

Klein James R
 Form 4
 February 09, 2006

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 OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Klein James R

(Last) (First) (Middle)

C/O QUADRAMED CORPORATION, 12110 SUNSET HILLS ROAD, SUITE 600

(Street)

RESTON, VA 20190

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 QUADRAMED CORP [QD]

3. Date of Earliest Transaction (Month/Day/Year)
 08/01/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Chief Technology Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Ownership (Instr. 4)
				Code V Amount (D) Price			
Common Stock ⁽¹⁾	08/01/2005		A	100,000 A \$ 0	350,000 ⁽²⁾	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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 Underlying Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Employment Stock Option (right to buy)	\$ 1.74	08/01/2005		A	200,000	<u>(3)</u>	08/01/2015	Common Stock	200,000
Employee Stock Option (right to buy)	\$ 1.7	02/06/2006		A	50,000	<u>(5)</u>	02/06/2016	Common Stock	50,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Klein James R
C/O QUADRAMED CORPORATION
12110 SUNSET HILLS ROAD, SUITE 600
RESTON, VA 20190

Chief
Technology
Officer

Signatures

/s/ James R. Klein 02/09/2006

__Signature of Reporting Person Date

Explanation of Responses:

- * 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).
- Pursuant to a Restricted Stock Agreement, dated August 1, 2005, the Company awarded Mr. Klein 100,000 shares of restricted stock. The forfeiture restrictions on such shares lapse as follows: 35,000 on August 1, 2006, 35,000 on August 1, 2007, and 30,000 on August 1, 2008; provided that the forfeiture restrictions shall lapse for such number of shares only if Mr. Klein has been continuously employed with the Company through each such date. In the event of a Change in Control or Mr. Klein's Involuntary Termination (as such terms are defined in the Restricted Stock Agreement), the forfeiture restrictions shall automatically lapse.
- (2) 250,000 of such shares of common stock are issuable upon the exercise of options.
 - (3) The options vest in accordance with the terms of the Inducement Stock Option Agreement, effective August 1, 2005; 25% vest on the first anniversary of the grant, with the remaining 75% vesting pro rata over the next 36 months.
 - (4) Mr. Klein was awarded the options as an inducement for his employment.
 - (5) The options vest in accordance with the terms of the 2004 Stock Compensation Plan; 25% vest on the first anniversary of the grant, with the remaining 75% vesting pro rata over the next 36 months.
 - (6) Mr. Klein was awarded the options in connection with his employment.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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