
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE TO
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

QAD INC.

(Name of Subject Company (Issuer) and Filing Persons (Offeror))

Options and Stock Appreciation Rights to acquire Common Stock, \$0.001 par value per share
(Title of Class of Securities)

00074727D1
(CUSIP Number of Class of Securities (Underlying Common Stock))

Daniel Lender
Executive Vice President and Chief Financial Officer
QAD Inc.
100 Innovation Place
Santa Barbara, CA 93108
(805) 566-6000

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing persons)

Copies to:
Blase P. Dillingham Esq.
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Los Angeles, California 90064
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CALCULATION OF FILING FEE

Transaction Valuation
N/A

Amount of Filing Fee*
N/A

* Pursuant to General Instruction D to Schedule TO, a filing fee is not required in connection with this filing as it relates solely to preliminary communications made before the commencement of a tender offer.

☐ Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: N/A
Filing Party: N/A

Form or Registration No.: N/A
Date Filed: N/A

☒ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer. Check the appropriate boxes below to designate any transactions to which the statement relates:

- ☐ third-party tender offer subject to Rule 14d-1.
- ☒ issuer tender offer subject to Rule 13e-4.
- ☐ going-private transaction subject to Rule 13e-3.
- ☐ amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☐

Attached is the email communication sent on May 6, 2009 to the Company's employees from Daniel Lender, the Company's Executive Vice President and Chief Financial Officer regarding the proposed Exchange Program as described in proposal 2 of the Preliminary Proxy Statement filed with the Securities Exchange Commission on May 6, 2009.

The email communication does not constitute an offer to holders of the Company's outstanding stock options and/or stock appreciation rights to exchange those instruments. The proposed Exchange Program will only be commenced, if at all, if the Company's stockholders approve the proposed Exchange Program.

The Exchange Program that is referenced in the Employee Communication has not commenced and is conditioned upon stockholder approval. Even if the requisite stockholder approval is obtained, the Company may still decide later not to implement the proposed Exchange Program. Upon commencement of the Exchange Program, QAD will file a Tender Offer Statement and related exhibits and documents with the Securities and Exchange Commission ("SEC"), which should be read by all of the Company's eligible employees holding options and/or stock appreciation rights that are eligible to participate in the Exchange Program, as they will contain important information. The written materials described above and other documents filed by the Company with the SEC will be available (i) free of charge from the SEC's website at www.sec.gov, (ii) by directing a written request to: QAD Inc., Attention: Investor Relations, 100 Innovation Place, Santa Barbara, CA 93108, or (iii) by contacting Investor Relations for the Company at 805-566-5139.

Item 12. Exhibits

Exhibit	Number Description
99.1	Email communication to employees of QAD from Daniel Lender, Executive Vice President and Chief Financial Officer dated May 6, 2009.

Communication via email to QAD Employees

Date Distributed: May 6, 2009 @ 4:02 p.m. PST

From: Daniel Lender, CFO

Subject: Stock Option and Stock Appreciation Right Exchange Program

We are pleased to announce we are in the process of asking our stockholders to approve a stock option and stock appreciation right exchange program, where eligible employees can choose to exchange certain options and stock-settled stock appreciation rights (SARs) for new SARs covering fewer shares at a lower exercise price. We have disclosed this program to stockholders in our proxy statement that we filed yesterday, and I wanted to let you know that we are pursuing approval of this program. The information here is not complete and will likely raise additional questions, but until the program is approved, we cannot provide any more details than are included in the proxy statement. Note that the proxy statement we filed is currently in preliminary form and we will be filing a final proxy statement in the next few weeks. If the program is approved by stockholders at our June 10, 2009 Annual Meeting and if you hold eligible stock options or SARs, you will receive detailed information about the exchange program shortly thereafter.

In authorizing the exchange program, the Board of Directors hopes to achieve two goals. First, like many companies, the market price of our common stock over the last several years has significantly declined. As a result, many of us hold options and SARs with exercise prices significantly higher than the current market price of our stock. We believe the exchange program will strengthen incentives and reward employees for remaining with the Company and contributing to our long-term growth and success. Additionally, in authorizing a program that will permit employees to exchange existing options and SARs for a lesser number of new SARs, we hope to reduce the overhang of outstanding equity awards, a move we expect to be positively perceived by investors. Overhang refers to the total number of shares subject to outstanding equity awards (such as stock options and SARs) as a percentage of QAD's total shares of common stock outstanding.

You can access the full stockholder proposal for the exchange program in QAD's preliminary proxy statement at <http://www.sec.gov/Archives/edgar/data/1036188/000136231009006639/c84835pre14a.htm> and you can access the final proxy statement when it is available at www.sec.gov. Please recognize that QAD is not planning to provide any further written communication on this issue until the status of the stockholder vote is known.

Legal Notice

The following is important legal information, which we are required to include as part of this communication and we encourage you to read it.

We have not commenced the exchange program that is referred to in this communication. Whether the exchange program commences is conditioned upon stockholder approval. Even if the requisite stockholder approval is obtained, the Company may still decide later not to implement the proposed exchange program. Upon commencement of the exchange program, QAD will file a Tender Offer Statement and related exhibits and documents with the Securities and Exchange Commission (SEC), which should be read by all of the Company's eligible employees holding options and/or stock appreciation rights that are eligible to participate in the exchange program. The written materials described above and other documents filed by the Company with the SEC will be available (i) free of charge from the SEC's website at www.sec.gov (ii) by directing a written request to: QAD Inc., Attention: Investor Relations, 100 Innovation Place, Santa Barbara, CA 93108, or (iii) by contacting Investor Relations for the Company at 805-566-5139.