

HAGEN KEITH B  
Form 4  
October 20, 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 \*  
HAGEN KEITH B

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
C/O QUADRAMED CORPORATION, 12110 SUNSET HILLS ROAD, SUITE 600

3. Date of Earliest Transaction (Month/Day/Year)  
10/17/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
CEO and President

(Street)  
RESTON, VA 20190

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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	10/17/2008		D <sup>(1)</sup>	46,420 <sup>(2)</sup> D 6.75 <sup>(3)</sup>	268,585 <sup>(4)</sup>	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)

**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 Securities (Instr. 3 and 4)	8. F... Der... Sec... (Ins...	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 9.15					<u>(5)</u>	10/17/2015	Common Stock	110,000
Employee Stock Option (right to buy)	\$ 14					<u>(6)</u>	12/15/2016	Common Stock	40,000
Employee Stock Option (right to buy)	\$ 9.95					<u>(6)</u>	12/10/2017	Common Stock	50,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HAGEN KEITH B C/O QUADRAMED CORPORATION 12110 SUNSET HILLS ROAD, SUITE 600 RESTON, VA 20190	X		CEO and President	

## Signatures

/s/ Keith B. Hagen  
10/20/2008  
 \*\*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).
- (1)

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On July 17, 2008, the Board of Directors of QuadraMed Corporation (the "Company") approved a policy under which the Company will offer to repurchase shares of restricted stock granted to the Company's employees on the date such shares vest; however, such repurchase shall be limited to an amount sufficient to permit the applicable employee to pay taxes on such shares. The adoption of the policy was reported in the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on July 22, 2008.

- (2) The 46,420 shares repurchased by the Company pursuant to the Stock Repurchase Agreement dated October 17, 2008 (as filed as Exhibit 2.1 to the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on October 20, 2008) are sufficient to allow Mr. Hagen to satisfy the tax liability resulting from the cliff-vesting of the 110,000 restricted shares awarded to Mr. Hagen pursuant to the Restricted Stock Agreement, effective October 17, 2005, by and between the Company and Mr. Hagen.
- (3) The closing price of the Company's common stock on the The NASDAQ Stock Market, LLC on October 17, 2008.
- (4) 200,000 of such shares of Common Stock are issuable upon the exercise of options.
- (5) The options vest in accordance with the terms of the Inducement Stock Option Agreement, effective October 17, 2005 by and between the Company and Mr. Hagen; 25% vest on the first anniversary of the grant, with the remaining 75% vesting pro rata over the next 36 months.
- (6) The options were granted under the 2004 Stock Compensation Plan and vest as follows: (i) 25% of the options on the first anniversary of the grant date and (ii) the remaining 75% of the options in a series of thirty-six (36) equal monthly installments upon Mr. Hagen's completion of each month of service with the Company after the first anniversary of the grant date.

### Remarks:

On June 13, 2008, the Company effected a one-for-five reverse split of its common stock (the "Reverse Split"), as reported in

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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