

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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* <u>LIPKIN JEFFREY A</u> (Last) (First) (Middle) <u>6450 VIA REAL</u> (Street) <u>CARPINTERIA CA</u> <u>93013</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>QAD INC [QADI]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>12/05/2003</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

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	12/05/2003		X		225,000	A	\$7.5	3,002,778	I	By partnership ⁽¹⁾

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)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Purchase Warrant (right to buy)	\$7.5	12/05/2003		X			225,000	12/23/1999	12/22/2003	Common Stock	225,000	\$0 ⁽²⁾	0	I	By partnership ⁽¹⁾

Explanation of Responses:

1. Recovery Equity Investors II, L.P., a Delaware limited partnership ("REI"), beneficially owns the securities listed above for the purposes of Rule 16a-1(a)(1). Recovery Equity Partners II, L.P., a Delaware limited partnership ("REP"), is the sole general partner of REI, and the reporting person is one of the two general partners of REP. Accordingly, the reporting person may be deemed to beneficially own such securities for purposes of Rule 16a-1(a)(1). The reporting person disclaims beneficial ownership of the securities reported on this Form 4, except to the extent of his pecuniary interest therein, and this Form 4 shall not be deemed an admission that the reporting person is a beneficial owner of such securities for purposes of Section 16 or for any other purpose. The securities as to which the reporting person has a pecuniary interest is significantly less than that set forth above in accordance with Rule 16a-1(a)(1).

2. The warrant was acquired pursuant to the terms of the Stock Purchase Agreement dated December 23, 1999 as additional consideration for closing the transactions contemplated by the Stock Purchase Agreement.

/s/Jeffrey A. Lipkin 12/09/2003
** 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.