12 months after such termination, AACC consummates the transactions contemplated by such takeover proposal. See [The Merger Agreement Termination Fee](#) beginning on page 92.

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 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 90.

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. See [Material United States Federal Income Tax Consequences of the Merger](#) beginning on page 106. 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

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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 106 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 115 for additional information.

AACC will Hold its Special Meeting of its Stockholders on June 13, 2013

The special meeting of the holders of AACC common stock will be held on June 13, 2013, at 9:00 a.m. (local time), at the offices of Kirkland & Ellis LLP located at 601 Lexington Avenue, New York, New York 10022. 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 May 3, 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 30,838,459 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 15,419,230 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 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,

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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 14,843,362 shares of AACC common stock, or 48.1% 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 putative class actions 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. These suits were captioned *Shell v. Asset Acceptance Capital Corp.*, 2013-0009590-CZ (the Shell Action), filed March 8, 2013; *Neumann v. Asset Acceptance Capital Corp.*, 2013-001072-CZ (the Neumann Action), filed March 19, 2013; and *Jaluka v. Asset Acceptance Capital Corp.*, 2013-001081-CZ (the Jaluka Action), filed March 20, 2013 (collectively, the Michigan Litigation). The plaintiffs moved to consolidate the Michigan Litigation on March 28, 2013, and an amended complaint was filed in the Shell Action on April 5, 2013. Additionally, a fourth putative class action was filed on April 19, 2013 in the Chancery Court of the State of Delaware, captioned *Dix v. Asset Acceptance Capital Corp.*, Case No. 8494 (the Dix Action), naming the same defendants as in the Michigan Litigation. A hearing was held on April 22, 2013, on the motion to consolidate the Michigan Litigation and to appoint lead plaintiff and counsel, and on April 24, 2013, the motion to consolidate the Michigan Litigation was granted.

In each of 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, the Dix Action, and the 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. Additionally, the Dix and Shell Actions allege a series of misleading statements and omissions in the March 27, 2013 Registration Statement filed with the SEC by Encore. 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 four 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.

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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 123.

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 123.

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 123.

| | 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 123.

| | 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 |