

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**OMB APPROVAL**

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Estimated average burden

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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>RAY MURRAY W</u>  (Last) (First) (Middle)  (Street)  (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)  Director 10% Owner  <input checked="" type="checkbox"/> Officer (give title below) Other (specify below)  <u>Executive Vice President</u>	
			3. Date of Earliest Transaction (Month/Day/Year) <u>10/14/2003</u>			
			4. If Amendment, Date of Original Filed (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	

**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	10/14/2003		M		300	A	\$3.75	300	D	
Common Stock	10/14/2003		S		300	D	\$11.8041	0	D	
Common Stock	10/14/2003		M		3,000	A	\$4	3,000	D	
Common Stock	10/14/2003		S		3,000	D	\$11.8041	0	D	
Common Stock	10/14/2003		M		7,437	A	\$4.625	7,437	D	
Common Stock	10/14/2003		S		7,437	D	\$11.8041	0	D	
Common Stock	10/14/2003		M		100	A	\$3.5313	100	D	
Common Stock	10/14/2003		S		100	D	\$11.8041	0	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)
				Code	V		Date Exercisable	Expiration Date					
Non-Qualified Stock Option (right to buy)	\$3.75	10/14/2003		M		300	10/01/2003	10/01/2007	Common Stock	300	\$3.75	0	D
Non-Qualified Stock Option (right to buy)	\$4	10/14/2003		M		3,000	02/03/2000	02/03/2007	Common Stock	3,000	\$4	0	D
Non-Qualified Stock Option (right to buy)	\$4.625	10/14/2003		M		7,437	06/08/2001	06/08/2008	Common Stock	7,437	\$4.625	4,563	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)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Non-Qualified Stock Option (right to buy)	\$3.5313	10/14/2003		M		100		10/07/2000	10/07/2007	Common Stock	100	\$3.5313	0	D	

**Explanation of Responses:**

Betty Weinert, attorney in fact 10/16/2003  
for Murray Ray

\*\* 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.**