

► See separate instructions.

Part I	Reporting Issuer
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1 Issuer's name		2 Issuer's employer identification number (EIN)	
QAD Inc.		77-0105228	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Susan Turner	805-565-4375	zst@qad.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
100 Innovation Place		Santa Barbara, CA 93108	
8 Date of action		9 Classification and description	
07/07/2016		Cash Distribution to Shareholders of QAD Class B stock	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
74727D207		QADB	

Part II	Organizational Action Attach additional statements if needed. See back of form for additional questions.
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14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► QAD Inc. paid a quarterly distribution on July 7, 2016 to its shareholders of record on June 28, 2016.
QAD Inc. calculated its (current & accumulated) earnings and profits as of January 31, 2017. Based on currently available information, it was determined that 100% of the distribution is a return of capital to the extent of the shareholder's basis in QADB stock. To the extent that the distribution exceeds basis, the distribution is treated as capital gain.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► QAD Inc. paid a distribution of 6 cents per share on July 7, 2016. Based on currently available information, it was determined that 0% of the distribution was paid out of (current & accumulated) E&P. The remaining 100% is a non-taxable return of capital to the extent of the shareholder's basis in QADB stock. To the extent that the distribution exceeds the shareholder's basis the amount is treated as a capital gain.

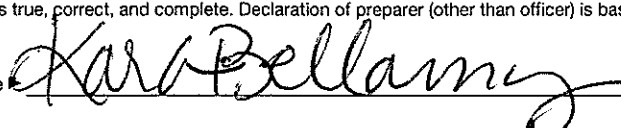
16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► QAD Inc. determined based on currently available information that this distribution is 0% dividend and 100% return of capital based on an estimate of (current & accumulated) E&P as of January 31, 2017. The amount (6 cents per share) that QAD Inc. distributed on July 7, 2016 was determined by QAD Inc's Board of Directors.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► Sections 301(c) and 316(a)
of the Internal Revenue Code.

18 Can any resulting loss be recognized? ► No.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► The reportable tax year is 2016 for shareholders reporting taxable income on a calendar year basis.

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature 	Date ►	11/17/17	
Paid Preparer Use Only	Print your name ► Kara Bellamy		Title ► Chief Accounting Officer	
	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ►	Firm's EIN ►		
	Firm's address ►	Phone no.		

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054