

FORM 5**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0362
 Estimated average burden
 hours per response: 1.0

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

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

☐ Form 3 Holdings Reported.

☐ Form 4 Transactions Reported.

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*			2. Issuer Name and Ticker or Trading Symbol			5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
<u>LODATO MICHAEL W</u>			<u>QAD INC [qadi]</u>			Director 10% Owner Officer (give title below) Other (specify below) <u>EVP & Chief Marketing Officer</u>		
(Last)	(First)	(Middle)	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
6450 VIA REAL			01/31/2005					
(Street)			4. If Amendment, Date of Original Filed (Month/Day/Year)					
CARPINTERIA CA 93013								
(City)	(State)	(Zip)						

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock	03/31/2004		J ⁽¹⁾ 5	763.9168	A	\$10.5825	7,715	D	
Common Stock	06/30/2004		J ⁽²⁾ 5	1,101.9038	A	\$9.0185	8,817	D	
Common Stock	09/30/2004		J ⁽³⁾ 5	89.2885	A	\$5.9245	8,906	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)
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
					(A) (D)							

Explanation of Responses:

- Employee Stock Purchase Plan (ESPP) purchase for 1/2/2004 - 3/31/2004
- Employee Stock Purchase Plan (ESPP) purchase for 4/1/2004 - 6/30/2004
- Employee Stock Purchase Plan (ESPP) purchase for 7/1/2004 - 9/30/2004

Betty Weinert, attorney in fact 03/24/2005
for Michael W. Lodato

** 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.