

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

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SEC POTENTIAL PERSONS WHO ARE TO RESPOND TO THE COLLECTION OF INFORMATION  
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

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OMB APPROVAL  
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OMB Number:

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per response . . . . . 11  
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SCHEDULE 13D

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 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



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-----  
10 SHARED DISPOSITIVE POWER

440,142 shares (including 335,142 shares  
issuable upon conversion of notes and payable as  
shares of interest under the notes) (see Item 3)

-----  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH PERSON

440,142 shares (including 335,142 shares issuable upon conversion of  
notes and payable as shares of interest under the notes) (see Item  
3)

-----  
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)

0.6% (see Item 5)

-----  
14 TYPE OF REPORTING PERSON\*

CO  
-----

SCHEDULE 13D

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CUSIP NO. 69357C107

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PAGE 3 OF 10 PAGES  
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1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Thales Fund Management, LLC

-----  
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
(b) [X]

-----  
3 SEC USE ONLY

-----  
4 SOURCE OF FUNDS\*

WC

-----  
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  
-----

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	7	SOLE VOTING POWER	
			0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER	
		440,142 shares (including 335,142 shares issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 3)	
	9	SOLE DISPOSITIVE POWER	
			0
	10	SHARED DISPOSITIVE POWER	
		440,142 shares (including 335,142 shares issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 3)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON		
	440,142 shares (including 335,142 shares issuable upon conversion of notes and payable as shares of interest under the notes) (see Item 3)		
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)		
	0.6% (see Item 5)		
14	TYPE OF REPORTING PERSON*		
	OO		

This Amendment No. 1 (this "Amendment") amends the Statement on Schedule 13D (the "Schedule 13D") filed with the Securities and Exchange Commission on January 5, 2006 by Thales Holdings LTD a company incorporated in Bermuda and Thales Fund Management, LLC, a Delaware limited liability company (collectively, the "Reporting Persons"). This Amendment 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 February 1, 2006, the Advisor 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

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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.

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 Advisor, the Company and the other members of the Ad Hoc Committee.

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

THALES HOLDINGS LTD  
By: THALES FUND MANAGEMENT, LLC  
its Investment Advisor

By: /s/ Sean Arp  
-----  
Name: Sean Arp  
Title: Comptroller

THALES FUND MANAGEMENT, LLC

By: /s/ Sean Arp  
-----  
Name: Sean Arp  
Title: Comptroller

EXHIBIT INDEX

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

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among the Advisor, the Company and the other members of the Ad Hoc Committee.

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: February 9, 2006

THALES HOLDINGS LTD  
By: THALES FUND MANAGEMENT, LLC  
its Investment Advisor

By: /s/ Sean Arp  
-----  
Name: Sean Arp  
Title: Comptroller

THALES FUND MANAGEMENT, LLC

By: /s/ Sean Arp  
-----  
Name: Sean Arp  
Title: Comptroller