

QUADRAMED CORP
Form 4
August 21, 2008

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 [QDHC]

3. Date of Earliest Transaction (Month/Day/Year)
08/19/2008

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)
SVP and CTO

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 or Price | | |
| Common Stock | 08/19/2008 | | S(1) | | 1,000 D \$ 9.1 | 85,000 (2) | D |
| Common Stock | 08/20/2008 | | S(1) | | 100 D \$ 9.25 | 84,900 (2) | D |
| Common Stock | 08/21/2008 | | S(1) | | 2,800 D \$ 8.99 | 82,100 (2) | D |

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

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SEC 1474 (9-02)

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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 Underlying Securities (Instr. 3 and 4) | 8. Price or Value of Underlying Securities (Instr. 3 and 4) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|
| Employee Stock Option (right to buy) | \$ 8.7 | | | | | (3) 08/01/2015 | Common Stock 40,000 | |
| Employee Stock Option (right to buy) | \$ 8.5 | | | | | (4) 02/06/2016 | Common Stock 10,000 | |
| Employee Stock Option (right to buy) | \$ 15.95 | | | | | (4) 06/07/2017 | Common Stock 30,000 | |

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 | | | SVP and CTO | |

Signatures

/s/ James R. Klein 08/21/2008

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).

Mr. Klein received 20,000 shares of restricted stock on August 1, 2005 pursuant to a Restricted Stock Agreement with QuadraMed Corporation (the "Agreement"). In accordance with the Agreement, the contractual restrictions on the transfer of these 20,000 shares lapsed on the following schedule: (i) 7,000 on August 1, 2006; (ii) 7,000 on August 1, 2007; and (iii) 6,000 on August 1, 2008. Each such lapsing of contractual restrictions triggers an immediate tax obligation for Mr. Klein.
- (1) 80,000 of such shares of common stock are issuable upon the exercise of options.
 - (2) 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.
 - (3) 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.
 - (4)

Remarks:

On June 13, 2008, QuadraMed Corporation (the "Company") effected a one-for-five reverse split of its common stock (the "R

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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