

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13G/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities by passive investors and certain institutions [amend]

Filing Date: **2007-12-10**
SEC Accession No. **0000895421-07-000328**

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SUBJECT COMPANY

PRG SCHULTZ INTERNATIONAL INC

CIK: **1007330** | IRS No.: **582213805** | State of Incorporation: **GA** | Fiscal Year End: **1231**
Type: **SC 13G/A** | Act: **34** | File No.: **005-48923** | Film No.: **071295941**
SIC: **8700** Engineering, accounting, research, management

Mailing Address
*600 GALLERIA PARKWAY
STE 100
ATLANTA GA 30339-5949*

Business Address
*600 GALLERIA PARKWAY
STE 100
ATLANTA GA 30339-5949
7707796610*

FILED BY

MORGAN STANLEY

CIK: **895421** | IRS No.: **363145972** | State of Incorporation: **DE** | Fiscal Year End: **1130**
Type: **SC 13G/A**
SIC: **6211** Security brokers, dealers & flotation companies

Mailing Address
*1585 BROADWAY
NEW YORK NY 10036*

Business Address
*1585 BROADWAY
NEW YORK NY 10036
212-761-4000*

OMB APPROVAL

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No.2) *

PRG SCHULTZ INTERNATIONAL INC

(Name of Issuer)

Common Stock

(Title of Class of Securities)

69357C503

(CUSIP Number)

NOVEMBER 30, 2007

(Date Of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule 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).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1745 (3-06)

CUSIP No.69357C503

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1. NAME OF REPORTING PERSON:

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

Morgan Stanley

I.R.S. #36-3145972

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

(a) []

(b) []

3. SEC USE ONLY:

4. CITIZENSHIP OR PLACE OF ORGANIZATION:

The state of organization is Delaware.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER:
79,398

6. SHARED VOTING POWER:
0

7. SOLE DISPOSITIVE POWER:
79,398

8. SHARED DISPOSITIVE POWER:
0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:
79,398

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

[]

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):
.4%

12. TYPE OF REPORTING PERSON:
HC, CO

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1. NAME OF REPORTING PERSON:
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON:

Morgan Stanley & Co. Incorporated
I.R.S. #13-2655998

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

(a) []

(b) []

3. SEC USE ONLY:

4. CITIZENSHIP OR PLACE OF ORGANIZATION:

The state of organization is Delaware.

NUMBER OF 5. SOLE VOTING POWER:
SHARES 79,398

BENEFICIALLY 6. SHARED VOTING POWER:
OWNED BY EACH 0

REPORTING 7. SOLE DISPOSITIVE POWER:
PERSON WITH: 79,398

8. SHARED DISPOSITIVE POWER:
0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:
79,398

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

[]

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):
.4%

12. TYPE OF REPORTING PERSON:
BD, CO

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Item 1. (a) Name of Issuer:

PRG SCHULTZ INTERNATIONAL INC

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

600 GALLERIA PARKWAY
STE 100
ATLANTA, GA 30339

Item 2. (a) Name of Person Filing:

(1) Morgan Stanley
(2) Morgan Stanley & Co. Incorporated

(b) Address of Principal Business Office, or if None, Residence:

(1) 1585 Broadway
New York, NY 10036
(2) 1585 Broadway
New York, NY 10036

(c) Citizenship:

(1) The state of organization is Delaware.
(2) The state of organization is Delaware.

(d) Title of Class of Securities:

Common Stock

(e) CUSIP Number:

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:

- (a) Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).
Morgan Stanley & Co. Incorporated
- (b) Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with Section 240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G);
Morgan Stanley
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) Group, in accordance with Section 240.13d-1(b)(1)(ii)(J).

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Item 4. Ownership as of NOVEMBER 30, 2007.*

- (a) Amount beneficially owned:
See the response(s) to Item 9 on the attached cover page(s).

(b) Percent of Class:

See the response(s) to Item 11 on the attached cover page(s).

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote:

See the response(s) to Item 5 on the attached cover page(s).

(ii) Shared power to vote or to direct the vote:

See the response(s) to Item 6 on the attached cover page(s).

(iii) Sole power to dispose or to direct the disposition of:

See the response(s) to Item 7 on the attached cover page(s).

(iv) Shared power to dispose or to direct the disposition of:

See the response(s) to Item 8 on the attached cover page(s).

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

(1) As of the date hereof, Morgan Stanley has ceased to be the beneficial owner of more than five percent of the class of securities.

(2) As of the date hereof, Morgan Stanley & Co. Incorporated has ceased to be the beneficial owner of more than five percent of the class of securities.

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

Not Applicable

Item 7. Identification and Classification of the Subsidiary which Acquired the Security Being Reported on By the Parent Holding Company.

See Exhibit 99.2

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 acquired and are held in the ordinary course of business and 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.

*In Accordance with the Securities and Exchange Commission Release No. 34-39538 (January 12, 1998) (the "Release"), this filing reflects the securities beneficially owned by certain operating units (collectively, the "MS Reporting Units") of Morgan Stanley and its subsidiaries and affiliates (collectively, "MS"). This filing does not reflect securities, if any, beneficially owned by any operating units of MS whose ownership of securities is disaggregated from that of the MS Reporting Units in accordance with the Release.

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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.

Date: DECEMBER 10, 2007

Signature: /s/ Dennine Bullard

Name/Title: Dennine Bullard/Executive Director, Morgan Stanley & Co.
Incorporated

MORGAN STANLEY

Date: DECEMBER 10, 2007

Signature: /s/ Dennine Bullard

Name/Title: Dennine Bullard/Executive Director, Morgan Stanley & Co.
Incorporated

MORGAN STANLEY & CO. INCORPORATED

EXHIBIT NO.

EXHIBITS

PAGE

* Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).

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EXHIBIT NO. 99.1 TO SCHEDULE 13G
JOINT FILING AGREEMENT

DECEMBER 10, 2007

MORGAN STANLEY and MORGAN STANLEY & CO. INCORPORATED,
hereby agree that, unless differentiated, this
Schedule 13G is filed on behalf of each of the parties.

MORGAN STANLEY

BY: /s/ Dennine Bullard

Dennine Bullard/Executive Director, Morgan Stanley & Co. Incorporated

MORGAN STANLEY & CO. INCORPORATED

BY: /s/ Dennine Bullard

Dennine Bullard/Executive Director, Morgan Stanley & Co. Incorporated

* Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).

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EXHIBIT NO. 99.2

ITEM 7 INFORMATION

The securities being reported upon by Morgan Stanley as a parent holding company are owned, or may be deemed to be beneficially owned, by Morgan Stanley & Co. Incorporated, a broker dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended. Morgan Stanley & Co Incorporated is a wholly-owned subsidiary of Morgan Stanley.