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PRG SCHULTZ INTERNATIONAL INC
Form SC 13D/A
July 29, 2005

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

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

PRG-Schultz International, Inc.

(Name of Issuer)

Common Stock

(Title of Class Securities)

69357c107

(CUSIP Number)

Carlo Cannell
Cannell Capital, LLC, 150 California Street, 5th Floor, San Francisco, CA
94111 (415) 835-8300

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

July 29, 2005

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.ss.240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss.240.13d-7 for other parties to whom copies are to be sent.

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

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a current

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valid OMB control number.

CUSIP No. 69357c107

1. Name of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

Cannell Capital, LLC
94-3366999

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) [X].....

(b)

3. SEC Use Only.....

4. Source of Funds (See Instructions) OO.....

5. Check if Disclosure of Legal Proceeding Is Required Pursuant to Items
2(d) or 2(e).....

6. Citizenship or Place of Organization California.....

Number of 7. Sole Voting Power 0.....

Shares
Beneficially
Owned by
Each
Reporting
Person
With:

8. Shared Voting Power 7,527,948*.....

9. Sole Dispositive Power 0.....

10. Shared Dispositive Power 7,527,948*.....

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11. Aggregate Amount Beneficially Owned by Each Reporting Person 7,527,948*

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11) 11.8%

14. Type of Reporting Person (See Instructions) IA

* See Item 5

CUSIP No. 69357c107

1. Name of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

J. Carlo Cannell

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) [X]

(b)

3. SEC Use Only

4. Source of Funds (See Instructions) OO

5. Check if Disclosure of Legal Proceeding Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization USA

Number of 7. Sole Voting Power 0

Shares Beneficially Owned by Each Reporting Person

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With:

8. Shared Voting Power 7,527,948*.....

9. Sole Dispositive Power 0.....

10. Shared Dispositive Power 7,527,948*.....

11. Aggregate Amount Beneficially Owned by Each Reporting Person 7,527,948*

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See Instructions)

13.....Percent of Class Represented by Amount in Row (11) 11.8%

14.....Type of Reporting Person (See Instructions) IN/HC

* See Item 5

CUSIP No. 69357c107

1. Name of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

The Cuttyhunk Fund Limited

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) [X].....

(b)

3. SEC Use Only.....

4. Source of Funds (See Instructions) WC.....

5. Check if Disclosure of Legal Proceeding Is Required Pursuant to Items

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2(d) or 2(e).....

6. Citizenship or Place of Organization Bermuda.....

Number of 7. Sole Voting Power 0

Shares Beneficially Owned by Each Reporting Person With:

8. Shared Voting Power 1,847,866*.....

9. Sole Dispositive Power 0

10. Shared Dispositive Power 1,847,866*.....

11. Aggregate Amount Beneficially Owned by Each Reporting Person 1,847,866*

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13.....Percent of Class Represented by Amount in Row (11) 2.9%

14.....Type of Reporting Person (See Instructions) CO

* See Item 5

CUSIP No. 69357c107

1. Name of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

The Anegada Master Fund Limited

2. Check the Appropriate Box if a Member of a Group (See Instructions)

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(a) [X].....

(b)

3. SEC Use Only.....

4. Source of Funds (See Instructions) WC.....

5. Check if Disclosure of Legal Proceeding Is Required Pursuant to Items 2(d) or 2(e).....

6. Citizenship or Place of Organization Cayman Islands.....

Number of 7. Sole Voting Power 0

Shares
Beneficially
Owned by
Each
Reporting
Person
With:

8. Shared Voting Power 1,637,358*.....

9. Sole Dispositive Power 0

10. Shared Dispositive Power 1,637,358*.....

11. Aggregate Amount Beneficially Owned by Each Reporting Person 1,637,358*

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See Instructions)

13.....Percent of Class Represented by Amount in Row (11) 2.6%

14.....Type of Reporting Person (See Instructions) CO

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* See Item 5

CUSIP No. 69357c107

1. Name of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

GS Cannell Portfolio LLC
98-0232642

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) [X].....

(b)

3. SEC Use Only.....

4. Source of Funds (See Instructions) WC.....

5. Check if Disclosure of Legal Proceeding Is Required Pursuant to Items
2(d) or 2(e).....

6. Citizenship or Place of Organization Delaware.....

Number of 7. Sole Voting Power 0.....

Shares
Beneficially
Owned by
Each
Reporting
Person
With:

8. Shared Voting Power 1,329,076*.....

9. Sole Dispositive Power 0.....

10. Shared Dispositive Power 1,329,076*.....

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11. Aggregate Amount Beneficially Owned by Each Reporting Person 1,329,076*

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11) 2.1%

14. Type of Reporting Person (See Instructions) 00

* See Item 5

CUSIP No. 69357c107

1. Name of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Tonga Partners, L.P. 94-3164039

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) [X] (b)

3. SEC Use Only

4. Source of Funds (See Instructions) WC

5. Check if Disclosure of Legal Proceeding Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization Delaware

Number of 7. Sole Voting Power 0

Shares Beneficially Owned by Each Reporting

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Person
With:

8.	Shared Voting Power	2,713,648*
9.	Sole Dispositive Power	0
10.	Shared Dispositive Power	2,713,648*
11. Aggregate Amount Beneficially Owned by Each Reporting Person		2,713,648*
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)		
13.	Percent of Class Represented by Amount in Row (11)	4.2%
14. Type of Reporting Person (See Instructions) PN		

* See Item 5

Item 1 Security and Issuer

This statement relates to Common Stock ("Common Stock"), issued by PRG-Schultz International, Inc., a Georgia Corporation (the "Company"). The address of the principal executive offices of PRG-Schultz International Inc. is 600 Galleria Parkway, Ste 100, Atlanta, Georgia, 30339.

Item 2 Identity and Background

Name: Cannell Capital, LLC ("Adviser")
Place of Organization: California
Principal Business: Investment Adviser
Address: 150 California Street, 5th Floor, San Francisco, CA 94111
Criminal Proceedings: None
Applicable Civil, Judicial or Administrative Proceedings: None

Name: The Cuttyhunk Fund Limited ("Cuttyhunk")
Place of Organization: Bermuda
Principal Business: Investment
Address: 73 Front Street, Hamilton, Bermuda HM 12
Criminal Proceedings: None
Applicable Civil, Judicial or Administrative Proceedings: None

Name: The Anegada Master Fund Limited ("Anegada")
Place of Organization: Cayman Islands
Principal Business: Investment

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Address: c/o Praesideo Fund Services, Ltd.
Harbour Centre, PO Box 1348, George Town, Grand Cayman, Cayman Islands
Criminal Proceedings: None
Applicable Civil, Judicial or Administrative Proceedings: None

Name: Tonga Partners, L.P. ("Tonga")
Place of Organization: Delaware
Principal Business: Investment
Address: 150 California Street, 5th Floor, San Francisco, CA 94111
Criminal Proceedings: None
Applicable Civil, Judicial or Administrative Proceedings: None

Name: GS Cannell Portfolio LLC ("GSCP")
Place of Organization: Delaware
Principal Business: Investment
Address: 701 Mount Lucas Road, CN 850, Princeton, NJ 08542
Criminal Proceedings: None
Applicable Civil, Judicial or Administrative Proceedings: None

Name: J. Carlo Cannell
Address: 150 California Street, 5th Floor, San Francisco, CA 94111
Criminal Proceedings: None
Applicable Civil, Judicial or Administrative Proceedings: None
Citizenship: United States

J Carlo Cannell is the controlling and managing member of Adviser.
Adviser serves as investment adviser to Cuttyhunk, Anegada, and GSCP.
Adviser is general partner and investment adviser to Tonga.

Item 3 Source and amount of Funds or other Consideration

The aggregate amount of funds used by Cuttyhunk to purchase 1,450,049 shares of Common Stock directly owned by it was approximately \$8,250,586. Such amount was derived from working capital. The 4.75 convertible subordinated notes were also purchased with working capital.

The aggregate amount of funds used by Anegada to purchase 1,297,216 shares of Common Stock directly owned by it was approximately \$6,586,091. Such amount was derived from working capital. The 4.75 convertible subordinated notes were also purchased with working capital.

The aggregate amount of funds used by GSCP to purchase 1,042,681 shares of Common Stock directly owned by it was approximately \$5,270,258. Such amount was derived from working capital. The 4.75 convertible subordinated notes were also purchased with working capital.

The aggregate amount of funds used by Tonga to purchase 2,156,090 shares of Common Stock directly owned by it was approximately \$11,447,555. Such amount was derived from working capital. The 4.75 convertible subordinated notes were also purchased with working capital.

Item 4 Purpose of Transaction

The Common Stock was bought in the ordinary course of the Adviser's management of the accounts of its investment advisory clients. As of July 29, 2005 the Reporting Persons continue the formulation of plans to seek maximization of the value of the Common Stock. Such plans may include, but may not necessarily be limited to, pursuit of strategic initiatives to enhance shareholder value. Such plans currently include a proposal to acquire for \$3.43 per share in cash all of the outstanding shares of Common Stock of the Company at a premium to the average closing price of the Company's Common Stock for the 20 trading

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days preceding July 28, 2005. On July 28, 2005, the Adviser sent a letter to the Company proposing to enter into immediate negotiations with the Company's Board of Directors to acquire all of the outstanding shares of common stock of the Company. A copy of such letter is attached to this Statement as Exhibit 99.1 and its contents are incorporated herein by reference.

Subject to availability at prices deemed favorable and in accordance with applicable laws and regulations, the Reporting Persons may acquire shares of Common Stock of the Company from time to time in the open market, in privately negotiated transactions or otherwise. The Reporting Persons may dispose of shares of Common Stock of the Company from time to time in the open market, in privately negotiated transactions or otherwise.

Except as set forth above, the Reporting Persons has no present plans or intentions that relate to or that would result in any of the transactions described in clauses (a) through (j) of item 4 of Schedule 13D.

Item 5 Interest in Securities of the Issuer

(a) As of July 29, 2005, excluding shares of Common Stock that the Reporting Persons have the right to acquire, the Reporting Persons directly or indirectly beneficially owned 5,946,036 shares, or 9.5%, of Common Stock of PRG-Schultz International, Inc. (the approximate number of the shares of Common Stock owned is based on 62,306,089 shares of common stock outstanding by PRG-Schultz International, Inc., on April 30, 2005).

(i) Cuttyhunk owns 1,450,049 shares or 2.3% of the outstanding shares of Common Stock.

(ii) Anegada owns 1,297,216 shares or 2.1% of the outstanding shares of Common Stock.

(iii) GSCP owns 1,042,681 shares or 1.7% of the outstanding shares of Common Stock.

(iv) Tonga owns 2,156,090 shares or 3.5% of the outstanding shares of Common Stock.

As of July 29, 2005, the Reporting Persons directly or indirectly beneficially owned 1,581,912 shares of Common Stock issuable upon conversion of the Issuer's 4.75% convertible subordinated notes. Including such shares, the Reporting Persons are deemed to directly or indirectly have beneficial ownership of 7,527,948 shares, and the Issuer is deemed to have 63,887,912 shares issued and outstanding. Accordingly, the Reporting Persons are deemed to have beneficial ownership of 11.8% of the Common Stock, as follows:

(i) Cuttyhunk is deemed to have beneficial ownership of 1,847,866 shares, which represents 2.9% on an as converted basis;

(ii) Anegada is deemed to have beneficial ownership of 1,637,358 shares, which represents 2.6% on an as converted basis;

(iii) GSCP is deemed to have beneficial ownership of 1,329,076 shares, which represents 2.1% on an as converted basis;

(iv) Tonga is deemed to have beneficial ownership of 2,713,648

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shares, which represents 4.2% on an as converted basis.

(b) The responses of the Reporting Persons to Items 7 through 11 of the portions of the cover page of this Schedule D which relate to beneficial ownership of shares of the Common Stock are incorporated herein by reference.

(c) A list of transactions during the past 60 days.

Party	Date	Amount Bought (Sold)	Price per Share	Where & How Effected
ANEGADA	6/1/2005	85,239	4.04	Transaction w/ Pleiades
ANEGADA	6/7/2005	50,500	3.49	Open Market
ANEGADA (Cvt. Bond)	6/7/2005	56,809	7.74	Open Market
ANEGADA (Cvt. Bond)	6/13/2005	56,731	7.74	Open Market
ANEGADA	6/24/2005	19,593	2.90	Open Market
ANEGADA	7/7/2005	74,100	2.82	Open Market
ANEGADA (Cvt. Bond)	7/8/2005	20,258	7.74	Open Market
ANEGADA	7/11/2005	2,061	2.86	Open Market
ANEGADA	7/12/2005	18,372	2.90	Open Market
ANEGADA	7/13/2005	8,177	2.85	Open Market
ANEGADA	7/14/2005	15,467	2.87	Open Market
ANEGADA	7/15/2005	5,770	2.86	Open Market
ANEGADA	7/18/2005	19,427	2.85	Open Market
ANEGADA	7/19/2005	7,050	2.85	Open Market
ANEGADA	7/20/2005	5,312	2.86	Open Market
CUTTYHUNK (Cvt. Bond)	6/7/2005	64,548	7.74	Open Market
CUTTYHUNK (Cvt. Bond)	6/13/2005	64,574	7.74	Open Market
CUTTYHUNK	6/24/2005	8,700	2.90	Open Market
CUTTYHUNK	7/7/2005	70,649	2.82	Open Market
CUTTYHUNK (Cvt. Bond)	7/8/2005	21,680	7.74	Open Market
CUTTYHUNK	7/11/2005	1,500	2.86	Open Market
CUTTYHUNK	7/12/2005	13,500	2.90	Open Market
CUTTYHUNK	7/13/2005	5,900	2.85	Open Market
CUTTYHUNK	7/14/2005	11,400	2.87	Open Market
CUTTYHUNK	7/15/2005	4,300	2.86	Open Market
CUTTYHUNK	7/18/2005	14,300	2.85	Open Market
CUTTYHUNK	7/19/2005	5,100	2.85	Open Market
CUTTYHUNK	7/20/2005	4,000	2.86	Open Market
GSCP	6/1/2005	76,549	4.04	Transaction w/ Pleiades
GSCP	6/7/2005	40,700	3.49	Open Market
GSCP (Cvt. Bond)	6/1/2005	46,628	7.74	Open Market
GSCP (Cvt. Bond)	6/13/2005	46,641	7.74	Open Market
GSCP	6/24/2005	16,600	2.90	Open Market
GSCP	7/7/2005	61,800	2.82	Open Market
GSCP (Cvt. Bond)	7/8/2005	15,801	7.74	Open Market
GSCP	7/11/2005	1,100	2.86	Open Market
GSCP	7/12/2005	9,900	2.90	Open Market
GSCP	7/13/2005	4,300	2.85	Open Market
GSCP	7/14/2005	8,300	2.87	Open Market
GSCP	7/15/2005	3,100	2.86	Open Market
GSCP	7/18/2005	10,500	2.85	Open Market
GSCP	7/19/2005	3,800	2.85	Open Market
GSCP	7/20/2005	2,900	2.86	Open Market
TONGA	6/1/2005	58,212	4.04	Transaction w/ Pleiades
TONGA	6/7/2005	83,800	3.49	Open Market
TONGA (Cvt. Bond)	6/7/2005	90,413	7.74	Open Market
TONGA (Cvt. Bond)	6/13/2005	90,452	7.74	Open Market
TONGA	6/24/2005	34,300	2.90	Open Market

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TONGA	6/27/2005	100	2.76	Open Market
TONGA	7/5/2005	100	2.76	Open Market
TONGA	7/7/2005	211,000	2.82	Open Market
TONGA	7/8/2005	100	2.76	Open Market
TONGA (Cvt. Bond)	7/8/2005	38,385	7.74	Open Market
TONGA	7/11/2005	3,000	2.86	Open Market
TONGA	7/12/2005	28,300	2.90	Open Market
TONGA	7/13/2005	12,400	2.85	Open Market
TONGA	7/14/2005	23,900	2.87	Open Market
TONGA	7/15/2005	8,900	2.86	Open Market
TONGA	7/18/2005	29,900	2.85	Open Market
TONGA	7/19/2005	10,700	2.85	Open Market
TONGA	7/20/2005	8,300	2.86	Open Market

(d) Not Applicable

(e) Pleiades Investment Partners - CC, L.P. ("Pleiades") ceased to be a beneficial owner of shares of Common Stock on June 1, 2005.

Item 6 Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

J. Carlo Cannell controls and manages the Adviser who makes voting and dispositive decisions for Cuttyhunk, Anegada, GS Cannell, and Tonga.

Item 7 Material to Be Filed as Exhibits

Exhibit 99.1. Letter from Cannell Capital, LLC to PRG-Schultz International, Inc. Dated July 29, 2005

CANNELL CAPITAL LLC
150 California Street
San Francisco, Calif. 94111

Tel (415) 835-8300 Fax (443) 606-0067
info@cannellcap.com

July 29, 2005

PRG Schultz International, Inc.
600 Galleria Parkway, Suite 100
Atlanta, GA 30339
Attn: David A. Cole, Chairman

Dear David:

I am writing to inform you that Cannell Capital, LLC ("Cannell Capital") is willing to acquire all of the outstanding shares of common stock of PRG Schultz International, Ltd. (the "Company") that we do not already own, at a price of \$3.43 per share in cash (the "Acquisition"). Cannell Capital and its affiliates are the beneficial owners of 7,527,948 shares of common stock of the Company, representing 11.8% of the shares outstanding. This includes Cannell Capital's beneficial ownership of approximately 1,579,328 shares of common stock issuable on conversion of the Company's 4.75% convertible subordinated notes (the "Notes").

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Our proposal would offer stockholders a 20% premium to the average closing price of the Company's common stock for the 20 trading days preceding this letter, and would provide an opportunity for stockholders to realize value for their shares to an extent not available in the public equity market.

Please note that while we intend to recapitalize the Company following the Closing, Cannell Capital, together with its affiliates, has the resources to consummate the transaction and refinance the Notes without requiring third party financing.

We are prepared to enter into immediate discussions with the Company's Board of Directors, with a view towards closing the Acquisition as soon as practicable. The Proposal is subject only to completion of satisfactory due diligence, the negotiation and execution of a definitive agreement with standard representations, warranties and covenants, which will be mutually satisfactory to Cannell Capital and the Company.

We are prepared to meet with you, your independent directors, or their advisors, at your earliest convenience. Please contact Carlo Cannell or Julian Allen at (415) 835-8300 to discuss the Acquisition. Please be aware that Cannell Capital is required to amend its current 13D filing promptly to include this letter.

Sincerely,

/s/ J. Carlo Cannell

J. Carlo Cannell
Managing Member
Cannell Capital LLC

Cc: Mitchell Nichter, Esq.
Paul Hastings Janofsky & Walker, LLC

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

Date: July 29, 2005

J. Carlo Cannell

/s/ J. Carlo Cannell

J. Carlo Cannell

Cannell Capital, LLC

/s/ J. Carlo Cannell

J. Carlo Cannell, Managing Member

The Anegada Master Fund, Limited

/s/ J. Carlo Cannell

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J. Carlo Cannell, Managing Member
Cannell Capital, LLC, Investment Adviser

The Cuttyhunk Fund Limited

/s/ J. Carlo Cannell

J. Carlo Cannell, Managing Member
Cannell Capital, LLC, Investment Adviser

GS Cannell Portfolio LLC

/s/ J. Carlo Cannell

J. Carlo Cannell, Managing Member
Cannell Capital, LLC, Investment Adviser

Tonga Partners, L.P.

/s/ J. Carlo Cannell

J. Carlo Cannell, Managing Member
Cannell Capital, LLC, General Partner