

**FORM 3****UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**OMB APPROVAL**

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**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

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>O'Malia Thomas J</u> <hr/> (Last) (First) (Middle) <u>22708 BRANDYWINE DRIVE</u> <hr/> (Street) <u>CALABASAS CA 91302</u> <hr/> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>08/15/2006</u>	3. Issuer Name and Ticker or Trading Symbol <u>QAD INC [ qadi ]</u> <hr/> 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)		5. If Amendment, Date of Original Filed (Month/Day/Year) <u>08/23/2006</u> <hr/> 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
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**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
<u>Common Stock</u>	<u>3,000</u>	<u>D</u>	

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Stock Appreciation Rights	08/15/2007	08/15/2014	Common Stock	30,000	7.5	D	

Explanation of Responses:

Betty Weinert, Attorney in  
Fact for Thomas J. O'Malia 09/26/2006

\*\* 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 5 (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.**

CONFIRMING STATEMENT

The undersigned hereby authorizes and designates Betty Weinert to file with the Securities and Exchange Commission and on behalf of the undersigned, an Initial Statement of Beneficial Ownership on Form 3, a Statement of Changes in Beneficial Ownership on Form 4, and an Annual Statement of Beneficial Ownership of Securities on Form 5, and any amendments or supplements thereto. This authorization shall include the authority to sign such forms in the name of the undersigned and to file with the Securities and Exchange Commission the Confirming Statement, along or with any amendments or supplements to any filed Form 3, Form 4 or Form 5. This authorization shall be effective for as long as the undersigned is subject to the reporting requirements of Section 16.

IN WITNESS WHEREOF, the undersigned has executed this Confirming Statement as of August 15, 2006.

/s/ Thomas J. O'Malia