

PRG SCHULTZ INTERNATIONAL INC
Form SC 13D/A
February 09, 2006

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1746 (11-02) CONTAINED IN THIS FORM ARE NOT REQUIRED TO RESPOND UNLESS THE FORM
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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. 17)

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)

February 1, 2006

(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

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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 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

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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 BENEFICIALLY OWNED BY 8 SHARED VOTING POWER

13,939,012 shares (including 4,651,939 shares issuable upon conversion of notes and payable as

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EACH REPORTING PERSON WITH	-----	shares of interest under the notes) (see Item 5)
	9	SOLE DISPOSITIVE POWER
		0

	10	SHARED DISPOSITIVE 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, IA

SCHEDULE 13D

CUSIP NO. 69357C107

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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)	[]

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6 CITIZENSHIP OR PLACE OF ORGANIZATION

California

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 DISPOSITIVE 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)

17.0% (see Item 5)

14 TYPE OF REPORTING PERSON*

CO

SCHEDULE 13D

CUSIP NO. 69357C107

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

BLUM STRATEGIC GP, L.L.C. I.R.S. ID: 94-3303831

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [x]

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(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

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 DISPOSITIVE 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)

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13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) (see Item 5)
	17.0% (see Item 5)

14	TYPE OF REPORTING PERSON*
	00

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

BLUM STRATEGIC PARTNERS II, L.P. I.R.S. ID: 94-3395151

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

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 DISPOSITIVE 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)

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17.0% (see Item 5)

14 TYPE OF REPORTING PERSON*
PN

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

BLUM STRATEGIC GP II, L.L.C. I.R.S. ID: 94-3395150

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

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

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 DISPOSITIVE POWER
13,939,012 shares (including 4,651,939 shares issuable upon conversion of notes and payable as

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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)	17.0% (see Item 5)
14	TYPE OF REPORTING PERSON*	OO

This Amendment No. 17 amends the Statement on Schedule 13D (the "Schedule 13D") filed with the Securities and Exchange Commission on December 28, 2005 by Blum Capital Partners, L.P., a California limited partnership ("Partners"); 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; and Blum Strategic Partners II, L.P. ("Blum"), a Delaware limited partnership (collectively, the "Reporting Persons"). 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 2. IDENTITY AND BACKGROUND

Item 2 of the Schedule 13D is hereby amended as follows:

Since the filing of Schedule 13D, there have been changes to the executive officers of Blum L.P. and RCBA Inc.

The principal business office address of Blum L.P. and RCBA Inc. is 909 Montgomery Street, Suite 400, San Francisco, California 94133. The names of the executive officers and directors of Blum L.P. and RCBA Inc., their addresses, citizenship and principal occupations are as follows:

Name and Office Held	Business Address	Citizenship	Principal Occupation or Employment
Richard C. Blum President, Chairman & Director	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	President & Chairman, Blum L.P.

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Nils Colin Lind Managing Partner & Director	909 Montgomery St. Suite 400 San Francisco, CA 94133	Norway	Managing Partner, Blum L.P.
John C. Walker Partner	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum L.P.
Jose S. Medeiros Partner	909 Montgomery St. Suite 400 San Francisco, CA 94133	Brazil	Partner, Blum L.P.
John H. Park Partner	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum L.P.
Gregory L. Jackson Partner	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum L.P.
Jeffrey A. Cozad	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum L.P.
Partner			
Marc T. Scholvinck Partner, Chief Financial Officer, Assistant Secretary & Director	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner & Chief Financial Officer, Blum L.P.
Gregory D. Hitchan Partner, General Counsel & Secretary	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, General Counsel & Secretary, Blum L.P.

To the best knowledge of the Reporting Persons, none of the entities or persons identified in this Item 2 has, during the past five years, been convicted of any criminal proceeding (excluding traffic violations or similar misdemeanors), nor been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

ITEM 4. PURPOSE OF TRANSACTION.

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

On February 1, 2006, Partners entered into an Amended and Restated Restructuring Support Agreement (the "Amended and Restated Restructuring Support Agreement") with the Company and the other members of the Ad Hoc Committee, which provides, among other things, that the members of the Ad Hoc Committee will vote their shares in favor of an amendment of the Company's articles of incorporation to authorize 140 million shares of common stock.. A copy of the Amended and Restated Restructuring Support Agreement 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

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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 Amended and Restated Restructuring Support Agreement is incorporated by reference into this Item 6.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

1. Joint Filing Agreement dated February 9, 2006.
2. Amended and Restated Restructuring Support Agreement, dated February 1, 2006, among the Reporting Persons and the Company.

SIGNATURES

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: February 9, 2006

BLUM CAPITAL PARTNERS, L.P.
By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

Name: Gregory D. Hitchan
Title: Partner, General Counsel and Secretary

RICHARD C. BLUM & ASSOCIATES, INC.

By: /s/ Gregory D. Hitchan

Name: Gregory D. Hitchan
Title: Partner, General 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

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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 February 9, 2006.
2. Amended and Restated Restructuring Support Agreement, dated February 1, 2006, 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 February 9, 2006

BLUM CAPITAL PARTNERS, L.P.
By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

Name: Gregory D. Hitchan
Title: Partner, General Counsel and Secretary

RICHARD C. BLUM & ASSOCIATES, INC.

By: /s/ Gregory D. Hitchan

Name: Gregory D. Hitchan
Title: Partner, General Counsel and Secretary

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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