

Edgar Filing: SCHULTZ ANDREW H - Form SC 13D/A

SCHULTZ ANDREW H
Form SC 13D/A
March 01, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D/A

Under the Securities Exchange Act of 1934
(Amendment No. 1)

PRG-Schultz International, Inc.

(Name of Issuer)

Common Stock, no par value per share

(Title of Class of Securities)

69357C 10 7

(CUSIP Number)

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

February 21, 2002

(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(b) 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).

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=====

1 Name of Reporting Persons
 I.R.S. Identification Nos. of Above Persons
 Andrew H. Schultz

2 Check the Appropriate Box if a Member of a Group (a) X
 (b) _____

3 SEC Use Only

4 Source of Funds
 00

5 Check Box if Disclosure of Legal Proceedings is Required Pursuant to
 Items 2(d) or 2(e) _____

6 Citizenship or Place of Organization
 United States

7		Sole Voting Power	1,299,414
	NUMBER OF SHARES	-----	
8	BENEFICIALLY OWNED BY EACH	Shared Voting Power	3,670,002 (1)
	REPORTING PERSON WITH	-----	
9		Sole Dispositive Power	1,299,414

10		Shared Dispositive Power	3,670,002 (1)

11 Aggregate Amount Beneficially Owned by Each Reporting Person
 4,969,416(1)

12 Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares _____

13 Percent of Class Represented by Amount in Row (11)
 7.8 percent

14 Type of Reporting Person
 IN

=====

(1) Includes 3,670,002 shares held by the Andrew H. Schultz Irrevocable Trust of which Mr. Schultz is the trustee and beneficiary.

=====

1 Name of Reporting Persons
 I.R.S. Identification Nos. of Above Persons
 Andrew H. Schultz Irrevocable Trust

2 Check the Appropriate Box if a Member of a Group (a) X

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(b)

3 SEC Use Only

4 Source of Funds

00

5 Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) _____

6 Citizenship or Place of Organization

Texas

7 Sole Voting Power

0

8 NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

Shared Voting Power

3,670,002 (1)

9 Sole Dispositive Power

0

10 Shared Dispositive Power

3,670,002 (1)

11 Aggregate Amount Beneficially Owned by Each Reporting Person 3,670,002 (1)

12 Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares _____

13 Percent of Class Represented by Amount in Row (11) 5.7 percent

14 Type of Reporting Person

00

(1) Andrew H. Schultz is the trustee and beneficiary.

3

1 Name of Reporting Persons

I.R.S. Identification Nos. of Above Persons

The HHS Charitable Lead Annuity Trust

2 Check the Appropriate Box if a Member of a Group

(a) X

(b) _____

3 SEC Use Only

4 Source of Funds

00

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5 Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) _____

6 Citizenship or Place of Organization Texas

7 Sole Voting Power 0

8 NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH Shared Voting Power 634,819

9 Sole Dispositive Power 0

10 Shared Dispositive Power 634,819

11 Aggregate Amount Beneficially Owned by Each Reporting Person 634,819 (1)

12 Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares _____

13 Percent of Class Represented by Amount in Row (11) Less than one percent

14 Type of Reporting Person 00

(1) Mr. Harold Berman is the trustee of The HHS Charitable Lead Annuity Trust.

1 Name of Reporting Persons I.R.S. Identification Nos. of Above Persons Harold Berman

2 Check the Appropriate Box if a Member of a Group (a) X (b) _____

3 SEC Use Only

4 Source of Funds 00

5 Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) _____

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6 Citizenship or Place of Organization
Texas

7 Sole Voting Power
0

8 NUMBER OF SHARES
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH Shared Voting Power
3,587,568

9 Sole Dispositive Power
0

10 Shared Dispositive Power
3,587,568

11 Aggregate Amount Beneficially Owned by Each Reporting Person
3,587,568 (1)

12 Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares

13 Percent of Class Represented by Amount in Row (11)
5.6 percent

14 Type of Reporting Person
IN

(1) Mr. Harold Berman is the trustee of The HHS Charitable Lead Annuity Trust, The LVS Charitable Lead Annuity Trust, The Daniel Alan Schultz HHS (2001) GST Trust, The Jaynie Schultz Romaner HHS (2001) GST Trust, The Andrew Harold Schultz HHS (2001) GST Trust, The Daniel Alan Schultz LVS (2001) GST Trust, The Jaynie Schultz Romaner LVS (2001) GST Trust and The Andrew Harold Schultz LVS (2001) GST Trust.

5

1 Name of Reporting Persons
I.R.S. Identification Nos. of Above Persons
The LVS Charitable Lead Annuity Trust

2 Check the Appropriate Box if a Member of a Group (a) X
(b)

3 SEC Use Only

4 Source of Funds
00

5 Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

6 Citizenship or Place of Organization

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Texas

7 Sole Voting Power 0
NUMBER OF SHARES -----
8 BENEFICIALLY OWNED BY EACH Shared Voting Power 634,819
REPORTING PERSON WITH -----
9 Sole Dispositive Power 0

10 Shared Dispositive Power 634,819

11 Aggregate Amount Beneficially Owned by Each Reporting Person
634,819 (1)

12 Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares _____

13 Percent of Class Represented by Amount in Row (11)
Less than one percent

14 Type of Reporting Person
00
=====

(1) Mr. Harold Berman is the trustee of The LVS Charitable Lead Annuity Trust.

6

1 Name of Reporting Persons
I.R.S. Identification Nos. of Above Persons
The Daniel Alan Schultz HHS (2001) GST Trust

2 Check the Appropriate Box if a Member of a Group (a) X
(b) _____

3 SEC Use Only

4 Source of Funds
00

5 Check Box if Disclosure of Legal Proceedings is Required
Pursuant to Items 2(d) or 2(e) _____

6 Citizenship or Place of Organization
Texas

7 Sole Voting Power 0

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NUMBER OF SHARES		-----
8	BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	Shared Voting Power 576,032

9		Sole Dispositive Power 0

10		Shared Dispositive Power 576,032

11	Aggregate Amount Beneficially Owned by Each Reporting Person	576,032 (1)

12	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares	<input type="checkbox"/>

13	Percent of Class Represented by Amount in Row (11)	Less than one percent

14	Type of Reporting Person	OO

=====
(1) Mr. Harold Berman is the trustee of The Daniel Alan Schultz HHS (2001) GST Trust.
=====

7

1		Name of Reporting Persons	
		I.R.S. Identification Nos. of Above Persons	
		The Jaynie Schultz Romaner HHS (2001) GST Trust	

2	Check the Appropriate Box if a Member of a Group		(a) X (b) <input type="checkbox"/>

3	SEC Use Only		

4	Source of Funds	00	

5	Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)		<input type="checkbox"/>

6	Citizenship or Place of Organization	Texas	

7		Sole Voting Power	0

NUMBER OF SHARES		-----	
8	BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	Shared Voting Power	576,032

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 9 Sole Dispositive Power 0

 10 Shared Dispositive Power 576,032

 11 Aggregate Amount Beneficially Owned by Each Reporting Person
 576,032 (1)

 12 Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares ____

 13 Percent of Class Represented by Amount in Row (11)
 Less than one percent

 14 Type of Reporting Person
 00
 =====

(1) Mr. Harold Berman is the trustee of The Jaynie Schultz Romaner HHS (2001) GST Trust.

8

=====

1 Name of Reporting Persons
 I.R.S. Identification Nos. of Above Persons
 The Daniel Alan Schultz LVS (2001) GST Trust

2 Check the Appropriate Box if a Member of a Group (a) X
 (b) ____

3 SEC Use Only

4 Source of Funds
 00

5 Check Box if Disclosure of Legal Proceedings is Required
 Pursuant to Items 2(d) or 2(e) ____

6 Citizenship or Place of Organization
 Texas

7 Sole Voting Power
 0

8 NUMBER OF SHARES
 BENEFICIALLY OWNED BY EACH Shared Voting Power
 REPORTING PERSON WITH 576,032

9 Sole Dispositive Power
 0

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 10 Shared Dispositive Power 576,032

11 Aggregate Amount Beneficially Owned by Each Reporting Person
 576,032 (1)

12 Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares

13 Percent of Class Represented by Amount in Row (11)
 Less than one percent

14 Type of Reporting Person
 OO

(1) Mr. Harold Berman is the trustee of The Daniel Alan Schultz LVS (2001) GST Trust.

9

 1 Name of Reporting Persons
 I.R.S. Identification Nos. of Above Persons
 The Jaynie Schultz Romaner LVS (2001) GST Trust

2 Check the Appropriate Box if a Member of a Group (a)
 (b)

3 SEC Use Only

4 Source of Funds
 OO

5 Check Box if Disclosure of Legal Proceedings is Required
 Pursuant to Items 2(d) or 2(e)

6 Citizenship or Place of Organization
 Texas

7 Sole Voting Power
 0

8 NUMBER OF SHARES
 BENEFICIALLY OWNED BY EACH Shared Voting Power
 REPORTING PERSON WITH 576,032

9 Sole Dispositive Power
 0

10 Shared Dispositive Power
 576,032

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11 Aggregate Amount Beneficially Owned by Each Reporting Person
576,032 (1)

12 Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares _____

13 Percent of Class Represented by Amount in Row (11)
Less than one percent

14 Type of Reporting Person
OO

=====

(1) Mr. Harold Berman is the trustee of The Jaynie Schultz Romaner LVS (2001) GST Trust.

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Item 4. Purpose of Transaction

This Amendment No. 1 amends the Schedule 13D (the "Schedule 13D") filed with the Securities and Exchange Commission (the "Commission") on February 4, 2002 by Howard Schultz, Andrew H. Schultz, Andrew H. Schultz Irrevocable Trust, Leslie Schultz, Nate Levine, Arthur N. Budge, Jr., Harold Berman, The Zachary Herman Schultz Trust, The Gabriella Schultz Trust, The Samuel Joel Schultz Trust, The HHS Charitable Lead Annuity Trust, The LVS Charitable Lead Annuity Trust, The Daniel Alan Schultz HHS (2001) GST Trust, The Jaynie Schultz Romaner HHS (2001) GST Trust, The Andrew Harold Schultz HHS (2001) GST Trust, The Daniel Alan Schultz LVS (2001) GST Trust, The Jaynie Schultz Romaner LVS (2001) GST Trust and The Andrew Harold Schultz LVS (2001) GST Trust (collectively, the "Reporting Persons").

This amendment to the Schedule 13D relates to the sale of an aggregate of 1,106,684 shares of PRG-Schultz common stock by Andrew Schultz, executive vice president and director of PRG-Schultz, Andrew H. Schultz Irrevocable Trust, The HHS Charitable Lead Annuity Trust, The LVS Charitable Lead Annuity Trust, The Daniel Alan Schultz HHS (2001) GST Trust, The Jaynie Schultz Romaner HHS (2001) GST Trust, The Daniel Alan Schultz LVS (2001) GST Trust and The Jaynie Schultz Romaner LVS (2001) GST Trust to an affiliate of Blum Capital Partners LP ("Blum Capital Partners") in a private transaction on February 21, 2002 in the amounts set forth on Exhibit "A" of the Stock Purchase Agreement dated February 21, 2002, a copy of which is filed herewith as Exhibit 99.5. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Schedule 13D.

See Item 3 of the Schedule 13D.

(a)-(j) Except as set forth above, none.

In connection with the HSA-Texas acquisition, the size of the PRG-Schultz board of directors was expanded from 9 to 13 members. Howard Schultz serves as the chairman of the board of directors and Andrew H. Schultz, Arthur N. Budge, Jr., and Nate Levine serve as directors of PRG-Schultz.

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Item 5. Interest in Securities of the Issuer

- (a)-(b) See Items 7-13 of the cover pages.
- (c) See Item 4 above. No other transactions in PRG-Schultz' securities have been effected by an individual named in Item 2 of the Schedule 13D within the last sixty days, except those reported in the Schedule 13D.
- (d) No other person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sales of, the securities of PRG-Schultz.
- (e) Not applicable.

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

In connection with the sale of shares of PRG-Schultz common stock, Blum Capital Partners, Andrew Schultz Andrew, H. Schultz Irrevocable Trust, The HHS Charitable Lead Annuity Trust, The LVS Charitable Lead Annuity Trust, The Daniel Alan Schultz HHS (2001) GST Trust, The Jaynie Schultz Romaner HHS (2001) GST Trust, The Daniel Alan Schultz LVS (2001) GST Trust and The Jaynie Schultz Romaner LVS (2001) GST entered into a stock purchase agreement dated February 21, 2002. A copy of the stock purchase agreement is filed herewith as Exhibit 99.5.

In addition, in connection with the HSA-Texas acquisitions, PRG-Schultz, HSA-Texas, Howard Schultz, Andrew Schultz, the Andrew H. Schultz Irrevocable Trust, of which Andrew Schultz is the trustee and the beneficiary, certain other affiliated Schultz family trusts, John M. Cook, the chief executive officer of PRG-Schultz and John M. Toma, the vice chairman of PRG-Schultz entered into a shareholder agreement.

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Pursuant to the shareholder agreement, the parties will agree not to effect any transfer of PRG-Schultz common stock that such party now owns of record or acquires and to take such actions as are necessary to prevent any transfers of PRG-Schultz common stock beneficially owned by such party, other than certain specified transfers.

In addition, the parties to the shareholder agreement will agree, as to matters submitted to a vote of PRG-Schultz's shareholders, to vote and take such actions as necessary to cause any shares of PRG-Schultz common stock beneficially owned by such party to be voted consistent with the recommendation of a specified majority of PRG-Schultz's board of directors, subject to certain qualifications.

PRG-Schultz and each of the parties to the Asset Agreement and Stock Agreement and each additional holder of HSA-Texas voting or nonvoting common stock entered into a registration rights agreement. On January 18, 2002, under the registration rights agreement, PRG-Schultz filed a registration statement on Form S-3 with respect to 1,106,684 shares of PRG-Schultz common stock received by Howard and Andrew Schultz and certain trusts in the HSA-Texas acquisitions. On February 28, 2002, such registration statement on Form S-3 was withdrawn because, as noted in Item 4 above, the securities whose resale was to be registered under the registration statement were sold in a private transaction to Blum Capital Partners. PRG-Schultz will also be required upon written request from a holder of registrable securities to register the shares of PRG-Schultz common stock issued in the HSA-Texas acquisitions for resale pursuant to a firm

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commitment underwritten public offering, subject to certain exceptions; provided, however, that PRG-Schultz will not be required to file a registration statement regarding a request covering less than \$5.0 million of such PRG-Schultz common stock. The registration rights agreement also provides that all registration expenses will be paid by PRG-Schultz except under certain circumstances, including when the registration request is subsequently withdrawn by a majority of such shareholders, unless the shareholders agree that the request will count as one demand registration under the registration rights agreement.

The shareholder agreement and registration rights agreement are incorporated herein by reference to Exhibits 99.3 and 99.4 hereto, respectively.

Item 7. Material to be Filed as Exhibits

- 99.1 Asset Agreement (incorporated herein by reference to Annex A to PRG-Schultz's Definitive Proxy Statement filed on December 20, 2001).
- 99.2 Stock Agreement (incorporated herein by reference to Annex B to PRG-Schultz's Definitive Proxy Statement filed on December 20, 2001).
- 99.3 Shareholder Agreement (incorporated by reference to Exhibit 10.3 filed with PRG-Schultz's Registration Statement on Form S-4 (333-69142) filed on September 7, 2001).
- 99.4 Registration Rights Agreement (incorporated by reference to Exhibit 10.2 filed with PRG-Schultz's Registration Statement on Form S-4 (333-69142) filed on September 7, 2001).
- 99.5 Stock Purchase Agreement between Blum Strategic Partners II, L.P. and certain entities and individuals dated February 21, 2002.

SIGNATURE

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.

Dated: March 1, 2002

/s/ Andrew H. Schultz

Andrew H. Schultz

/s/ Harold Berman

Harold Berman

Andrew H. Schultz Irrevocable Trust

/s/ Andrew H. Schultz

By: Andrew H. Schultz, Trustee

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The HHS Charitable Lead Annuity Trust

/s/ Harold Berman

By: Harold Berman, Trustee

The LVS Charitable Lead Annuity Trust

/s/ Harold Berman

By: Harold Berman, Trustee

The Daniel Alan Schultz HHS (2001)
GST Trust

/s/ Harold Berman

By: Harold Berman, Trustee

The Jaynie Schultz Romaner HHS (2001)
GST Trust

/s/ Harold Berman

By: Harold Berman, Trustee

The Daniel Alan Schultz LVS (2001)
GST Trust

/s/ Harold Berman

By: Harold Berman, Trustee

The Jaynie Schultz Romaner LVS (2001)
GST Trust

/s/ Harold Berman

By: Harold Berman, Trustee

JOINT FILING AGREEMENT

The undersigned acknowledge and agree that the foregoing statement on Schedule 13D is filed on behalf of each of the undersigned and that all subsequent amendments to this statement shall be filed on behalf of each of the undersigned

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without the necessity of filing additional joint filing agreements. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning it contained therein, but shall not be responsible for the completeness and accuracy of the information concerning the others, except to the extent that it knows or has reason to believe that such information is inaccurate.

This Agreement may be executed in counterparts and each of such counterparts taken together shall constitute one and the same instrument.

Dated: March 1, 2002

/s/ Andrew H. Schultz

Andrew H. Schultz

/s/ Harold Berman

Harold Berman

Andrew H. Schultz Irrevocable Trust

/s/ Andrew H. Schultz

By: Andrew H. Schultz, Trustee

The HHS Charitable Lead Annuity Trust

/s/ Harold Berman

By: Harold Berman, Trustee

The LVS Charitable Lead Annuity Trust

/s/ Harold Berman

By: Harold Berman, Trustee

The Daniel Alan Schultz HHS (2001)
GST Trust

/s/ Harold Berman

By: Harold Berman, Trustee

The Jaynie Schultz Romaner HHS (2001)
GST Trust

/s/ Harold Berman

By: Harold Berman, Trustee

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The Daniel Alan Schultz LVS (2001)
GST Trust

/s/ Harold Berman

By: Harold Berman, Trustee

The Jaynie Schultz Romaner LVS (2001)
GST Trust

/s/ Harold Berman

By: Harold Berman, Trustee

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