

MONEYGRAM INTERNATIONAL INC
Form SC 13D/A
December 18, 2007

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 2)*

MONEYGRAM INTERNATIONAL, INC.

(Name of Issuer)

Common Stock, Par Value \$0.01 Per Share

(Title of Class of Securities)

60935Y109

(CUSIP Number)

Gregory D. Hitchan
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)

December 17, 2007

(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 that is the subject of this Schedule 13D, and is filing this schedule because of Section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Section 240.13d-7 for other parties to whom copies are to be sent.

*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.
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 94-3205364

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 California

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES -----
BENEFICIALLY
OWNED BY EACH
PERSON WITH

8. SHARED VOTING POWER 8,170,000**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 8,170,000**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 8,170,000**

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 9.9%**

14. TYPE OF REPORTING PERSON PN, IA

** See Item 5

* * * * *

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1. NAME OF REPORTING PERSON RICHARD C. BLUM & ASSOCIATES, INC.
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 94-2967812

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

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(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 California

7. SOLE VOTING POWER -0-

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH 8. SHARED VOTING POWER 8,170,000** 9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 8,170,000**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 8,170,000**

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 9.9%**

14. TYPE OF REPORTING PERSON CO

** See Item 5

* * * * *

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

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 04-3809436

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

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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 Delaware

7. SOLE VOTING POWER -0-

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH	8. SHARED VOTING POWER	8,170,000**
	9. SOLE DISPOSITIVE POWER	-0-

10. SHARED DISPOSITIVE POWER 8,170,000**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 8,170,000**

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 9.9%**

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

** See Item 5

* * * * *

CUSIP NO. 60935Y109

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1. NAME OF REPORTING PERSON BLUM STRATEGIC GP III, L.P.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 02-0742606

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-

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NUMBER OF SHARES	8. SHARED VOTING POWER	8,170,000**
BENEFICIALLY OWNED BY EACH PERSON WITH	9. SOLE DISPOSITIVE POWER	-0-
	10. SHARED DISPOSITIVE POWER	8,170,000**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		8,170,000**

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		9.9%**

14. TYPE OF REPORTING PERSON		PN

** See Item 5

* * * * *

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1. NAME OF REPORTING PERSON	BLUM STRATEGIC PARTNERS III, L.P.
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)	04-3809438

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 8,170,000**
BENEFICIALLY OWNED BY EACH PERSON WITH	9. SOLE DISPOSITIVE POWER -0-
	10. SHARED DISPOSITIVE POWER 8,170,000**

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 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 8,170,000**

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

 13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 9.9%**

 14. TYPE OF REPORTING PERSON PN

 ** See Item 5

* * * * *

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

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 26-0588693

 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 8,170,000**
 BENEFICIALLY OWNED BY EACH

 PERSON WITH 9. SOLE DISPOSITIVE POWER -0-

 10. SHARED DISPOSITIVE POWER 8,170,000**

 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 8,170,000**

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

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13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 9.9%**

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

** See Item 5

* * * * *

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1. NAME OF REPORTING PERSON BLUM STRATEGIC GP IV, L.P.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 26-0588732

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
BENEFICIALLY
OWNED BY EACH
PERSON WITH

8. SHARED VOTING POWER 8,170,000**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 8,170,000**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 8,170,000**

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 9.9%**

14. TYPE OF REPORTING PERSON PN

** See Item 5

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* * * * *

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1. NAME OF REPORTING PERSON SADDLEPOINT PARTNERS GP, L.L.C.
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 83-0424234

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 Delaware

7. SOLE VOTING POWER -0-

NUMBER OF
 SHARES -----
 BENEFICIALLY
 OWNED BY EACH
 PERSON WITH

8. SHARED VOTING POWER 8,170,000**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 8,170,000**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 8,170,000**

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 9.9%**

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

** See Item 5

* * * * *

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Item 1. Security and Issuer

This Amendment No. 2 amends the Statement on Schedule 13D (the "Schedule 13D") filed with the Securities and Exchange Commission (the "Commission") on December 6, 2007 by Blum Capital Partners, L.P., a California limited partnership, ("Blum LP"); Richard C. Blum & Associates, Inc., a California corporation ("RCBA Inc."); Blum Strategic GP III, L.L.C., a Delaware limited liability company ("Blum GP III"); Blum Strategic GP III, L.P., a Delaware limited partnership ("Blum GP III LP"); Blum Strategic Partners III, L.P., a Delaware limited partnership ("Blum Strategic III"); Blum Strategic GP IV, L.L.C., a Delaware limited liability company ("Blum GP IV"); Blum Strategic GP IV, L.P., a Delaware limited partnership ("Blum GP IV LP"); and Saddlepoint Partners GP, L.L.C., a Delaware limited liability company ("Saddlepoint GP") (collectively, the "Reporting Persons").

This Amendment No. 2 relates to shares of common stock, \$0.01 par value per share (the "Common Stock") of Moneygram International, Inc., a Delaware corporation (the "Issuer"). The principal executive office and mailing address of the Issuer is 1550 Utica Avenue South, Minneapolis, MN 55416.

The following amendments to the Schedule 13D are hereby made by this Amendment No. 2. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Schedule 13D as previously amended.

Item 2. Identity and Background

There have been no changes to Item 2 since the last filed Schedule 13D on December 6, 2007.

Item 3. Source and Amount of Funds or Other Considerations

There have been no changes to Item 3 since the last filed Schedule 13D on December 6, 2007.

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Item 4. Purpose of Transaction

Item 4 is hereby amended and restated in its entirety with the following:

The purpose of the acquisition of the Common Stock is for investment, and the acquisitions of the Common Stock were made in the ordinary course of business and were not made for the purpose of acquiring control of the Issuer.

Although no Reporting Person has any specific plan or proposal to acquire or dispose of the Common Stock, consistent with its investment purpose, each Reporting Person at any time and from time to time may acquire additional Common Stock or dispose of any or all of its Common Stock depending upon an ongoing evaluation of the investment in the Common Stock, prevailing market conditions, other investment opportunities, liquidity requirements of the

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Reporting Persons and/or other investment considerations.

Also, consistent with the investment purpose, the Reporting Persons may engage in communications with one or more shareholders of the Issuer, one or more officers of the Issuer and/or one or more members of the board of directors of the Issuer and/or one or more representatives of the Issuer regarding the Issuer, including but not limited to its operations. The Reporting Persons may discuss ideas that, if effected may result in any of the following: the acquisition by persons of additional Common Stock of the Issuer, an extraordinary corporate transaction involving the Issuer, and/or changes in the board of directors or management of the Issuer.

On December 17, 2007, Blum L.P. sent a letter to the Issuer and the Board of Directors of the Issuer (the "Blum Letter"). The Blum Letter is attached hereto as Exhibit B, and is incorporated by reference herein in its entirety.

Except to the extent the foregoing may be deemed a plan or proposal, none of the Reporting Persons has any plans or proposals which relate to, or could result in, any of the matters referred to in paragraphs (a) through (j), inclusive, of the instructions to Item 4 of Schedule 13D. The Reporting Persons may, at any time and from time to time, review or reconsider their position and/or change their purpose and/or formulate plans or proposals with respect thereto.

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Item 5. Interest in Securities of the Issuer

(a), (b) According to the Issuer's Form 10-Q filed with the Securities and Exchange Commission on November 7, 2007, there were 82,647,173 shares of Common Stock issued and outstanding as of November 2, 2007. Based on such information, after taking into account the transactions described in Item 5(c) below, the Reporting Persons report beneficial ownership of the following shares of Common Stock: (i) 1,898,600 shares of Common Stock held by Blum LP and RCBA Inc. on behalf of the limited partnerships for which Blum LP serves as the general partner, which represents 2.3% of the outstanding shares of the Common Stock; (ii) 4,837,400 shares of the Common Stock held by Blum GP III which serves as general partner of Blum GP III LP which, in turn, serves as the general partner of Blum Strategic III, which represents 5.9% of the outstanding shares of the Common Stock; (iii) 1,024,000 shares of the Common Stock held by Blum GP IV, which serves as general partner of Blum GP IV LP which, in turn, serves as the general partner of Blum Strategic IV, which represents 1.2% of the outstanding shares of the Common Stock; (iv) 180,000 shares of the Common Stock held by Saddlepoint GP on behalf of a partnership for which it serves as the general partner, which represents 0.2% of the outstanding shares of the Common Stock; and (v) 115,000 shares of the Common Stock that are legally owned by The Nuclear Decommissioning Trust of Dominion Nuclear Connecticut, Inc. ("Dominion Connecticut"), which represents 0.1% of the outstanding shares of the Common Stock and 115,000 shares of the Common Stock that are legally owned by Virginia Electric and Power Company Qualified Nuclear Decommissioning Trust ("Virginia Electric"), which represents 0.1% of the outstanding shares of the Common Stock (collectively, the "Investment Advisory Clients"), with respect to which Blum LP has voting and investment power. Each Investment Advisory Client has entered into an investment management agreement with Blum LP, but neither Investment Advisory Client has

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any contract, arrangement or understanding with the other Investment Advisory Client, or any other Reporting Person, with respect to the acquisition, ownership, disposition or voting of any shares of the Common Stock. Each Investment Advisory Client disclaims membership in a group with any Reporting Person or with the other Investment Advisory Client, and each disclaims beneficial ownership of any shares beneficially owned by the Reporting Persons other than for their own account.

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Voting and investment power concerning the above shares are held solely by Blum LP, Blum GP III, Blum GP IV and Saddlepoint GP. The Reporting Persons therefore may be deemed to be members in a group, in which case the group would be deemed to have beneficial ownership of an aggregate of 8,170,000 shares of the Common Stock, which is 9.9% of the outstanding Common Stock. As the sole general partner of Blum LP, RCBA Inc. is deemed the beneficial owner of the securities over which Blum LP has voting and investment power. The filing of this Schedule shall not be construed as an admission that any of the shareholders, directors or executive officers of RCBA Inc. or the managing members and members of Blum GP III, Blum GP III LP, Blum GP IV, Blum GP IV LP, and Saddlepoint GP, is, for any purpose, the beneficial owner of any of the securities that are beneficially owned by RCBA Inc., Blum GP III LP, Blum GP III, Blum GP IV, Blum GP IV LP or Saddlepoint GP.

c) The Reporting Persons effected the following transactions in the Common Stock since the last filed Schedule 13D on December 6, 2007:

The Reporting Persons purchased the following number of shares of Common Stock in the open market:

Entity	Trade Date	Shares	Price/Share
-----	-----	-----	-----
For Blum Strategic IV for	12-14-2007	60,000	16.5495
which Blum GP IV LP	12-13-2007	100,000	16.9224
serves as the general partner	12-13-2007	331,200	16.9948
and for Blum GP IV which			
serves as the general			
partner for Blum GP IV LP.			

(d) Not applicable.

(e) Not applicable.

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

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There have been no changes to Item 6 since the initial Schedule 13D filed on November 19, 2007.

Item 7. Material to be Filed as Exhibits

Exhibit A - Joint Filing Undertaking

Exhibit B - Blum Letter dated December 17, 2007

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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: December 18, 2007

RICHARD C. BLUM & ASSOCIATES, INC.

BLUM CAPITAL PARTNERS, L.P.

By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

BLUM STRATEGIC GP III, L.L.C.

BLUM STRATEGIC GP III, L.P.

By: Blum Strategic GP III, L.L.C.
its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Managing Member

Gregory D. Hitchan
Managing Member

BLUM STRATEGIC PARTNERS III, L.P.

BLUM STRATEGIC GP IV, L.L.C.

By: Blum Strategic GP III, L.P.,
its General Partner
By: Blum Strategic GP III, L.L.C.
its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan,
Managing Member

Gregory D. Hitchan
Managing Member

BLUM STRATEGIC GP IV, L.P.

SADDLEPOINT PARTNERS GP, L.L.C.

By: Blum Strategic GP IV, L.L.C.

By: Blum Capital Partners, L.P.

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its General Partner

its Managing Member
By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan,
Managing Member

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

* * * * *

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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: December 18, 2007

RICHARD C. BLUM & ASSOCIATES, INC.

BLUM CAPITAL PARTNERS, L.P.
By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

BLUM STRATEGIC GP III, L.L.C.

BLUM STRATEGIC GP III, L.P.
By: Blum Strategic GP III, L.L.C.
its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Managing Member

Gregory D. Hitchan
Managing Member

BLUM STRATEGIC PARTNERS III, L.P.

BLUM STRATEGIC GP IV, L.L.C.

By: Blum Strategic GP III, L.P.,
its General Partner
By: Blum Strategic GP III, L.L.C.
its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan,
Managing Member

Gregory D. Hitchan
Managing Member

BLUM STRATEGIC GP IV, L.P.

SADDLEPOINT PARTNERS GP, L.L.C.

By: Blum Strategic GP IV, L.L.C.
its General Partner

By: Blum Capital Partners, L.P.
its Managing Member
By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

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Gregory D. Hitchan,
Managing Member

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

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Exhibit B

December 17, 2007

Mr. Philip W. Milne
Chairman, President, and Chief Executive Officer
MoneyGram International, Inc.
1550 Utica Avenue South, Suite 100
Minneapolis, MN, 55416

Dear Philip,

As you know from our previous conversations, Blum Capital Partners, L.P. is a San Francisco based investment firm specializing in both public strategic block and private equity investments with the goal of working with management and the board of directors to maximize value for all shareholders. Our approach inherently calls for a much longer time horizon than most other investors, and we consider our ability to invest within a multi-year framework a significant strategic advantage when partnering with operating executives and board members of our portfolio companies.

As of December 17, 2007, Blum Capital Partners owns 8,170,000 shares of MoneyGram. We purchased these shares from October 23 through December 14, 2007 and our position represents approximately 9.8% of the company. We believe that the core money transfer operation of MoneyGram is a high quality business with attractive rates of return on invested capital, prodigious cash flow generation, and favorable long-term secular growth. However, against that positive backdrop there are recent concerns that have compelled us to express our thoughts regarding appropriate action in order to serve the best interests of all constituents.

First, we have been troubled by the lack of disclosure and transparency surrounding the investment portfolio of MoneyGram. We believe it is quite clear that concerns centered around the asset quality and risk profile of the portfolio have led to a substantial recent diminution of value for MoneyGram shareholders. We also find it disturbing that management would allow any non-core asset, such as the investment portfolio, to jeopardize potentially the entire enterprise. We have heard assurances from you that, if left to realization to maturity, many assets within the portfolio will be "money good". However, at the same time, you have been loath to provide all shareholders transparency for most of these assets, essentially leaving owners of the business with minimal data to make well informed judgments regarding the most significant challenge facing the company today. We implore you to provide a thorough, detailed disclosure of the

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Mr. Philip W. Milne
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entire portfolio and the full extent of its challenges in an expeditious manner as that information should be eminently available. We strongly feel that such disclosure is prudent, given the current circumstances, and best serves shareholders' interests.

Second, regarding the current proposal from Euronet to acquire MoneyGram, we believe the MoneyGram Board of Directors has a fiduciary duty to maximize shareholder value. We do not make this statement lightly, having served on numerous boards ourselves and being cognizant of all the requisite obligations to fulfill that sole objective. Thus, we speak from experience in stating that the onerous restriction of a standstill agreement is antithetical to the goal of shareholder value maximization during a proposed negotiation process. To obtain the fullest possible value for MoneyGram shareholders, we believe both parties must be willing to engage in a good faith manner. Your proposal in response to the Euronet offer eliminates that possibility and therefore acts counter to the stated objective of any corporate board: to offer shareholders the best possible outcome. For the time being, we will reserve judgment on the Euronet proposed transaction because we feel it is incumbent upon the MoneyGram Board to negotiate in good faith with Euronet to reach a definitive conclusion on the comparative value proposition to shareholders. Should the facts warrant it, we would be quite satisfied with the prospect of MoneyGram as a stand-alone company that continues to compound shareholder wealth over a long period of time. However, until you begin an earnest process with the management and Board of Euronet we will not know which alternative is truly best for shareholders. Therefore, we strongly encourage you to remove the restrictive standstill agreement and enter into discussions with Euronet to secure the best possible value for MoneyGram shareholders. Ultimately, the decision to sell MoneyGram or continue as an ongoing concern is not your decision; it is not the Board's decision; it is the shareholders' decision.

We respectfully request a formal response from the company no later than Friday, December 21, 2007.

Sincerely,

Gregory L. Jackson
Partner

cc: Board of Directors, MoneyGram