

PRG SCHULTZ INTERNATIONAL INC
Form SC 13D/A
March 24, 2006

SEC POTENTIAL PERSONS WHO ARE TO RESPOND TO THE COLLECTION OF INFORMATION
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

OMB APPROVAL

OMB Number:

Expires:

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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)

March 17, 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. []

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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

 PAGE 2 OF 10 PAGES

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

 Tenor Opportunity Master Fund Ltd.

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

 3 SEC USE ONLY

 4 SOURCE OF FUNDS*

 WC, OO

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

 6 CITIZENSHIP OR PLACE OF ORGANIZATION

 Cayman Islands

7 SOLE VOTING POWER

 0

 NUMBER OF 8 SHARED VOTING POWER
 SHARES
 BENEFICIALLY 4,794,772 shares issuable upon conversion of Senior
 OWNED BY Convertible Notes and Series A Preferred Stock
 EACH (See Item 5)
 REPORTING
 PERSON WITH

9 SOLE DISPOSITIVE POWER

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0

10 SHARED DISPOSITIVE POWER

4,794,772 shares issuable upon conversion of Senior Convertible Notes and Series A Preferred Stock (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON

4,794,772 shares issuable upon conversion of Senior Convertible Notes and Series A Preferred Stock (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)

7.2% (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)

Tenor Capital Management Co., L.P.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS*

WC, OO

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

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
	0	
	9	SOLE DISPOSITIVE POWER
	0	
	10	SHARED DISPOSITIVE POWER

4,794,772 shares issuable upon conversion of Senior Convertible Notes and Series A Preferred Stock (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON

4,794,772 shares issuable upon conversion of Senior Convertible Notes and Series A Preferred Stock (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)

7.2% (See Item 5)

14 TYPE OF REPORTING PERSON*

PN

SCHEDULE 13D

CUSIP NO. 69357C107

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

Robin R. Shah

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

3 SEC USE ONLY

4 SOURCE OF FUNDS*

WC, OO

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	
	United States	
	7	SOLE VOTING POWER
		0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
		4,794,772 shares issuable upon conversion of Senior Convertible Notes and Series A Preferred Stock (See Item 5)
	9	SOLE DISPOSITIVE POWER
		0
	10	SHARED DISPOSITIVE POWER
		4,794,772 shares issuable upon conversion of Senior Convertible Notes and Series A Preferred Stock (See Item 5)
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON	
	4,794,772 shares issuable upon conversion of Senior Convertible Notes and Series A Preferred Stock (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)	
	7.2% (See Item 5)	
14	TYPE OF REPORTING PERSON*	
	IN	

This Amendment No. 3 amends the Statement on Schedule 13D (the "Schedule 13D") filed with the Securities and Exchange Commission on December 12, 2005 by Tenor Opportunity Master Fund Ltd., an exempted company organized under the laws of the Cayman Islands ("Tenor"), Tenor Capital Management Co., L.P., a Delaware limited partnership and Robin R. Shah (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 5. INTEREST IN SECURITIES OF THE ISSUER

Item 5 is hereby supplemented by the following:

Pursuant to the Company's exchange offer, on March 17, 2006, each Reporting

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Person exchanged all of its 4.75% Convertible Subordinated Notes due 2006 for 11.0% Senior Notes due 2011, 10.0% Senior Convertible Notes due 2011 ("Senior Convertible Notes") and 9.0% Senior Series A Convertible Participating Preferred Stock ("Series A Preferred Stock") of the Company. As a result of this exchange each Reporting Person may be deemed to beneficially own and exercise shared voting and dispositive power over (i) principal amount of \$1,982,400 of Senior Convertible Notes, which are convertible into 3,049,847 shares of Common Stock (assuming shareholder approval of an increase in the Company's authorized common stock) and (ii) 4,130 shares of Series A Preferred Stock, which are convertible into 1,744,925 shares of Common Stock.

Based upon the Form 10-K filed by the Company on March 23, 2006, as of February 28, 2006, there were 62,112,307 shares of Common Stock outstanding. Therefore, each Reporting Person may be deemed to be the beneficial owner of securities representing 7.2% of the Common Stock.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Item 6 is hereby amended and restated in its entirety as follows:

As of March 17, 2006, the Noteholders' Committee ceased to function. As a consequence, the group for purposes of Rule 13d-5(b) that may have been deemed to have been created thereby and by its activities ceased to exist.

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 7. MATERIAL TO BE FILED AS EXHIBITS.

1. Joint Filing Agreement dated March 24, 2006.
2. Press release, dated March 20, 2006

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: March 24, 2006

TENOR OPPORTUNITY MASTER FUND, LTD.
By: Tenor Opportunity Associates, LLC,
its Investment Advisor

By: /s/ Robin R. Shah

Name: Robin R. Shah
Title: Member

TENOR CAPITAL MANAGEMENT CO., L.P.

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By: /s/ Robin R. Shah

Name: Robin R. Shah
Title: Partner

By: /s/ Robin R. Shah

Name: Robin R. Shah

EXHIBIT INDEX

1. Joint Filing Agreement dated March 24, 2006.
2. Press release, dated March 20, 2006.

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 March 24, 2006

TENOR OPPORTUNITY MASTER FUND, LTD.

By: Tenor Opportunity Associates, LLC,
its Investment Advisor

By: /s/ Robin R. Shah

Name: Robin R. Shah
Title: Member

TENOR CAPITAL MANAGEMENT CO., L.P.

By: /s/ Robin R. Shah

Name: Robin R. Shah
Title: Partner

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By: /s/ Robin R. Shah

Name: Robin R. Shah