

Edgar Filing: QUADRAMED CORP - Form SC 13G

QUADRAMED CORP
Form SC 13G
January 10, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities & Exchange Act of 1934

(Amendment No. 4)*

QuadraMed Corporation
(Name of Issuer)

Common Stock, no par value
(Title of Class of Securities)

74730W101
(CUSIP Number)

December 31, 2006
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes.)

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CUSIP No. 74730W101

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1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

Zazove Associates, LLC 36-3984373

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) ()

(b) ()

3. SEC Use Only

4. Citizenship or Place of Organization: Delaware

Number of
Shares Bene-
ficially by
Owned by Each
Reporting
Person With:

5. Sole Voting Power: 9,552,402 (see item 4)

6. Shared Voting Power: 0

7. Sole Dispositive Power: 9,552,402 (see item 4)

8. Shared Dispositive Power: 0

9. Aggregate Amount Beneficially Owned by Each Reporting Person
9,552,402 (see item 4)

10. Check if the Aggregate Amount in Row (9) Excludes Certain
Shares ()

11. Percent of Class Represented by Amount in Row (9): 18.81%

12. Type of Reporting Person (See Instructions): IA

Item 1.

(a) Name of Issuer
QuadraMed Corporation
(the "Company")

(b) Address of Issuer's Principal Executive Offices
12110 Sunset Hills Road, Suite 600
Reston, VA 20190

Item 2.

(a) Name of Person Filing
Zazove Associates, LLC

(b) Address of Principal Business Office or, if non,
Residence
940 Southwood, Incline Village, NV 89451

(c) Citizenship
Delaware limited liability company

(d) Title of Class of Securities
Common stock, no par value

(e) CUSIP Number

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74730W101

Item 3. If this statement is filed pursuant to Sections 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) () Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b) () Bank as defined in section 3(a)(6) of the Act (15 U.S.C 78c).
- (c) () Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) () Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) (X) An investment adviser in accordance with Section 240.13d-1(b)(1)(ii)(E);
- (f) () An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F);
- (g) () A parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G);
- (h) () A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) () A church plan the is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company act of 1940 (15 U.S.C.)
- (j) () Group, in accordance with Section 240.13d-1(b)(1)(ii)(J).

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount beneficially owned:
9,552,402 shares of common stock, which includes
(i) 1,008,168 shares issuable upon the exercise of warrants to purchase common stock ("Warrants"),
and ii) 7,520,146 shares issuable upon conversion of the Issuer's Series A Cumulative Mandatory Convertible Preferred Stock, par value \$0.01 per share (liquidation preference of \$25.00 per share)the "Preferred Stock").
- (b) Percent of class:
18.81%, calculated based on 50,784,877 shares of common stock outstanding, which number is calculated by adding (i) 42,256,563(the number of shares of common stock outstanding as of October 24, 2006, as reported on the Company's most recent quarterly report filed on Form 10-Q) and (ii) 1,008,168 (the number of shares of common stock deemed held under Rule 240.13d-3(d)(1) as a result of the beneficial ownership of the Warrants) and 7,520,146(the number of shares of common stock deemed held under Rule 240.13d-3(d)(1)

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as a result of the beneficial ownership of the Preferred Stock).

(c) Number of shares as to which the person has:

- (i) Sole power to vote or to direct the vote: 9,552,402
- (ii) Shared power to vote or to direct the vote: 0

- (iii) Sole power to dispose or to direct the disposition of: 9,552,402

- (iv) Shared power to dispose or to direct the disposition of: 0

Instruction. For computations regarding securities which represents a right to acquire an underlying security see Section 240.13d-3(d)(1).

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following ().

Instruction: Dissolution of a group requires a response to this item.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five percent of the class, such person should be identified. A listing of shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

The Reporting Person is registered as an investment advisor under Section 203 of the Investment Advisors Act of 1940 (15 USC 80b-3) and has discretionary authority with regard to certain accounts that hold QuadraMed Corporation common stock, warrants and Preferred Stock. No managed account holds an interest greater than 5%.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company

Not applicable.

If a parent holding company has filed this schedule, pursuant to Rule 13d-1(b)(ii)(G), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary. If a parent holding company has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identity of each member of the group.

Item 8. Identification and Classification of Members of the Group

Not applicable.

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If a group has filed this schedule pursuant to Section 240.13d-1(b)(1)(ii)(J), so indicate under Item 3(j) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to Section 240.13d-1(c) or Section 240.13d-1(d), attached an exhibit stating the identity of each member of the group.

Item 9. Notice of Dissolution of Group.

Not applicable.

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group, in their individual capacity. See Item 5.

Item 10. Certifications

Item 10 (a)

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Item 10 (b) Not Applicable.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 9, 2007
Date

/s/ Steven M. Kleiman
Signature

Steven M. Kleiman, COO
Name/Title

> 2 ⁽¹⁾ A \$ 63.99 ⁽³⁾ 505 I Interest in shares held by Rankin Associates V Class A Common Stock11/20/2018 P 43 ⁽¹⁾
A \$ 63.99 ⁽³⁾ 31,901 I Serves as Trustee of GSTs for the benefit of A. Farnham Rankin Class A Common
Stock11/20/2018 P 43 ⁽¹⁾ A \$ 63.99 ⁽³⁾ 31,901 I Serves as Trustee of GSTs for the benefit of Elisabeth M. Rankin
Class A Common Stock11/20/2018 P 8 ⁽¹⁾ A \$ 64.99 31,909 I Serves as Trustee of GSTs for the benefit of A.
Farnham Rankin Class A Common Stock11/20/2018 P 8 ⁽¹⁾ A \$ 64.99 31,909 I Serves as Trustee of GSTs for the

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benefit of Elisabeth M. Rankin Class A Common Stock 11/20/2018 P 1 (1) A \$ 63.99 (3) 201 I Proportionate interest in shares held by Rankin Associates VI Class A Common Stock 11/20/2018 P 2 (1) A \$ 63.99 (3) 437 I Spouse's proportionate interest in shares held by Rankin Associates VI (2) Class A Common Stock 11/20/2018 P 2 (1) A \$ 63.99 (3) 367 I Child's Proportionate interest in shares held by Rankin Associates VI (4) Class A Common Stock 11/20/2018 P 2 (1) A \$ 63.99 (3) 367 I Child's Proportionate interest of shares held by Rankin Associates VI (5) Class A Common Stock 11/20/2018 P 1 (1) A \$ 64.99 69 I Interest in shares of Rankin Associates VI held by Rankin Management Class A Common Stock 11/20/2018 P 1 (1) A \$ 64.99 202 I Proportionate interest in shares held by Rankin Associates VI Class A Common Stock 54,147 I spouses proportionate LP interest in shares held by RA1 (2) Class A Common Stock 29,986 I spouse's proportionate limited partnership interest in shares held by Rankin Associates II, L.P (2) Class A Common Stock 200 I Reporting person serves as Trustee for the benefit of Elisabeth Rankin Class A Common Stock 765 I Reporting person serves as co-trustee of trust fbo Elisabeth M. Rankin Class A Common Stock 20,426 I daughter's proportionate LP interest in shares held by RA II LP held in a trust (2) Class A Common Stock 1,851 I Spouse is Trustee for the benefit of Reporting Person's daughter. (2) Class A Common Stock 79 I Child's proportionate interest in shares held by Rankin Associates V (2) Class A Common Stock 1,209 I Reporting Person Serves as Trustee for the benefit of A. Farnham Rankin Class A Common Stock 18,294 I daughter's proportionate LP interest in shares held by RA II LP held in a trust (2) Class A Common Stock 79 I Child's proportionate interest in shares held by Rankin Associates V (2) Class A Common Stock 3,738 I Spouse is Co-Trustee for the benefit of Reporting Person's daughter. (2) Class A Common Stock 19 I proportionate general partnership interest in shares of Rankin Associates IV, Class A Common Stock 3,448 I proportionate limited partnership interest in shares held by Rankin Associates I, L.P Class A Common Stock 4,283 I proportionate limited partnership interests in shares held by Rankin Associates II, L.P Class A Common Stock 65,824 I proportionate limited partnership interest in shares held by Rankin Associates IV, L.P Class A Common Stock 1,975 I proportionate interest in shares held by Rankin Management, Inc. ("RMI). Class A Common Stock 192,662 I Reporting Person serves as Trustee of a Trust for the benefit of Roger F. Rankin

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)

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 of Derivative Security (Instr. 5)
Class B Common Stock	(6)					(6) (6)	Class A Common Stock	444

Class B Common Stock	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	Class A Common Stock	96,861
Class B Common Stock	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	Class A Common Stock	29,986
Class B Common Stock	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	Class A Common Stock	3,123
Class B Common Stock	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	Class A Common Stock	200
Class B Common Stock	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	Class A Common Stock	20,426
Class B Common Stock	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	Class A Common Stock	1,851
Class B Common Stock	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	Class A Common Stock	18,294

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Class B Common Stock	(6)	(6)	(6)	Class A Common Stock	3,738
Class B Common Stock	(6)	(6)	(6)	Class A Common Stock	6,889
Class B Common Stock	(6)	(6)	(6)	Class A Common Stock	6,889
Class B Common Stock	(6)	(6)	(6)	Class A Common Stock	31
Class B Common Stock	(6)	(6)	(6)	Class A Common Stock	6,168
Class B Common Stock	(6)	(6)	(6)	Class A Common Stock	4,283
Class B Common Stock	(6)	(6)	(6)	Class A Common Stock	104,286

