

PRG SCHULTZ INTERNATIONAL INC  
Form 8-K  
June 06, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM  
8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): May 31, 2006**

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**PRG-SCHULTZ INTERNATIONAL, INC.**  
(Exact name of registrant as specified in its charter)

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<b>Georgia</b> (State or Other Jurisdiction of Incorporation)	<b>000-28000</b> (Commission File Number)	<b>58-2213805</b> (IRS Employer Identification No.)
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**600 Galleria Parkway, Suite 100, Atlanta, Georgia 30339-5949**  
(Address of principal executive office) (zip code)

**Registrant's telephone number, including area code: (770) 779-3900**

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(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 3.02 Unregistered Sales of Equity Securities.**

As of June 6, 2006, since May 22, 2006, holders of the 9.0% Senior Series A Convertible Participating Preferred Stock (the "Series A Preferred") of PRG-Schultz International, Inc. (the "Company") have converted a total of 2,108 shares of Series A Preferred into an aggregate of 890,628 shares of the Company's common stock, as described in the table below.

Date of Conversion	Number of Shares of Series A Preferred Stock Converted	Number of Shares of Common Stock Issued Upon Conversion
May 31, 2006	1,279	540,377
May 31, 2006	451	190,547
May 31, 2006	20	8,450
May 31, 2006	23	9,717
May 31, 2006	279	117,877
May 31, 2006	56	23,660
<b>Total</b>	<b>2,108</b>	<b>890,628</b>

The Series A Preferred Stock above was converted at the current conversion ratio under the terms of the Series A Preferred Stock, which is 422.5 shares of common stock per one share of (\$120 liquidation preference) of Series A Preferred. No fractional shares were issued.

The shares of common stock listed above were issued solely to holders of the Series A Preferred Stock upon conversion of the Series A Preferred Stock pursuant to the exemption from registration provided under Section 3(a)(9) of the Securities Act of 1933, as amended. Section 3(a)(9) is available because the shares of common stock were exchanged by the Company with its existing security holders exclusively, and no commission or other remuneration was paid or given, directly or indirectly, for soliciting such an exchange.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, PRG-Schultz International, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PRG-SCHULTZ INTERNATIONAL, INC.

Date: June 6, 2006

By: /s/ Victor A. Allums  
Victor A. Allums  
Senior Vice President, General Counsel and  
Secretary