

PRG SCHULTZ INTERNATIONAL INC

Form 8-K

June 01, 2007

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
May 25, 2007

Date of Report (Date of earliest event reported)

PRG-Schultz International, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Georgia

(State or Other Jurisdiction of Incorporation)

0-28000

58-2213805

(Commission File Number)

(IRS Employer Identification No.)

600 Galleria Parkway, Suite 100, Atlanta, Georgia

30339-5949

(Address of Principal Executive Offices)

(Zip Code)

770-779-3900

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 3.02. Unregistered Sales of Equity Securities

On the dates reflected in the table below, holders of the Company's 10% Senior Convertible Notes due 2011 (the 10% Notes) and holders of the Company's 9.0% Senior Series A Convertible Participating Preferred Stock (the Series A Preferred Stock) converted a total of \$1,731,000 in aggregate principal amount of the 10% Notes and 3,413 shares of the Series A Preferred Stock into an aggregate of 423,683 shares of the Company's common stock.

Date of Conversion	Number of Shares of Series A Preferred Stock Converted	Principal Amount of 10% Notes Converted	Number of Shares of Common Stock Issued Upon Conversion
May 22, 2007	N/A	\$41,000	6,307
May 22, 2007	N/A	\$42,000	6,461
May 22, 2007	N/A	\$13,000	2,000
May 23, 2007	N/A	\$64,000	9,846
May 23, 2007	N/A	\$12,000	1,846
May 24, 2007	1,025	N/A	47,264
May 25, 2007	N/A	\$39,000	6,000
May 25, 2007	N/A	\$837,000	128,769
May 25, 2007	N/A	\$674,000	103,692
May 25, 2007	N/A	\$9,000	1,384
May 31, 2007	2,388	N/A	110,114
Total	3,413	\$1,731,000	423,683

The 10% Notes were converted at \$6.50 per share of common stock, the applicable common stock conversion price under the indenture for the 10% Notes. The Series A Preferred Stock was converted at the applicable conversion ratio under the terms of the Series A Preferred Stock, which is approximately 46.111706 shares of common stock per one share (\$130.9803 liquidation preference) of Series A Preferred Stock. No fractional shares were issued in connection with the conversions of the 10% Notes or Series A Preferred Stock.

The issuance of shares of common stock pursuant to the above conversions consists of an exchange of securities solely with the respective holders of the Company's 10% Notes and Series A Preferred Stock, and is accordingly exempt from registration under Section 3(a)(9) of the Securities Act of 1933, as amended. No commission or other remuneration was paid or given directly or indirectly for soliciting such exchange.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PRG-Schultz International, Inc.

By: /s/ Victor A. Allums

Victor A. Allums
Senior Vice President, Secretary
and
General Counsel

Dated: June 1, 2007