

PROFIT RECOVERY GROUP INTERNATIONAL INC
Form SC 13D/A
November 26, 2001

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

SCHEDULE 13D
(Amendment No. 1)

Under the Securities Exchange Act of 1934

PROFIT RECOVERY GROUP INTERNATIONAL, INC.

(Name of Issuer)

COMMON STOCK

(Title of Class of Securities)

743168106

(CUSIP Number)

Murray A. Indick
BLUM Capital Partners, L.P.
909 Montgomery Street, Suite 400
San Francisco, CA 94133
(415) 434-1111

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

November 20, 2001

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [].

*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 disclosures provided in a prior cover page.

The information required on 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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1. NAME OF REPORTING PERSON

BLUM CAPITAL PARTNERS, L.P.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

94-3205364

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2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) ☒ (b) ☒

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION California

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
PERSON WITH

8. SHARED VOTING POWER 5,912,175**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 5,912,175**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 5,912,175**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 11.36**

14. TYPE OF REPORTING PERSON PN, IA

** See Item 5

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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1. NAME OF REPORTING PERSON RICHARD C. BLUM & ASSOCIATES, INC.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON 94-2967812

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) ☒ (b) ☒

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

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5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION California

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
PERSON WITH

8. SHARED VOTING POWER 5,912,175**

9. SOLE DISPOSITIVE POWER -0-

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CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 11.36**

14. TYPE OF REPORTING PERSON CO

** See Item 5

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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1. NAME OF REPORTING PERSON RCBA GP, L.L.C.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON 94-3303831

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES

8. SHARED VOTING POWER 5,912,175**

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BENEFICIALLY
OWNED BY EACH
PERSON WITH

9.	SOLE DISPOSITIVE POWER	-0-
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10.	SHARED DISPOSITIVE POWER	5,912,175**
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CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 11.36**

14. TYPE OF REPORTING PERSON OO (Limited Liability Company)

** See Item 5

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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1. NAME OF REPORTING PERSON BLUM STRATEGIC GP II, L.L.C.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON 94-3395150

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES

8.	SHARED VOTING POWER	5,912,175**
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BENEFICIALLY
OWNED BY EACH
PERSON WITH

9.	SOLE DISPOSITIVE POWER	-0-
----	------------------------	-----

10.	SHARED DISPOSITIVE POWER	5,912,175**
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** See Item 5

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1. NAME OF REPORTING PERSON RICHARD C. BLUM

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION U.S.A.

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
PERSON WITH

8. SHARED VOTING POWER 5,912,175**

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14. TYPE OF REPORTING PERSON IN

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** See Item 5

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Item 1. Security and Issuer

This Amendment No. 1 amends the Statement on Schedule 13D (the "Schedule 13D") filed with the Securities and Exchange Commission (the "Commission") on November 13, 2001 by Blum Capital Partners, L.P., a California limited partnership, ("BLUM L.P."); Richard C. Blum & Associates, Inc., a California corporation ("RCBA Inc."); RCBA GP, L.L.C., a Delaware limited liability company ("RCBA GP"); and Richard C. Blum, the Chairman and a substantial shareholder of RCBA Inc. and a managing member of RCBA GP (collectively, the "Reporting Persons"). This amendment to the Schedule 13D relates to shares of Common Stock and Convertible Subordinated Notes (the "Convertible Notes") of Profit Recovery Group International, Inc., a Delaware corporation (the "Issuer"). The principal executive office and mailing address of the Issuer is 2300 Windy Ridge Parkway, Suite 100 North, Atlanta, Georgia 30339-8426. The following amendments to Items 4, 5 and 6 of the Schedule 13D are hereby made because BLUM L.P. and RCBA Inc. have purchased Convertible Notes as part of the transaction described in Item 4 below. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Schedule 13D.

Item 4. Purpose of Transaction

(a), (b) The Issuer reported, in a press release dated November 20, 2001, that it sold \$95 million of Convertible Notes on November 20, 2001 on the terms and conditions set forth therein. The Issuer had previously announced an intended offering in its Form 8-K filed with the Securities and Exchange Commission on November 15, 2001. BLUM L.P. and RCBA Inc. acquired \$25 million in aggregate principal amount of Convertible Notes. The Reporting Persons refer to the press release for details concerning the Convertible Notes.

The Convertible Notes are convertible, at the option of a holder, at any time on or prior to maturity, into shares of common stock of the Issuer. Interest on the Convertible Notes accrues at a rate of 4.75% per year, subject to adjustment in certain circumstances. The Convertible Notes have a five-year term and are convertible into shares of the Issuer's common stock at a conversion price of \$7.74 per share.

In the event that the Reporting Persons converted the Convertible Notes into shares of Common Stock, the Reporting Persons would own approximately 11.36% of the Common Stock. See Item 5, below.

Item 5. Interest in Securities of the Issuer

(a), (b) According to the Issuer's most recent Form 10-Q, there were 48,797,620 shares of Common Stock issued and outstanding as of October 31, 2001. Based on such information, after taking into account the transactions described in Item 5(c) below, the Reporting Persons report direct holdings as follows:

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(i) BLUM L.P. and RCBA Inc. report holdings of 1,540,700 of the Common Stock on behalf of the limited partnerships for which BLUM L.P. serves as the general partner and BLUM L.P.'s investment advisory clients, which represents 3.2% of the outstanding shares of the Common Stock; (ii) RCBA GP reports holdings of 117,700 shares of the Common Stock on behalf of the limited partnership for which it serves as the general partner, which represents 0.2% of the outstanding shares of the Common Stock; (iii) Blum GP reports holdings of 857,400 shares of the Common Stock on behalf of the limited partnership for which it serves as the general partner, which represents 1.8% of the outstanding shares of the Common Stock; and (iv) Mr. Blum reports the aggregate of these shares for a total of 2,515,800 shares of the Common Stock, which represents 5.2% of the outstanding shares of the Common Stock.

In addition, because BLUM L.P. has voting and investment power with respect to 166,400 shares that are legally owned by The Common Fund for the accounts of its Value Opportunities Fund and Multi-Strategy Equity Fund, (collectively, "The Common Fund") those shares are reported as beneficially owned by BLUM L.P. The Common Fund is principally engaged in the business of managing investments for educational institutions. The principal administrative office of The Common Fund is located at 15 Old Danbury Road, Wilton, Connecticut 06897-0812. The Common Fund disclaims membership in a group with any of the Reporting Persons, and disclaims beneficial ownership of any shares held by the Reporting Persons.

Voting and investment power concerning the above shares are held solely by BLUM L.P., RCBA GP and Blum GP. The Reporting Persons therefore may be deemed to be members in a group, in which case each Reporting Person would be deemed to have beneficial ownership of an aggregate of 2,682,200 shares of the Common Stock, which is 5.5% of the outstanding Common Stock. As the sole general partner of BLUM L.P., RCBA Inc. is deemed the beneficial owner of the securities over which BLUM L.P. has voting and investment power. As Chairman, director and a substantial shareholder of RCBA Inc., Richard C. Blum might be deemed to be the beneficial owner of the securities beneficially owned by RCBA Inc. Additionally, Mr. Blum may be deemed to be the beneficial owner of the securities over which RCBA GP and Blum GP have voting and investment power. Although Mr. Blum is joining in this Schedule as a Reporting Person, the filing of this Schedule shall not be construed as an admission that he, or any of the other shareholders, directors or executive officers of RCBA Inc., managing members and members of RCBA GP and Blum GP, is, for any purpose, the beneficial owner of any of the securities that are beneficially owned by RCBA Inc., RCBA GP or Blum GP, except to the extent of any pecuniary interest therein.

In addition to the foregoing, in the event that the Reporting Persons converted the Convertible Notes into Common Stock, the Reporting Persons would be deemed to have beneficial ownership of an aggregate of 5,912,175 shares, and the Issuer would be deemed to have 52,027,595 shares issued and outstanding. The Reporting Persons would thus be deemed to have beneficial ownership of 11.36% of the Common Stock.

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(c) During the last 60 days, the Reporting Persons purchased the following shares of Common Stock in the open market:

Entity	Trade Date	Shares	Price/Share
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BLUM L.P.'s limited partnership 11/16/01 100,000 6.89800
and investment advisory client
accounts (including The
Common Fund)

Entity	Trade Date	Shares	Price/Share
-----	-----	-----	-----
The limited partnership for which Blum GP serves as the general partner	11/16/01	100,000	6.89800

(d) and (e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with
Respect to Securities of the Issuer.

None of the Reporting Persons or, to the best knowledge of the Reporting
Persons, the other persons named in Item 2 of the Schedule 13D, is a party to
any contract, arrangement, understanding or relationship with respect to any
convertible notes of the Issuer, including but not limited to the transfer or
voting of any securities of the Issuer, finder's fees, joint ventures, loan or
option arrangements, puts or calls, guarantees of profits, division of profits
or loss, or the giving or withholding of proxies, except (i) as previously
disclosed, (ii) as noted above, BLUM L.P. has voting and investment power of
the shares held by it for the benefit of The Common Fund, or (iii) with
respect to the Convertible Notes.

Item 7. Material to be Filed as Exhibits

Exhibit A Joint Filing Undertaking.

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SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, the
undersigned certify that the information set forth in this statement is true,
complete and correct.

Dated: November 26, 2001

RICHARD C. BLUM & ASSOCIATES, INC.

BLUM CAPITAL PARTNERS, L.P.

By Richard C. Blum & Associates, Inc.
its general partner

By /s/ Murray A. Indick

By /s/ Murray A. Indick

Murray A. Indick
Partner and General Counsel

Murray A. Indick
Partner and General Counsel

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RCBA GP, L.L.C.

/s/ Murray A. Indick

RICHARD C. BLUM

By /s/ Murray A. Indick

By Murray A. Indick, Attorney-in-Fact

Murray A. Indick, Member

BLUM STRATEGIC GP II, L.L.C.

By /s/ Murray A. Indick

Murray A. Indick, Member

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Exhibit A
JOINT FILING UNDERTAKING

The undersigned, being duly authorized thereunto, hereby execute this agreement as an exhibit to this Schedule 13D to evidence the agreement of the below-named parties, in accordance with the rules promulgated pursuant to the Securities Exchange Act of 1934, to file this Schedule jointly on behalf of each such party.

Dated: November 26, 2001

RICHARD C. BLUM & ASSOCIATES, INC.

BLUM CAPITAL PARTNERS, L.P.

By Richard C. Blum & Associates, Inc.
its general partner

By /s/ Murray A. Indick

By /s/ Murray A. Indick

Murray A. Indick
Partner and General Counsel

Murray A. Indick
Partner and General Counsel

RCBA GP, L.L.C.

/s/ Murray A. Indick

RICHARD C. BLUM

By /s/ Murray A. Indick

By Murray A. Indick, Attorney-in-Fact

Murray A. Indick, Member

BLUM STRATEGIC GP II, L.L.C.

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By /s/ Murray A. Indick

Murray A. Indick, Member