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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 22, 2010

QAD Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other Jurisdiction of
Incorporation)

0-22823

(Commission File Number)

77-0105228

(IRS Employer Identification No.)

**100 Innovation Place,
Santa Barbara, California**

(Address of Principal Executive Offices)

93108

(Zip Code)

Registrant's telephone number, including area code: **(805) 566-6000**

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

On September 22, 2010, the registrant issued a press release regarding its proposed recapitalization plan. A copy of the press release is attached as Exhibit 99.1.

On September 22, 2010, the registrant's Chief Executive Officer, Karl Lopker, sent an email to all of the registrant's employees regarding its proposed recapitalization plan. A copy of the email is attached as Exhibit 99.2.

The information in this Form 8-K and the exhibits attached hereto shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated September 22, 2010
99.2	Email to Employees dated September 22, 2010

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

QAD Inc.

September 22, 2010

By: /s/ Daniel Lender
Daniel Lender
Executive Vice President and Chief
Financial Officer

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release Dated September 22, 2010
99.2	Email to Employees Dated September 22, 2010

For more information, Contact:

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QAD Announces Proposed Recapitalization Plan
Allows Company to Pursue Existing Strategy More Aggressively

SANTA BARBARA, Calif., September 22, 2010 — QAD Inc. (NASDAQ: QADI), a global provider of enterprise software and services, today announced that its Board of Directors has unanimously adopted a recapitalization plan designed to increase financial flexibility for QAD and its stockholders. The proposed recapitalization plan is subject to stockholder approval as well as the receipt of customary regulatory approvals. Karl and Pamela Lopker, who own a majority of QAD's common stock, have notified QAD that they intend to vote their shares in favor of the recapitalization.

The proposed recapitalization plan would establish two classes of common stock: Class A common stock with 1/20th of one vote per share and Class B common stock with one vote per share. As a result of the recapitalization plan, each ten whole shares of existing common stock will become four Class A shares and one Class B share. To illustrate, a hypothetical QAD stockholder who currently owns 1,000 shares of common stock, will own 400 Class A shares, each with 1/20th of one vote, and 100 Class B shares, each with one vote, after the recapitalization.

Highlights of the Proposed Recapitalization Plan

- The proposed recapitalization plan allows QAD greater flexibility to issue Class A common stock in the future for corporate purposes, including financings, acquisitions or employee compensation, with limited dilution of existing stockholder voting rights.
- Holders of Class A common stock will be entitled to receive a dividend equal to 120% of any dividend payable on Class B common stock, other than dividends declared for the purpose of distributing proceeds received by the Company from any transaction determined by the Board to be a material transaction not in the ordinary course of business, dividends effecting a spin-off of a subsidiary of the Company or dividends payable solely in the Company's capital stock.

Karl Lopker, QAD's chief executive officer stated, "We are very pleased that the recapitalization allows us to pursue our existing strategy more aggressively while maintaining continuity of ownership which is important to our customers."

The recapitalization plan would be effected through the reclassification of each share of QAD's outstanding common stock into one-tenth of a new share of Class B common stock. QAD then would issue a non-taxable stock dividend of four shares of Class A common stock on each share of Class B common stock outstanding at the close of business on the effective date of the reclassification.

The proposed recapitalization plan would reduce the total number of shares of QAD stock outstanding by approximately 50%, including a minimal reduction in the total number of shares outstanding as a result of the payment of cash in lieu of issuing any fractional shares which would otherwise result from the reclassification of the existing common stock to Class B common stock. Therefore, the recapitalization plan is expected to have the same impact on earnings per share and market price per share as a 2-to-1 reverse stock split. However, there can be no assurance that the market prices of the two classes of stock after the recapitalization will rise in proportion to the reduction in the number of shares of stock outstanding resulting from the recapitalization or as to the relative market prices of the two classes of stock.

The proposed recapitalization plan would not affect the relative voting or equity interests of existing stockholders because the reclassification of common stock and issuance of a stock dividend will affect each stockholder in proportion to the number of shares currently owned.

It is anticipated that the Class A common stock and Class B common stock will trade on the Nasdaq Global Select Market. Symbols will be assigned prior to the effective date of the recapitalization.

QAD intends to seek stockholder approval of the proposed recapitalization plan at a special meeting of the stockholders to be held during the fourth quarter of 2010. The recapitalization plan is described in greater detail in the preliminary proxy statement that QAD will be filing with the Securities and Exchange Commission today.

Additional information and where to find it

QAD has filed a preliminary proxy statement relating to the proposed recapitalization plan with the SEC today and intends to file a definitive proxy statement and other relevant materials with the SEC at a later date. The definitive proxy statement will be provided to the stockholders of QAD. Before making any voting or investment decision with respect to the proposed recapitalization plan, investors and stockholders of QAD are urged to read the proxy statement and the other relevant materials because they will contain important information about the recapitalization plan. The proxy statement, and any other documents filed by QAD with the SEC, may be obtained free of charge at the SEC's website at www.sec.gov, or by contacting QAD by email at investor@qad.com, by phone at 805.566.5117, or by mail at QAD Inc., 100 Innovation Place, Santa Barbara, California 93108. In addition, the definitive proxy statement will be available in the Investor Relations section of the QAD website at www.qad.com.

Participants in the solicitation

QAD and its directors and executive officers may be deemed to be participants in the solicitation of proxies from QAD stockholders in connection with the proposed recapitalization plan. Information about QAD's directors and executive officers is set forth in QAD's proxy statement on Schedule 14A filed with the SEC on May 14, 2010 and QAD's Annual Report on Form 10-K filed with the SEC on April 15, 2010. Additional information regarding the interests of participants in the solicitation of proxies in connection with the proposed recapitalization plan will be included in the definitive proxy statement that QAD intends to file with the SEC.

About QAD Inc.

QAD is a leading provider of enterprise applications for global manufacturing companies. QAD applications provide critical functionality for managing manufacturing resources and operations within and beyond the enterprise, enabling global manufacturers to collaborate with their customers, suppliers and partners to make and deliver the right product, at the right cost and at the right time. Manufacturers of automotive, consumer products, electronics, food and beverage, industrial and life science products use QAD applications in more than 90 countries and in as many as 27 languages. For more information about QAD, telephone +1 805-566-6000, or visit the QAD website at www.qad.com.

"QAD" is a registered trademark of QAD Inc. All other products or company names herein may be trademarks of their respective owners.

Cautionary Note Regarding Forward-Looking Statements

This press release contains certain forward-looking statements made under the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. A number of risks and uncertainties could cause actual results to differ materially from those in the forward-looking statements. These risks include, but are not limited to, the effect of the recapitalization plan on the Company’s stock price; evolving demand for the Company’s software products and products that operate with the Company’s products; the Company’s ability to sustain license and service demand; the Company’s ability to leverage changes in technology; the Company’s ability to sustain customer renewal rates at current levels; the publication of opinions by industry and financial analysts about the Company, its products and technology; the reliability of estimates of transaction and integration costs and benefits; the entry of new competitors or new offerings by existing competitors and the associated announcement of new products and technological advances by them; delays in localizing the Company’s products for new or existing markets; the ability to recruit and retain key personnel; delays in sales as a result of lengthy sales cycles; changes in operating expenses, pricing, timing of new product releases, and the method of product distribution or product mix; timely and effective integration of newly acquired businesses; general economic conditions; exchange rate fluctuations, ability to achieve savings from cost cutting measures; and the global political environment. In addition, revenue and earnings in the enterprise resource planning (ERP) software industry are subject to fluctuations. Software license revenue, in particular, is subject to variability with a significant proportion of revenue earned in the last month of each quarter. Given the high margins associated with license revenue, modest fluctuations can have a substantial impact on net income. For a more detailed description of the risk factors associated with the Company and the industries in which it operates, please refer to the Company’s Annual Report on Form 10-K for the fiscal year ended January 31, 2010 and the Company’s other filings with the SEC.

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Email to QAD Employees from Karl Lopker, CEO

Earlier today we issued a press release on our plans to establish a dual class capital structure for QAD.

Essentially we are proposing to create a new class of shares (Class A) with 1/20th voting rights. The current shares would be renamed 'Class B', and would maintain their normal voting rights. As a result of the recapitalization plan, each ten whole shares of existing common stock will become four Class A shares and one Class B share. To illustrate, a hypothetical QAD stockholder who currently owns 1,000 shares of common stock, will own 400 Class A shares, each with 1/20th of one vote, and 100 Class B shares, each with one vote, after the recapitalization. The immediate effect to all existing shareholders is that their shares would be divided into two types, while maintaining their current voting and economic interest in the company.

Class A shares would be used for general financing purposes and, when issued, would have a small effect on the voting powers of the current shareholders. We expect both classes of stock will be traded on NASDAQ.

Since the recapitalization reduces the number of shares outstanding by 50%, we believe (although there can be no assurance of this) that the market price of the new shares immediately after the recapitalization will generally reflect a two-to-one reverse stock split. In other words, as the number of shares is being reduced by approximately 50%, the price of the shares would be expected to double immediately after the recapitalization.

If you have any questions or get questions from customers, please refer to the press release we issued today, to our SEC filings or contact our CFO, Daniel Lender.

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Important Information for QAD Stockholders.

QAD intends to file a preliminary proxy statement relating to the proposed recapitalization plan with the SEC today and intends to file a definitive proxy statement and other relevant materials with the SEC at a later date. QAD stockholders are urged to read the proxy statement and the other relevant materials when they become available because they will contain important information about the recapitalization plan. The proxy statement, and any other documents filed by QAD with the SEC, may be obtained free of charge at the SEC's website at www.sec.gov, or by contacting QAD by email at investor@qad.com, by phone at 805.566.5117, or by mail at QAD Inc., 100 Innovation Place, Santa Barbara, California 93108. In addition, the definitive proxy statement will be available in the Investor Relations section of the QAD website at www.qad.com.

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