

# QUALITY SYSTEMS INC

## FORM 8-K

(Current report filing)

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

**FORM 8-K**

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report  
(Date of earliest event reported)  
**September 20, 2006**

**QUALITY SYSTEMS, INC.**  
(Exact name of registrant as specified in its charter)

**CALIFORNIA**  
(State or other jurisdiction  
of incorporation)

**0-13801**  
(Commission File Number)

**95-2888568**  
(IRS Employer  
Identification Number)

**18191 Von Karman, Suite 450**  
**Irvine, California 92612**  
(Address of Principal Executive Offices)

**(949) 255-2600**  
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

- 1 -

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**Item 1.01 Entry into a Material Definitive Agreement.**

Upon election to the Board of Directors of Quality Systems, Inc. ("QSI") at its 2006 Annual Shareholders' Meeting, the directors of QSI were granted compensation packages as follows: All non-employee directors shall receive a retainer of \$30,000 per year plus a fee of \$2,000 per meeting of the Board attended. Directors who serve on a committee of the Board shall receive a fee of \$1,000 per committee meeting attended. In addition to the cash remuneration above, each newly elected and re-elected nonemployee director (Messrs. Fawzy, Hoffman, Hussein, Love, Pflueger, Plochocki, and Razin) shall receive 5,000 options to purchase Common Stock of the Company. The options shall be priced at the fair market value of the Company's Common Stock on the date of grant (\$39.81 per share on September 20, 2006), vest in four equal annual installments from the date of grant (subject to the Vesting Event set forth below), and expire seven years from the date of grant. Such options shall become fully vested at the at the conclusion of such director's term of service if the director is not re-elected to the Board except where such failure to re-elect the director is the result of (i) a voluntary withdrawal from Board service by such director or (ii) prior removal from the Board for cause under Section 304 of the California Corporations Code (together, the "Vesting Event").

**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

Effective September 20, 2006, QSI's Amended and Restated Bylaws were amended to change the number of directors authorized from eight to nine. This change became effective concurrently with the Board of Directors' election results at the 2006 Annual Meeting. A copy of the bylaw amendment is attached to this Form 8-K as Exhibit 3.1.

**Item 8.01 Other Events**

On September 20, 2006, QSI held its 2006 Annual Meeting. The total number of outstanding shares eligible to vote was 26,737,742. QSI stockholders were asked by QSI to consider and vote upon the following two proposals:

1. To elect nine persons, as set forth below, to serve as directors of QSI until the next annual meeting.
2. To ratify the appointment of Grant Thornton, LLP as independent public accountants of QSI for the fiscal year ending March 31, 2006.

-2-

The results of the vote were as follows:

<b><i>Proposal 1: Election of Directors</i></b>	<b><i>Name</i></b>	<b><u>For</u></b>	<b><u>Withheld</u></b>
	Patrick Cline	25,889,903	245,852
	Ibrahim Fawzy	25,819,267	316,488
	Edwin Hoffman	25,838,454	297,301
	Ahmed Hussein	25,332,194	803,561
	Vincent Love	25,900,353	235,402
	Russell Pflueger	25,843,946	291,809
	Steven Plochocki	25,896,046	239,709
	Sheldon Razin	21,485,944	4,649,811
	Louis Silverman	25,898,088	237,667

<b><i>Proposal 2: Ratification of Accountants</i></b>	<b><u>For</u></b>	<b><u>Against</u></b>	<b><u>Abstain</u></b>
	26,096,745	23,520	15,490

As a result, Messrs. Cline, Fawzy, Hoffman, Hussein, Pflueger, Love, Plochocki, Razin, and Silverman were elected to serve as directors. Also, proposal 2 was approved by QSI's shareholders.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
3.01	Action with Respect to Bylaws of QSI, certified by QSI's Secretary on September 20, 2006

-3-

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 21, 2006

QUALITY SYSTEMS, INC.

By: /s/ Paul Holt  
Paul Holt  
Chief Financial Officer

-4-

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**EXHIBITS ATTACHED TO THIS REPORT ON FORM 8-K**

<u>Exhibit Number</u>	<u>Description</u>
3.01	Action with Respect to Bylaws of QSI, certified by QSI's Secretary on September 20, 2006

-5-

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**ACTION WITH RESPECT TO BYLAWS**

At a meeting of the Board of Directors (“Board”) of Quality Systems, Inc., a California corporation (the “Corporation”), duly held on August 4, 2006, and in accordance with Article V, Section 8 of the Corporation’s Amended and Restated Bylaws (“Bylaws”), the Board approved an increase in the size of the Board from eight members to nine members. The increase became effective on September 20, 2006, upon election of the nine directors at the Corporation’s 2006 Annual Shareholders’ Meeting (the “Effective Time”).

Accordingly, the final sentence of Article III, Section 2 of the Bylaws has been revised so that as of the Effective Time, Article III, Section 2 of the Bylaws reads in its entirety as follows:

**Section 2. NUMBER OF DIRECTORS.**

The authorized number of directors shall be not less than five (5) nor more than nine (9) until changed by amendment of the Articles of Incorporation or by a Bylaw duly adopted by approval of the outstanding shares. The exact number of directors shall be fixed, within the limits specified, by amendment of the next sentence duly adopted either by the Board or the shareholders. The exact number of directors shall be nine (9) until changed as provided in this Section 2.

The remainder of the Corporation’s Bylaws remain in full force and effect.

**CERTIFICATE OF SECRETARY**

The undersigned certifies that:

- (1) The undersigned is the duly elected and acting Secretary of the Corporation; and
- (2) The foregoing Action with Respect to Bylaws (“Action”) describes an action taken with respect to the Corporation’s Bylaws, as duly adopted and approved at a meeting of the Board on August 4, 2006, to be effective as of the Effective Time specified in the Action.

IN WITNESS WHEREOF, I have hereunto subscribed my name on September 20, 2006.

/s/ PAUL HOLT  
Paul Holt, Secretary