

PRG-SCHULTZ INTERNATIONAL, INC.
 Form 4
 August 12, 2008

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 *
GALLEN JONATHAN

2. Issuer Name and Ticker or Trading Symbol
PRG-SCHULTZ INTERNATIONAL, INC. [PRGX]

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

(Last) (First) (Middle)
C/O AHAB CAPITAL MANAGEMENT, INC., 299 PARK AVENUE, 17TH FLOOR
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/08/2008

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

NEW YORK, NY 10171
 (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
 ____ 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 Indirect Beneficial Ownership (Instr. 4)
Common Stock, no par value	08/08/2008		S	50,000 D	\$ 10.81 2,150,000	I ⁽¹⁾ ₍₂₎	By partnerships, corporations and various investment accounts ⁽¹⁾ ₍₂₎

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

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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 Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

GALLEN JONATHAN
C/O AHAB CAPITAL MANAGEMENT, INC.
299 PARK AVENUE, 17TH FLOOR
NEW YORK, NY 10171

Former 10% Owner

Signatures

/s/ Jonathan Gallen 08/12/2008

**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) As of August 8, 2008 (the "Reporting Date"), Ahab Opportunities, L.P., f/k/a Ahab Partners, L.P. ("Opportunities, L.P."), Ahab Opportunities, Ltd., f/k/a Ahab International, Ltd. ("Opportunities, Ltd."), Ahab Aggressive, L.P., f/k/a Queequeg Partners, L.P. ("Aggressive, L.P."), Ahab Aggressive, Ltd., f/k/a Queequeg, Ltd. ("Aggressive, Ltd.") and one or more private investment accounts (the "Accounts") held in the aggregate 2,150,000 shares of common stock, no par value (the "Shares"), of PRG-Schultz International, Inc. (the "Company"). Jonathan Gallen possesses the sole power to vote and the sole power to direct the disposition of 2,150,000 Shares held by Opportunities, L.P., Opportunities, Ltd., Aggressive, L.P., Aggressive, Ltd. and the Accounts. Accordingly, for the purposes of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Mr. Gallen is deemed to beneficially own 2,150,000 Shares.
- (2) Mr. Gallen's interest in the securities reported herein is limited to the extent of his pecuniary interest in Opportunities, L.P., Opportunities, Ltd., Aggressive, L.P., Aggressive, Ltd. and the Accounts, respectively, if any. As a result of the transaction set forth in Table I of this Form 4, Mr. Gallen ceased to beneficially own, as of the Reporting Date, more than ten percent (10%) of any class of any equity security,

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or securities convertible into such equity securities, of the Company. Accordingly, for the purposes of Section 16 of the Exchange Act, Mr. Gallen ceased to be a reporting person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.