

PRG SCHULTZ INTERNATIONAL INC
Form SC 13G/A
September 05, 2007

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 1)

PRG-Schultz International, Inc.

(Name of Issuer)

Common Stock, no par value

(Title of Class of Securities)

69357C503

(CUSIP Number)

August 30, 2007

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule 13G is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

*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 the disclosures provided in a prior cover page.

The information required in 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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CUSIP No. 69357C503

(1) Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (entities only):

Jonathan Gallen

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

(a)

(b)

(3) SEC Use Only

(4) Citizenship or Place of Organization: United States

Number of Shares Beneficially Owned
by Each Reporting Person With

(5) Sole Voting Power: 1,025,000*

(6) Shared Voting Power: 0

(7) Sole Dispositive Power: 1,025,000*

(8) Shared Dispositive Power: 0

(9) Aggregate Amount Beneficially Owned by Each Reporting Person:
1,025,000*

(10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions): N/A

(11) Percent of Class Represented by Amount in Row (9): 10.2%*

(12) Type of Reporting Person (See Instructions): IA, IN

* As of August 30, 2007, Ahab Partners, L.P. ("Partners"), Ahab International, Ltd. ("International"), Queequeg Partners, L.P. ("Queequeg"), Queequeg, Ltd. ("Limited") and one or more private investment accounts (the "Accounts") held in the aggregate 1,025,000 shares of common stock, no par value (the "Shares"), of PRG-Schultz International, Inc. (the "Company"). Jonathan Gallen possesses sole power to vote and direct the disposition of all securities of the Company held by Partners, International, Queequeg, Limited and the Accounts. Accordingly, for the purposes of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, Mr. Gallen is deemed to beneficially own 1,025,000 Shares, or 10.2% of the Shares deemed issued and outstanding as of August 30, 2007.

Item 1(a). Name Of Issuer: PRG-Schultz International, Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:

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600 Galleria Parkway, Suite 100, Atlanta, Georgia 30339-5986

Item 2(a). Name of Person Filing: Jonathan Gallen*

Item 2(b). Address of Principal Business Office or, if None, Residence:
299 Park Avenue, 17th Floor, New York, New York 10171

Item 2(c). Citizenship: United States

Item 2(d). Title of Class of Securities: Common Stock, no par value

Item 2(e). CUSIP No.: 69357C503

Item 3. If This Statement Is Filed Pursuant to Sections 240.13d-1(b) or 240.13d-2(b) or (c), check whether the Person Filing is a:

Not applicable.

Item 4. Ownership

(a) Amount Beneficially Owned (as of August 30, 2007): 1,025,000*

(b) Percent of Class (as of August 30, 2007): 10.2%*

(c) Number of Shares as to which the person has:

(i) sole power to vote or to direct the vote 1,025,000*

(ii) shared power to vote or to direct the vote 0

(iii) sole power to dispose or to direct the disposition of 1,025,000*

(iv) shared power to dispose or to direct the disposition of 0

* As of August 30, 2007, Ahab Partners, L.P. ("Partners"), Ahab International, Ltd. ("International"), Queequeg Partners, L.P. ("Queequeg"), Queequeg, Ltd. ("Limited") and one or more private investment accounts (the "Accounts") held in the aggregate 1,025,000 shares of common stock, no par value (the "Shares"), of PRG-Schultz International, Inc. (the "Company"). Jonathan Gallen possesses sole power to vote and direct the disposition of all securities of the Company held by Partners, International, Queequeg, Limited and the Accounts. Accordingly, for the purposes of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, Mr. Gallen is deemed to beneficially own 1,025,000 Shares, or 10.2% of the Shares deemed issued and outstanding as of August 30, 2007.

Item 5. Ownership of Five Percent or Less of a Class

Not Applicable.

Item 6. Ownership of More Than Five Percent on Behalf of Another Person

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Not Applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person

Not Applicable.

Item 8. Identification and Classification of Members of the Group

Not Applicable.

Item 9. Notice of Dissolution of Group

Not Applicable.

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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.

September 5, 2007

/s/ Jonathan Gallen

Jonathan Gallen, in his capacity as the investment manager for Ahab Partners, L.P., Ahab International, Ltd., Queequeg Partners, L.P., Queequeg, Ltd. and the Accounts

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001)