

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

|   |   |   |
|---|---|---|
| 1. Name and Address of Reporting Person*<br><b>DESILETS ROLAND B</b><br><br>(Last) (First) (Middle)<br><b>10000 MIDLANTIC DR</b><br><b>SUITE 100E</b><br><br>(Street)<br><b>MT. LAUREL NJ 08054</b><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><b>QAD INC [ qadi ]</b><br><br>3. Date of Earliest Transaction (Month/Day/Year)<br><b>10/03/2005</b><br><br>4. If Amendment, Date of Original Filed (Month/Day/Year) | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><b>EVP &amp; General Counsel</b><br><br>6. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br>Form filed by More than One Reporting Person |
|---|---|---|

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) |   | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) |            |          | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|----------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price    |   |  |   |
| Common Stock                    | 10/03/2005                           |  | M                              |   | 10,880  | A          | \$2.5    | 10,880  | D  |   |
| Common Stock                    | 10/03/2005                           |  | S                              |   | 10,880  | D          | \$8.3001 | 10,000 <sup>(1)</sup>   | D  |   |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) |  | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) |  | 6. Date Exercisable and Expiration Date (Month/Day/Year) |            | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) |        | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|--|--|--|--|------------|---|--------|--|--|---|--|
|  |  |                                      |  |                                |  |  |  |  |            |   |        |  |  |   |  |
| Non-Qualified Stock Option (Right to Buy)  | \$2.5  | 10/03/2005                           |  | M                              |  | 10,880   |  | 02/20/2002   | 02/20/2009 | Common Stock  | 10,880 | \$2.5                                      | 10,880   | D   |  |

Explanation of Responses:

1. Original option grant was 60,000 shares. After this transaction, 10,000 shares remain of the original grant.

Betty Weinert, Attorney in fact for Roland B. Desilets

10/04/2005

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.