

PRG SCHULTZ INTERNATIONAL INC
 Form 4
 September 06, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 BLUM CAPITAL PARTNERS LP

2. Issuer Name and Ticker or Trading Symbol
 PRG SCHULTZ INTERNATIONAL INC [PRGXD]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 909 MONTGOMERY STREET,
 SUITE 400
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 09/01/2006

____ Director
 ____ Officer (give title below)
 ___X___ 10% Owner
 ____ Other (specify below)

SAN FRANCISCO, CA 94133

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___ Form filed by One Reporting Person
 ___X___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock						D	(1) (10)
Common Stock						D	(2) (10)
Common Stock						D	(3) (10)
Common Stock	09/01/2006		J ⁽¹³⁾	2,966	D	\$ 0	0
Common Stock						D	(5) (10)

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Common Stock	8,300	D <u>(6)</u> <u>(10)</u>
Common Stock	11,770	D <u>(7)</u>
Common Stock	827,640	D <u>(8)</u>
Common Stock	17,065	D <u>(9)</u>
Common Stock	53	D <u>(11)</u>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Series A Convertible Participating Preferred Stock	<u>(12)</u>	09/01/2006		<u>J(13)</u>	1,116	<u>(14)</u> 03/15/2011	Common Stock	
10.0% Senior Convertible Notes due 2011	\$ 6.5	09/01/2006		<u>J(13)</u>	\$ 535,680	<u>(14)</u> 03/15/2011	Common Stock	
Series A Convertible Participating Preferred Stock	<u>(12)</u>	09/01/2006		<u>J(13)</u>	11	<u>(14)</u> 03/15/2011	Common Stock	
10.0% Senior Convertible Notes due	\$ 6.5	09/01/2006		<u>J(13)</u>	\$ 5,357	<u>(14)</u> 03/15/2011	Common Stock	

2011

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BLUM CAPITAL PARTNERS LP 909 MONTGOMERY STREET, SUITE 400 SAN FRANCISCO, CA 94133		X		
RICHARD C BLUM & ASSOCIATES INC 909 MONTGOMERY STREET, SUITE 400 SAN FRANCISCO, CA 94133		X		
BLUM STRATEGIC GP LLC 909 MONTGOMERY STREET, SUITE 400 SAN FRANCISCO, CA 94133		X		
BLUM STRATEGIC GP II LLC 909 MONTGOMERY STREET, SUITE 400 SAN FRANCISCO, CA 94133		X		

Signatures

See Attached
Signature Page

09/06/2006

**Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) These shares are owned directly by Stinson Capital Fund (Cayman), Ltd.

(2) These shares are owned directly by Stinson Capital Partners, L.P.

(3) These shares are owned directly by Stinson Capital Partners II, L.P.

(4) These securities were owned directly by Stinson Capital Partners S, L.P.

(5) These shares are owned directly by Stinson Capital Partners (QP), L.P.

(6) These shares are owned directly by BK Capital Partners IV, L.P.

(7) These shares are owned directly by Blum Strategic Partners, L.P. ("Blum Strategic"). The shares also may be deemed to be owned indirectly by Blum Strategic GP, L.L.C. ("Blum GP"), the general partner of Blum Strategic. Blum GP disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(8) These shares are owned directly by Blum Strategic Partners II, L.P. ("Strategic II"). The shares also may be deemed to be owned indirectly by Blum Strategic GP II, L.L.C. ("Blum GP II"), the general partner of Strategic II. Blum GP II disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(9) These shares are owned directly by Blum Strategic Partners II GMBH & Co. KG ("Strategic II KG"). The shares also may be deemed to be owned indirectly by Blum GP II, the managing limited partner of Strategic II KG. Blum GP II disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(10) These securities may be deemed to be owned indirectly by the following parties: (i) Blum LP, an investment manager with voting and investment discretion for the investment advisory account described in Note (1) and the general partner of the limited partnerships described in Notes (2), (3), (4), (5), and (6); and (ii) Richard C. Blum & Associates, Inc. ("RCBA Inc."), the general partner of Blum LP. Blum LP and RCBA Inc. disclaim beneficial ownership in these shares, except to the extent of any pecuniary interest therein.

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- (11) These securities are directly owned by Blum LP, some of which were received in the distribution referred to in Note (13). They may be deemed to be owned indirectly by RCBA Inc., as described in Note (10) above. RCBA Inc. disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest therein.
- (12) Each share of Series A Convertible Participating Preferred Stock (the "Series A Stock") is initially convertible into approximately 42.25 shares of common stock of the Issuer, which is calculated by dividing then-effective liquidation preference of each share of Series A Stock (\$120.00) by the conversion price. The initial conversion price is \$2.8405.
- (13) This transaction represents a distribution of securities by Stinson Capital Partners S, L.P. to: (i) a limited partner, and (ii) Blum LP, the general partner of Stinson Capital Partners S, L.P.
- (14) Immediately exercisable.
- (15) The initial conversion price provided an initial conversion rate of approximately 153.85 shares of common stock per \$1,000 principal amount of 10.0% Senior Convertible Notes due 2011.

Remarks:

All security holdings reported on this Form 4 reflect the Issuer's 1-for-10 reverse stock split effective August 14, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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