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	Ownership		Securities Offered by this		Ownership		
	Before Offering		Prospectus		After Offering		
	Series A Preferred	Common (1)	Series A Preferred	Common	Series A Preferred	Common (1)	%
<b>MACKEY SHIELDS<sup>(2)</sup></b>	1,880,000	20,807,080	1,880,000	15,161,260	0	5,645,820	9.8%

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<b>ZAZOVE</b>							
Century National Insurance Company <sup>(3)</sup>	60,000	845,275	60,000	483,870	0	361,405	*
Qwest Occupational Health Trust <sup>(3)</sup>	12,000	133,392	12,000	96,774	0	36,618	*
Qwest Pension Trust <sup>(3)</sup>	60,000	690,842	60,000	483,870	0	206,972	*
San Diego County Employees Retirement Association <sup>(3)</sup>	128,000	1,119,821	128,000	1,032,256	0	87,565	*
Star Vest Convertible Securities Fund, LTD <sup>(3)</sup>	8,000	96,358	8,000	64,516	0	31,842	*
Gene T Pretti <sup>(3)</sup>	24,000	201,508	24,000	193,548	0	7,960	*
Zazove Aggressive Growth Fund, LP <sup>(3)</sup>	159,000	1,531,465	159,000	1,282,256	0	249,209	*
Zazove High Yield Convertible Securities Fund, LP <sup>(3)</sup>	216,000	1,937,260	216,000	1,741,932	0	195,328	*
Zazove Convertible Securities Fund, Inc. <sup>(3)</sup>	48,000	387,096	48,000	387,096	0	0	0%
Institutional Benchmark Series (Master Feeder) Limited <sup>(3)</sup>	25,000	201,613	25,000	201,613	0	0	0%
Virginia Retirement System <sup>(3)</sup>	110,000	887,095	110,000	887,095	0	0	0%
<b>LC CAPITAL</b>							
LC Capital Master Fund, LTD <sup>(4)</sup>	180,000	3,237,210	180,000	1,451,610	0	1,785,600	4.1%
<b>CONCORDIA ADVISORS</b>							
Concordia Distressed Debt Fund, LP <sup>(5)</sup>	120,000	967,740	120,000	967,740	0	0	0%

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Avenue Investments, LP <sup>(6)</sup>	48,000	387,096	48,000	387,096	0	0	0%
Avenue Special Situations Fund III, LP <sup>(6)</sup>	176,000	1,419,352	176,000	1,419,352	0	0	0%
Avenue International, LTD <sup>(6)</sup>	176,000	1,419,352	176,000	1,419,352	0	0	0%

**CANNELL CAPITAL**

Anegeda Master Fund, Ltd. <sup>(7)</sup>	194,200	1,566,126	194,200	1,566,126	0	0	0%
Tonga Partners, L.P. <sup>(7)</sup>	295,800	2,385,479	295,800	2,385,479	0	0	0%

\* Less than 1%

(1) Includes:

- (a) Warrants to purchase shares of our common stock, issued in connection with the 2008 Notes. The warrants are owned as follows: Century National Insurance Company 361,405; Gene T. Pretti 7,960; Qwest Occupational Health Trust 36,618; Qwest Pension Trust 206,972; San Diego County Employees Retirement Association 87,565; StarVest Convertible Securities Fund 31,842; Zazove Aggressive Growth Fund 159,209; and Zazove High Yield Convertible Securities Fund 135,328.
  - (b) Unregistered shares of common stock resulting from the exercise of warrants, issued in connection with the 2008 Notes. The unregistered common stock is owned as follows: MacKay Shields 5,448,782; Zazove Aggressive Growth Fund 30,000; Zazove High Yield Convertible Securities 60,000; and LC Capital 515,100.
- (2) MacKay Shields, LLC, a registered investment adviser, is an indirect wholly owned subsidiary of New York Life Insurance Company. These securities are held beneficially by clients of MacKay Shields, LLC. While New York Life Insurance Company has subsidiaries that are registered broker-dealers, MacKay Shields, LLC is not a registered broker-dealer. MacKay Shields, LLC purchased the securities in the ordinary course of business and, at the time of purchase, had no agreement or understanding with us to distribute the securities.
  - (3) These funds are managed by Zazove Associates, LLC. Gene T. Pretti, a principal of Zazove Associates, LLC, exercises sole voting or dispositive power with respect to these securities.
  - (4) This fund is managed by Lampe Conway & Co., LLC. Steven Lampe is the managing member of Lampe Conway & Co., LLC and has voting and dispositive power over the securities.
  - (5) Concordia Distressed Debt Fund, LP ( CDDF ) has no natural persons with sole or shared voting or dispositive powers. The general partner of CDDF is Concordia Distressed Debt Offshore Management, Ltd, a Bermuda company. Pursuant to an investment advisory agreement with CDDF (signed on behalf of CDDF by its general partner), Concordia Advisors, LLC, a registered investment adviser, is generally responsible for trading and investment for CDDF in a discretionary relationship. Under this agreement, Concordia Advisors, LLC is authorized to take all actions that it considers necessary or advisable to carry out their investment management duties. Allan Brown and Robert Capozzi are the Portfolio Managers exercising voting and dispositive power with respect to these securities.
  - (6) Avenue Capital Management II, LLC ( Avenue ), an SEC registered investment adviser, acts as investment manager with respect to the following funds: Avenue Investments, L.P., Avenue International, Ltd. and Avenue Special Situations Fund III, L.P. (the Avenue Funds ). Marc Lasry and Sonia Gardner, the founders of Avenue, exercise shared voting and dispositive power with respect to these securities. Avenue is not affiliated with any registered broker-dealer. The Avenue Funds purchased the QuadraMed Series A Preferred Stock in the ordinary course of their business.
  - (7) Cannell Capital LLC is the investment adviser for Anegeda Master Fund, Ltd. and investment adviser and general partner of Tonga Partners, L.P. J. Carlo Cannell is the managing member of Cannell Capital LLC and exercises full voting power and investment discretion over these securities.

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**PLAN OF DISTRIBUTION**

We are registering a total of 3,920,000 shares of our Series A Preferred Stock and 31,612,903 shares of our common stock issuable upon conversion of the Series A Preferred Stock. We will not receive any of the proceeds from the sale by the selling holders of the shares of the Series A Preferred Stock or common stock. A selling holder is a person named in the section of this prospectus entitled "Selling Holders" and also includes any donee, pledgee, transferee or other successor-in-interest selling shares of our Series A Preferred Stock or common stock received after the date of this prospectus from a selling holder as a gift, pledge, partnership distribution or other non-sale related transfer.

We will bear all costs, fees and expenses in connection with our obligation to register the shares of Series A Preferred Stock and common stock offered by this prospectus. If the shares of Series A Preferred Stock or common stock are sold through broker-dealers or agents, the selling holders will be responsible for any compensation to such broker-dealers or agents.

The selling holders may pledge or grant a security interest in some or all of the shares of Series A Preferred Stock or common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of Series A Preferred Stock or common stock from time to time pursuant to this prospectus. The selling holders also may transfer and donate the shares of Series A Preferred Stock or common stock in other circumstances in which case the transferees, donees, pledgees or other successors-in-interest will be the selling beneficial owners for purpose of this prospectus.

The selling holders will sell their shares of Series A Preferred Stock and common stock subject to the following:

all or a portion of the shares of Series A Preferred Stock or common stock beneficially owned by selling holders or their respective pledgees, donees, transferees or successors-in-interest, may be sold on any national securities exchange or quotation service on which the shares of Series A Preferred Stock or common stock may be listed or quoted at the time of sale, in the over-the counter market, in privately negotiated transactions, through the writing of options, whether such options are listed on an options exchange or otherwise, short sales or in combination of such transactions;

each sale may be made at market prices prevailing at the time of such sale, at negotiated prices, at fixed prices, or at varying prices determined at the time of sale; and

some or all of the shares of Series A Preferred Stock or common stock may be sold through one or more broker-dealers or agents and may involve crosses, block transactions in which the broker-dealer will attempt to sell shares as agent but may position and resell a portion of the block as principal to facilitate the transaction, or hedging transactions. The selling holders may enter into hedging transactions with broker-dealers or agents, which may in turn engage in short sales of Series A Preferred Stock and common stock in the course of hedging in positions they assume. The selling holders may also sell shares of Series A Preferred Stock and common stock short and deliver shares of Series A Preferred Stock and common stock to close out short positions, or loan pledge shares of Series A Preferred Stock and common stock to broker-dealers or agents that in turn may sell such shares.

In connection with such sales through one or more broker-dealers or agents, such broker-dealers or agents may receive compensation in the form of discounts, concessions or commissions from the selling holders and receive commissions from the purchasers of the shares of Series A Preferred Stock or common stock for whom they act as broker-dealer or agent or to whom they sell as principal (which discounts, concessions or commissions as to particular broker-dealers or agents may be in excess of those customary in the types of transactions involved). Any

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broker-dealer or agent participating in any such sale may be deemed to be an underwriter within the meaning of the Securities Act of 1933, as amended, and will be required to deliver a copy of this prospectus to any person who purchases any shares of Series A Preferred Stock or common stock from or through such broker-dealer or agent. We know of no existing arrangements between stockholders and any other stockholder, broker, dealer, underwriter or agent relating to the sale or distribution of the shares of Series A Preferred Stock or common stock.

The selling holders and any broker-dealer participating in the distribution of the shares of Series A Preferred Stock and common stock may be deemed to be underwriters within the meaning of the Securities Act of 1933, as amended, and any profits realized by the selling holder, and commissions paid, or any discounts or concessions allowed to any broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act of 1933. In addition, any shares of Series A Preferred Stock and common stock covered by this prospectus which qualify for sale pursuant to Rule 144 may be sold under Rule 144 rather than pursuant to this prospectus.

If required at the time a particular offering of the shares of Series A Preferred Stock and common stock is made, a prospectus supplement or, if appropriate, a post-effective amendment to the registration statement of which this prospectus is a part, will be distributed which will set forth the aggregate amount of shares of Series A Preferred Stock and common stock being offered and the terms of the offering, including the name or names of any broker-dealers or agents, any discounts, commissions and other

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terms constituting compensation from the selling holder and any discounts, commissions or concessions allowed or reallocated or paid to broker-dealers.

Under the securities laws of some states, the shares of Series A Preferred Stock and common stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares of Series A Preferred Stock and common stock may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with. There can be no assurance that any selling holder will sell any or all of the shares of Series A Preferred Stock or common stock registered pursuant to the registration statement of which this prospectus forms a part.

The selling holders and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, including, without limitation, Regulation M of the Securities Exchange Act of 1934, which may limit the timing of purchases and sales of any of the shares of Series A Preferred Stock and common stock by the selling holders and participating person. Regulation M may also restrict the ability of any person engaged in the distribution of the shares of Series A Preferred Stock and common stock to engage in market-making activities with respect to the shares of Series A Preferred Stock and common stock. All of the foregoing may affect the marketability of the shares of Series A Preferred Stock and common stock and the ability of any person or entity to engage in market-making activities with respect to the shares of Series A Preferred Stock and common stock.

We will bear all expenses of the registration of the shares of Series A Preferred Stock and common stock, pursuant to the terms of the registration rights agreement entered into with the selling holders, including, without limitation, SEC fees and expenses of compliance with state securities or blue sky laws.

The selling holders will pay all underwriting discounts and selling commissions and expenses, brokerage fees and transfer taxes. We will indemnify the selling holders against liabilities, including some liabilities under the Securities Act of 1933, in accordance with the registration rights agreement, or the selling holders will be entitled to contribution. We will be indemnified by the selling holders against civil liabilities, including liabilities under the Securities Act of 1933, that may arise from any written information furnished to us by the selling holders for use in this prospectus, in accordance with the registration rights agreements, or we will be entitled to contribution. Once sold under this registration statement, of which this prospectus forms a part, the shares of Series A Preferred Stock and common stock will be freely tradable in the hands of persons other than affiliates.

## **LEGAL MATTERS**

The validity of the shares of our Series A Preferred Stock and common stock that may be sold using this prospectus will be passed upon for us by Crowell & Moring LLP, Washington, D.C.

## **EXPERTS**

The financial statements, financial statement schedule and management's report on the effectiveness of internal control over financial reporting incorporated by reference in this Prospectus have been audited by BDO Seidman, LLP, an independent registered public accounting firm, to the extent and for the periods set forth in their reports incorporated herein by reference, and are incorporated herein in reliance upon such reports given upon the authority of said firm as experts in auditing and accounting.



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**PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION, DATED OCTOBER 31, 2006**

**3,920,000 Shares of Series A Cumulative Mandatory Convertible Preferred Stock, par value \$0.01 per share, and 31,612,903 Shares of Common Stock, par value \$0.01 per share, Issuable upon Conversion of the Series A Preferred Stock**

**QuadraMed Corporation**

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**PROSPECTUS**

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The Company will bear all costs, fees and expenses in connection with our obligation to register the shares of Series A Preferred Stock and common stock offered by this prospectus. If the shares of Series A Preferred Stock or common stock are sold through broker-dealers or agents, the selling holders will be responsible for any compensation to such broker-dealers or agents.

The following table provides the fees and expenses, payable by our Company in connection with the issuance and distribution of the securities being registered hereunder. Except for the SEC registration fees, all amounts are estimates.

SEC registration fee	\$ 11,770
Other fees	\$
Printing and filing expenses	\$ 5,000
Legal fees and expenses	\$ 95,000
Accounting fees and expenses	\$ 20,000
Blue sky fees and expenses	\$ 0
Transfer agent fees	\$ 0
	<hr/>
Total	\$ 131,770
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**Item 15. Indemnification of Directors and Officers**

Under Section 145 of the Delaware General Corporation Law (the "DGCL"), a corporation may indemnify its directors, officers, employees and agents and its former directors, officers, employees and agents and those who serve, at the corporation's request, in such capacities with another enterprise, against expenses (including attorneys' fees), as well as judgments, fines and settlements in nonderivative lawsuits, actually and reasonably incurred in connection with the defense of any action, suit or proceeding in which they or any of them were or are made parties or are threatened to be made parties by reason of their serving or having served in such capacity. The DGCL provides, however, that such person must have acted in good faith and in a manner such person reasonably believed to be in (or not opposed to) the best interests of the corporation and, in the case of a criminal action, such person must have had no reasonable cause to believe his or her conduct was unlawful. In addition, the DGCL does not permit indemnification in an action or suit by or in the right of the corporation where such person has been adjudged liable to the corporation, unless, and only to the extent that, a court determines that such person fairly and reasonably is entitled to indemnity for costs the court deems proper in light of liability adjudication. Indemnity is mandatory to the extent a claim, issue or matter has been successfully defended.

Our amended and restated Certificate of Incorporation and Bylaws provide that, to the extent permitted by law, the Company shall fully indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was or has agreed to become a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, and may indemnify any person who was or is a party or is threatened to be made a party to such an action, suit or proceeding by reason of the fact that the person is or was or has agreed to become an employee or agent of the Company, or is or was serving or

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has agreed to serve at the request of the Company as an employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding and any appeal therefrom, if the person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding had not reasonable cause to believe the person's conduct was unlawful; except that in the case of an action or suit by or in the right of the Company to procure a judgment in its favor (1) such indemnification shall be limited to expenses (including attorneys' fees) actually and reasonably incurred by such person in the defense or settlement of such proceeding and (2) no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Our amended and restated Certificate of Incorporation and Bylaws further provide that the Company shall advance expenses incurred by a director or officer in defending any such action if the director or officer undertakes to repay such amount if it is determined that the director or officer is not entitled to indemnification. The Company also shall purchase and maintain insurance to protect itself and any such director, officer or other person against any liability asserted against him and incurred by him in respect of such service whether or

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not the Company would have the power to indemnify him against such liability by law or under the provisions of our amended and restated Certificate of Incorporation or Bylaws.

Further, the Company has entered into indemnification agreements with its directors and certain of its senior executive officers. Pursuant to the terms of the indemnification agreements, each of the senior executive officers and directors of the Company will be indemnified by the Company to the fullest extent permitted by Delaware law in the event such officer is made or threatened to be made a party to a claim arising out of such person acting in his capacity as an officer or director of the Company.

The registration rights agreement associated with the Series A Preferred Stock provides that the holders of the Series A Preferred Stock and common stock issuable upon the conversion of the Series A Preferred Stock shall indemnify the Company and its directors and officers from and against any and all losses, claims, damages, expenses (including reasonable costs of investigation and fees, disbursements and other charges of counsel, and any amounts paid in settlement) or other liabilities to which the Company or its directors and officers may become subject under the securities laws, any other federal law, any state or common law rule or regulation which results from, arises out of, or is based upon any untrue, or alleged untrue, statement or omission, or alleged omission, of material fact by the holders contained in any registration statement, prospectus, or preliminary prospectus (as amended or supplemented) or any document incorporated by reference in any of the foregoing, if such information was furnished in writing by the holder to the Company for use in such document.

**Item 16. Exhibits and Financial Statement Schedules**

The following exhibits are filed as part of this registration statement. Certain of the following exhibits have been previously filed with the SEC and are incorporated herein by reference from the document described in parentheses. Certain others are filed herewith.

<b>Exhibit Number</b>	<b>Exhibit Description</b>
2.1	Agreement and Plan of Merger, dated as of June 30, 2004, by and among QuadraMed Corporation, Sawgrass, LLC, Tempus Software, Inc. and each of the shareholders of Tempus Software, Inc. (Exhibit 2.1 to our Current Report on Form 8-K, as filed with the SEC on July 15, 2004.)
4.1	Amended and Restated Bylaws of QuadraMed. (Exhibit 3.1 to our Current Form on Form 8-K, as filed with the SEC on October 17, 2005.)
4.2	Third Amended and Restated Certificate of Incorporation of QuadraMed. (Exhibit 3.5 to our Quarterly Report Amended on Form 10-Q/A, as filed with the SEC on August 24, 1998.)
4.3	Amendment to the Third Amended and Restated Certificate of Incorporation of QuadraMed. (Exhibit 3.3 to our Registration Statement on Form S-1, No. 333-112040, as filed with the SEC on January 21, 2004.)
4.4	Certificate of Amendment Amending and Restating the Certificate of Designation, Powers, Preferences and Rights of the Series A Cumulative Mandatory Convertible Preferred Shares. (Exhibit 3.1 to our Current Report on Form 8-K, as filed with the SEC on October 31, 2005.)
4.5	Form of Common Stock certificate. (Exhibit 4.2 to our Registration Statement on Form SB-2, No. 333-5180-LA, as filed with the SEC on June 28, 1996, as amended by Amendment No. 1, Amendment No. 2 and Amendment No. 3 thereto, as filed with the SEC on July 26, 1996, September 9, 1996 and October 2, 1996, respectively.)
4.6	Warrant Agreement, including Form of Warrant, dated as of April 17, 2003, by and between QuadraMed Corporation and The Bank of New York, as warrant agent. (Exhibit 4.3 to our Current Report on Form 8-K, as filed with the SEC on April 30, 2003.)

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- 4.7 Registration Rights Agreement, dated as of April 17, 2003, among QuadraMed, the investors listed on the signature pages thereto, and Philadelphia Brokerage Corporation. (Exhibit 4.5 to our Current Report on Form 8-K, as filed with the SEC on April 30, 2003.)
- 4.8 Registration Rights Agreement dated as of June 15, 2004, by and between QuadraMed and the investors identified on the signature pages thereto. (Exhibit 4.1 to our Current Report on Form 8-K, as filed with the SEC on June 17, 2004.)

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4.9	Registration Rights Agreement dated as of June 30, 2004, by and between QuadraMed and the shareholders identified on the signature pages thereto. (Exhibit 4.1 to our Current Report on Form 8-K, as filed with the SEC on July 15, 2004.)
4.10	Form of Preferred Stock certificate for the Series A Cumulative Mandatory Convertible Preferred Shares. (Exhibit 4.17 to our Pre-Effective Amendment No. 3 to our Registration Statement on Form S-1, No. 333-112040, as filed with the SEC on August 25, 2004.)
5.1**	Opinion of Crowell & Moring LLP regarding the validity of the securities offered.
12.1**	Statement of Computation of Earnings to Fixed Charges.
23.1**	Consent of BDO Seidman, LLP, Independent Registered Public Accounting Firm.
23.2	Consent of Crowell & Moring LLP (included in Exhibit 5.1).
24.1	Power of Attorney. (Exhibit 24.1 to our Pre-Effective Amendment No. 2 to our Registration Statement on Form S-3, No. 333-121298, as filed with the SEC on February 6, 2006.)

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\*\* Filed herewith.

**Item 17. Undertakings**

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the County of Fairfax, Commonwealth of Virginia, on this 31st day of October, 2006.

QUADRAMED CORPORATION

By:           /s/ KEITH B. HAGEN  
**Keith B. Hagen**  
**Chief Executive Officer**

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>          /s/ KEITH B. HAGEN</u> <b>Keith B. Hagen</b>	Chief Executive Officer (Principal Executive Officer) and Director	October 31, 2006
<u>          /s/ DAVID L. PIAZZA*</u> <b>David I. Piazza</b>	Executive Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)	October 31, 2006
<u>          /s/ ROBERT L. PEVENSTEIN*</u> <b>Robert L. Pevenstein</b>	Chairman	October 31, 2006
<u>          /s/ LAWRENCE P. ENGLISH*</u> <b>Lawrence P. English</b>	Director	October 31, 2006
<u>          /s/ ROBERT W. MILLER*</u> <b>Robert W. Miller</b>	Director	October 31, 2006
<u>          /s/ JAMES E. PEEBLES*</u> <b>James E. Peebles</b>	Director	October 31, 2006
* By: <u>          /s/ KEITH B. HAGEN</u> <b>Keith B. Hagen</b>	Attorney-in-Fact	October 31, 2006

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Certain of the following exhibits have been previously filed with the SEC and are incorporated herein by reference from the document described in parentheses. Certain others are filed herewith.

<b>Exhibit Number</b>	<b>Exhibit Description</b>
2.1	Agreement and Plan of Merger, dated as of June 30, 2004, by and among QuadraMed Corporation, Sawgrass, LLC, Tempus Software, Inc. and each of the shareholders of Tempus Software, Inc. (Exhibit 2.1 to our Current Report on Form 8-K, as filed with the SEC on July 15, 2004.)
4.1	Amended and Restated Bylaws of QuadraMed. (Exhibit 3.1 to our Current Report on Form 8-K, as filed with the SEC on October 17, 2005.)
4.2	Third Amended and Restated Certificate of Incorporation of QuadraMed. (Exhibit 3.5 to our Quarterly Report Amended on Form 10-Q/A, as filed with the SEC on August 24, 1998.)
4.3	Amendment to the Third Amended and Restated Certificate of Incorporation of QuadraMed. (Exhibit 3.3 to our Registration Statement on Form S-1, No.333-112040, as filed with the SEC on January 21, 2004.)
4.4	Certificate of Amendment Amending and Restating Certificate of Designation, Powers, Preferences and Rights of the Series A Cumulative Mandatory Convertible Preferred Shares. (Exhibit 3.1 to our Current Report on Form 8-K, as filed with the SEC on October 31, 2005.)
4.5	Form of Common Stock certificate. (Exhibit 4.2 to our Registration Statement on Form SB-2, No. 333-5180-LA, as filed with the SEC on June 28, 1996, as amended by Amendment No. 1, Amendment No. 2 and Amendment No. 3 thereto, as filed with the SEC on July 26, 1996, September 9, 1996 and October 2, 1996, respectively.)
4.6	Warrant Agreement, including Form of Warrant, dated as of April 17, 2003, by and between QuadraMed Corporation and The Bank of New York, as warrant agent. (Exhibit 4.3 to our Current Report on Form 8-K, as filed with the SEC on April 30, 2003.)
4.7	Registration Rights Agreement, dated as of April 17, 2003, among QuadraMed, the investors listed on the signature pages thereto, and Philadelphia Brokerage Corporation. (Exhibit 4.5 to our Current Report on Form 8-K, as filed with the SEC on April 30, 2003.)
4.8	Registration Rights Agreement dated as of June 15, 2004, by and between QuadraMed and the investors identified on the signature pages thereto. (Exhibit 4.1 to our Current Report on Form 8-K, as filed with the SEC on June 17, 2004.)
4.9	Registration Rights Agreement dated as of June 30, 2004, by and between QuadraMed and the shareholders identified on the signature pages thereto. (Exhibit 4.1 to our Current Report on Form 8-K, as filed with the SEC on July 15, 2004.)
4.10	Form of Preferred Stock certificate for the Series A Cumulative Mandatory Convertible Preferred Shares. (Exhibit 4.17 to our Pre-Effective Amendment No. 3 to our Registration Statement on Form S-1, No. 333-112040, as filed with the SEC on August 25, 2004.)
5.1**	Opinion of Crowell & Moring LLP regarding the validity of the securities offered.
12.1**	Statement of Computation of Earnings to Fixed Charges.
23.1**	Consent of BDO Seidman, LLP, Independent Registered Public Accounting Firm.
23.2	Consent of Crowell & Moring LLP (included in Exhibit 5.1).
24.1	Power of Attorney. (Exhibit 24.1 to our Pre-Effective Amendment No. 2 to our Registration Statement on Form S-3, No. 333-121298, as filed with the SEC on February 6, 2006.)



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\*\* Filed herewith.

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