

PRG SCHULTZ INTERNATIONAL INC
Form SC 13D/A
December 16, 2005

SEC 1746(11-02) 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 CURRENTLY VALID OMB CONTROL NUMBER.

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

OMB APPROVAL

OMB Number:

Expires:

Estimated average burden hours
per response 11

SCHEDULE 13D
(AMENDMENT NO. 3)

Under the Securities Exchange Act of 1934

PRG-SCHULTZ INTERNATIONAL, INC.

(Name of Company)

Common Stock

(Title of Class of Securities)

69357C107

(CUSIP Number of Class of Securities)

Andre Weiss, Esq.

Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
(212) 756-2431

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

December 15, 2005

(Date of Event which Requires
Filing of this Schedule)

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.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

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for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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

SCHEDULE 13D

 CUSIP NO. 69357C107 PAGE 2 OF 10 PAGES

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

Blum Capital Partners, L.P. I.R.S. ID: 94-3205364

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) /X/
 (b) /X/

 3 SEC USE ONLY

 4 SOURCE OF FUNDS*

See Item 3

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO
 ITEMS 2(d) or 2(e) / /

 6 CITIZENSHIP OR PLACE OF ORGANIZATION

California

7 SOLE VOTING POWER

0

NUMBER OF
 SHARES

8 SHARED VOTING POWER
 13,939,012 shares (including 4,651,939 shares
 BENEFICIALLY ISSUABLE UPON CONVERSION OF NOTES AND PAYABLE
 OWNED BY AS SHARES OF INTEREST UNDER THE NOTES) (see
 EACH Item 5)
 REPORTING PERSON WITH

9 SOLE DISPOSITIVE POWER

0

10 SHARED DEPOSITIVE POWER

13,939,012 shares (including 4,651,939 shares

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issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON

13,939,012 shares (including 4,651,939 shares issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 5)

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5)

17.0%(see Item 5)

14 TYPE OF REPORTING PERSON*

PN, IA

SCHEDULE 13D

CUSIP NO. 69357C107 PAGE 3 OF 10 PAGES

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

Richard C. Blum & Associates, Inc. I.R.S. ID: 94-2967812

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) /X/
(b) /X/

3 SEC USE ONLY

4 SOURCE OF FUNDS*

See Item 3

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) / /

6 CITIZENSHIP OR PLACE OF ORGANIZATION

California

7 SOLE VOTING POWER

0

NUMBER OF SHARES 8 SHARED VOTING POWER

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BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

13,939,012 shares (including 4,651,939 shares issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 5)

9 SOLE DISPOSITIVE POWER

0

10 SHARED DEPOSITIVE POWER

13,939,012 shares (including 4,651,939 shares issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON

13,939,012 shares (including 4,651,939 shares issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 5)

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5)

17.0%(see Item 5)

14 TYPE OF REPORTING PERSON*

CO

SCHEDULE 13D

CUSIP NO. 69357C107 PAGE 4 OF 10 PAGES

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

Blum Strategic GP, L.L.C. IRS ID: 94-3303831

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) /X/
(b) /X/

3 SEC USE ONLY

4 SOURCE OF FUNDS*

See Item 3

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) / /

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6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	Delaware	
	7	SOLE VOTING POWER
		0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
		13,939,012 shares (including 4,651,939 shares issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 5)
	9	SHARED DISPOSITIVE POWER
		0
	10	SHARED DEPOSITIVE POWER
		13,939,012 shares (including 4,651,939 shares issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 5)
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON	
	13,939,012 shares (including 4,651,939 shares issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 5)	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* / /	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5)	
	17.0%(see Item 5)	
14	TYPE OF REPORTING PERSON*	
	OO	

SCHEDULE 13D

CUSIP NO. 69357C107 PAGE 5 OF 10 PAGES

1	NAME OF REPORTING PERSON	
	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
	Blum Strategic Partners II, L.P.	ID: 94-3395151
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) /X/ (b) /X/

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3	SEC USE ONLY
4	SOURCE OF FUNDS* See Item 3
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) / /
6	CITIZENSHIP OR PLACE OF ORGANIZATION California
	7 SOLE VOTING POWER 0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8 SHARED VOTING POWER 13,939,012 shares (including 4,651,939 shares issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 5)
	9 SOLE DISPOSITIVE POWER 0
	10 SHARED DEPOSITIVE POWER 13,939,012 shares (including 4,651,939 shares issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 5)
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 13,939,012 shares (including 4,651,939 shares issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 5)
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* / /
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5) 17.0%(see Item 5)
14	TYPE OF REPORTING PERSON* PN

SCHEDULE 13D

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CUSIP NO. 69357C107 PAGE 6 OF 10 PAGES

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

Blum Strategic GP II, L.L.C. IRS ID: 94-3395150
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) /X/
(b) /X/
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS*

See Item 3
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware
- 7 SOLE VOTING POWER

0
- 8 SHARED VOTING POWER

13,939,012 shares (including 4,651,939 shares
issuable upon conversion of notes and payable
as shares of interest under the notes) (see
Item 5)
- 9 SOLE DISPOSITIVE POWER

0
- 10 SHARED DEPOSITIVE POWER

13,939,012 shares (including 4,651,939 shares
issuable upon conversion of notes and payable
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Item 5)
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES* / /
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5)

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17.0%(see Item 5)

14 TYPE OF REPORTING PERSON*

00

This Amendment No. 13 amends the Statement on Schedule 13D (the "Schedule 13D") filed with the Securities and Exchange Commission on September 2, 2003 by Blum Capital Partners, L.P., a California limited partnership; Richard C. Blum & Associates, Inc., a California corporation; Blum Strategic GP, L.L.C., a Delaware limited liability company; Blum Strategic GP II, L.L.C., a Delaware limited liability company; Blum Strategic Partners II, L.P., a Delaware limited partnership (collectively, the "Reporting Persons"); and Richard C. Blum. This amendment to the Schedule 13D relates to the shares of Common Stock (the "Shares") of PRG-Schultz International, Inc., a Georgia corporation (the "Company"). The following amendments to the Schedule 13D are hereby made. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Schedule 13D.

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby supplemented by the following:

On December 15, 2005, certain members of the Ad Hoc Committee entered into an Amendment to the Commitment Letter with the Company, dated November 28, 2005, as amended on December 9, 2005, and disclosed in the Reporting Persons previous amendments to this Schedule 13D. A copy of the Amendment to the Commitment Letter is attached as an exhibit hereto and incorporated into this Item 4 by reference.

Except as set forth above, the Reporting Persons have no oral or written agreements, understandings or arrangements with each other or any other person relating to acquiring, holding, voting or disposing of any securities of the Company or otherwise with respect to the Company.

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

Item 6 of the Schedule 13D is hereby supplemented by the following:

The Amendment to the Commitment Letter is incorporated by reference into this Item 6.

Item 7. Material to be Filed as Exhibits.

1. Joint Filing Agreement dated December 16, 2005.

2. Amendment to Commitment Letter, dated December 15, 2005 among the Reporting Persons and the Company.

SIGNATURES

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After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: December 16, 2005

BLUM CAPITAL PARTNERS, L.P.

By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan
Name: Gregory D. Hitchan
Title: Counsel and Secretary

RICHARD C. BLUM & ASSOCIATES, INC.

By: /s/ Gregory D. Hitchan
Name: Gregory D. Hitchan
Title: Counsel and Secretary

BLUM STRATEGIC GP, L.L.C.

By: /s/ Gregory D. Hitchan
Name: Gregory D. Hitchan
Title: Member and General Counsel

BLUM STRATEGIC PARTNERS II, L.P.

By: Blum Strategic GP II, L.L.C.,
Its General Partner

By: /s/ Gregory D. Hitchan
Name: Gregory D. Hitchan
Title: Member and General Counsel

BLUM STRATEGIC GP II, L.L.C.

By: /s/ Gregory D. Hitchan
Name: Gregory D. Hitchan
Title: Member and General Counsel

EXHIBIT INDEX

1. Joint Filing Agreement dated December 16, 2005.
2. Amendment to Commitment Letter, dated December 15, 2005 among the Reporting Persons and the Company.

Exhibit 1

JOINT FILING UNDERTAKING

The undersigned, being duly authorized thereunto, hereby execute this agreement as an exhibit to this Schedule 13D to evidence the agreement of the below-named parties, in accordance with the rules promulgated pursuant to the Securities Exchange Act of 1934, to file this Schedule jointly on behalf of each such party.

Dated as of December 16, 2005

BLUM CAPITAL PARTNERS, L.P.

By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan
Name: Gregory D. Hitchan
Title: Counsel and Secretary

RICHARD C. BLUM & ASSOCIATES, INC.

By: /s/ Gregory D. Hitchan
Name: Gregory D. Hitchan
Title: Counsel and Secretary

BLUM STRATEGIC GP, L.L.C.

By: /s/ Gregory D. Hitchan
Name: Gregory D. Hitchan
Title: Member and General Counsel

BLUM STRATEGIC PARTNERS II, L.P.

By: Blum Strategic GP II, L.L.C.,
Its General Partner

By: /s/ Gregory D. Hitchan
Name: Gregory D. Hitchan

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amounts in respect of indemnification and Expenses shall survive termination of the Commitment Letter).

PRG-Schultz International, Inc.
December 15, 2005
Page 2

Except as expressly set forth in this letter, (i) nothing contained herein shall be construed in any manner to modify, affect, or impair the provisions of the Commitment Letter or the Term Sheet and (ii) the Commitment Letter shall continue in full force and effect.

This letter (i) shall be governed by the law of the State of New York, (ii) shall be binding upon the parties and their respective successors and assigns, (iii) may not be relied upon or enforced by any other person or entity, and (iv) may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. If this letter becomes the subject of a dispute, each of the parties hereto hereby waives trial by jury. This letter may be amended, modified or waived only in a writing signed by the parties hereto.

Very truly yours,

PRG-Schultz International, Inc.
December 15, 2005
Page 3

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/ / /  
/ BLUM STRATEGIC PARTNERS II, L.P. / BLUM STRATEGIC PARTNERS II GMBH & /  
/ / CO. KG. /  
/ / /  
/ By: /s/ Jose S. Medeiros / By: /s/ Jose S. Medeiros /  
/ ----- /  
/ Name: Jose S. Medeiros / Name: Jose S. Medeiros /  
/ Title: Partner / Title: Partner /  
/ / /  
/----- /----- /  
/ / /  
/ / /  
/ PARKCENTRAL GLOBAL HUB LIMITED / PETRUS SECURITIES L.P. /  
/ / /  
/ / /  
/ By: /s/ Steven Blasnik / By: /s/ Steven Blasnik /  
/ ----- /  
/ Name: Steven Blasnik / Name: Steven Blasnik /  
/ Title: President / Title: President of G.P. /  
/ / /
```

Agreed and accepted on this

15 day of December 2005:

PRG-SCHULTZ INTERNATIONAL, INC.

By: /s/ Clinton McKellar, Jr.

Name: Clinton McKellar, Jr.

Title: Senior Vice President and General Counsel