SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 17, 1996

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

Delaware	0-13801	95-2888568
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

17822 E. 17th Street, Suite 210, Tustin, California 92680
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (714) 731-7171
Not Applicable
(Former name or former address, if changed since last report.)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On May 17, 1996, Quality Systems, Inc. ("QSI") acquired Clinitec International, Inc. ("Clinitec"), a Pennsylvania corporation, in a forward-triangular merger (the "Acquisition"). The Acquisition was achieved pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), dated May 16, 1996, by and among QSI, Clinitec, CII Acquisition Corporation ("Sub"), a California corporation and wholly-owned subsidiary of QSI, and certain principal shareholders of Clinitec (as indicated in the Merger Agreement). Pursuant to the Merger Agreement, Clinitec was merged with and into Sub, with Sub surviving as a wholly-owned subsidiary of QSI. In connection with the Acquisition, the shareholders of Clinitec (other than QSI) received an aggregate of 309,846 shares of QSI Common Stock and $4,896,000 in cash on a pro rata basis as set forth in the Merger Agreement. In determining the aggregate purchase price for Clinitec, QSI took into account the value of software companies of similar industry and size to Clinitec, comparable transactions, and the market for software companies generally.

In May 1995, QSI acquired a 25% ownership interest in Clinitec, and with the completion of the Acquisition acquired the remaining 75% of Clinitec that it did not own. The shareholders' vote of Clinitec unanimously approved the Acquisition. In addition, Sheldon Razin, an officer, director and shareholder of

QSI and a member of the Clinitec Board of Directors, abstained from the Clinitec Board's vote on the Acquisition.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of Business Acquired.

The annual audited financial statements of Clinitec International, Inc. ("Clinitec") prepared in accordance with Regulation S-B consisting of the balance sheet as of December 31, 1995 and the statements of operations, shareholders' equity and cash flows for the period from January 31, 1994 (inception) through December 31, 1994 and for the year ended December 31, 1995 together with the corresponding Independent Auditors' Report and Report of Independent Accountants are hereby incorporated by reference to the Registrant's Registation Statement on Form S-1, File No. 333-00161.

The unaudited financial statements of Clinitec prepared in accordance with Regulation S-B consisting of the balance sheet as of March 31, 1996 and the statements of operations and cash flows for the three months ended March 31, 1996 and 1995 filed with this report are listed in the Index to Financial Statements on page F-1 of this report.

(b) Pro Forma Financial Information.

The pro forma financial statements for the combined companies filed with this report are listed in the Index to Financial Statements on page F-1 of of this report.

(c) Exhibits

*2 Agreement and Plan of Merger, dated May 16, 1996, by and among Quality Systems, Inc., CII Acquisition Corporation, Clinitec International, Inc., and certain shareholders of Clinitec International, Inc. and certain exhibits.

10.1 Employement Agreement dated May 16, 1996 by and between CII Acquisition Corporation and Patrick Cline.

*99.1 Text of Press Release dated May 17, 1996.

* Incorporated herein by reference to the Registrant's Current Report on Form 8-K dated May 17, 1996 and filed May 30, 1996.

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: June 21, 1996

QUALITY SYSTEMS, INC.

/s/ Robert G. McGraw

Robert G. McGraw
Vice President,
Chief Financial Officer
(Principal Financial and
Accounting Officer)

Index to Financial Statements
To Current Report on Form 8-K/A

CLINITEC INTERNATIONAL, INC.

BALANCE SHEET

March 31, 1996

(in thousands)

A S S E T S

	1996
Current Assets:	
Cash and cash equivalents	$ 226
Receivables, net of allowance of $25--	
Trade	556
Affiliates	70
Prepaid expenses and other current assets	79
Total current assets	931
Equipment and Furniture, net of accumulated depreciation of $47	219
Capitalized Software Costs, net of accumulated amortization of $88	179
Deferred Tax Asset, net	128
Other Assets	11
Total assets	$ 1,468

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:	
Accounts payable and accrued expenses	$ 337
Accrued payroll	58
Deferred revenue	61
Deferred tax liability	29
Total current liabilities	485
Deferred Tax Liability	59
Commitments and Contingencies	
Shareholders' Equity:	
Convertible preferred stock, no par value; 1,000,000 shares authorized; 359,382 shares issued and outstanding	985
Common stock, no par value; 3,000,000 shares authorized; 1,078,250 shares issued and outstanding	941
Accumulated deficit	(1,002)
Total shareholders' equity	924
Total liabilities and shareholders' equity	$ 1,468

See Notes to Financial Statements.

CLINITEC INTERNATIONAL, INC.

STATEMENTS OF OPERATIONS

(in thousands)

	Three Months Ended March 31, 1996	Three Months Ended March 31, 1995
REVENUES	$ 1,313	$ 229
COST OF SALES-HARDWARE	588	108
Gross Profit	725	121
OPERATING EXPENSES:		
Payroll and Related Expenses	455	167
Selling, General and Administrative	223	97
Research and Development	92	10
	770	274
Loss from Operations	(45)	(153)
INTEREST INCOME	4	1
NET LOSS	$ (41)	$ (152)

See Notes to Financial Statements.

CLINITEC INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
(in thousands)

	Three Months Ended March 31, 1996	Three Months Ended March 31, 1995
Cash Flows from Operating Activities:		
Net loss	$ (41)	$ (152)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	34	12
Common stock issued for services	-	38
Changes in--		
Accounts receivable	(255)	(55)
Inventories	128	19
Other current assets	10	(8)
Accounts payable and accrued expenses	287	14
Customer deposits	(616)	56
Deferred revenue	26	-
Other	(8)	(14)
Net Cash Used In Operating Activities	(435)	(90)
Cash Flows from Investing Activities:		
Additions to equipment and furniture	(57)	(12)
Additions to capitalized software costs	-	(41)
Net Cash Used In Investing Activities	(57)	(53)
Cash Flows from Financing Activities:		
Proceeds from issuance of common stock	-	5
Proceeds from issuance of note payable to shareholder	-	50
Net Cash Provided By Financing Activities	-	55
Net Increase (Decrease) in Cash and Cash Equivalents	(492)	(88)
Cash and Cash Equivalents, beginning of period	718	112
Cash and Cash Equivalents, end of period	$ 226	$ 24

See Notes to Financial Statements.

CLINITEC INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 1996 (Unaudited)

1. BASIS OF PRESENTATION

The information set forth in these financial statements of Clinitec International, Inc. ("Clinitec") as of March 31, 1996 and for the three months ended March 31, 1996 and 1995 is unaudited. The information reflects all adjustments consisting only of normal recurring entries that, in the opinion of management, are necessary to present fairly the financial position and results of operations of Clinitec for the periods indicated. The results of operations for interim periods are not necessarily indicative of the results of operations for the respective full fiscal year or for any future period.

Certain information in footnote disclosures normally included in financial statements has been condensed or omitted, in accordance with the rules and regulations of the Securities and Exchange Commission.

The information contained in these interim financial statements should be read in conjunction with the audited financial statements of Clinitec contained in the Registrant's Registration Statement on Form S-1, File No. 333-00161, incorporated herein by reference.

QUALITY SYSTEMS, INC.
PRO FORMA CONSOLIDATED BALANCE SHEETS
As of March 31, 1996 (Unaudited)
(in thousands)

	QSI As of March 31, 1996	CLINITEC As of December 31, 1995	Pro Forma Adjustments (Note 2)		Pro Forma
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 27,872	$ 718	$(4,896)	a	$23,694
Short-term investments	1,072	-	-		1,072
Accounts receivable, net	4,751	371	-		5,122
Inventories	853	144	-		997
Other current assets	135	73	-		208
Total current assets	34,683	1,306	(4,896)		31,093
Equipment and Improvements, net	572	173	-		745
Capitalized Software Costs, net	599	202	-		801
Investment in Clinitec International, Inc.	976	-	11,790	a	-
			51	b	
			(11,852)	c	
			(965)	e	
Other Assets	442	138	830	c	1,410
Goodwill	-	-	3,054	c	3,054
Total assets	$ 37,272	$ 1,819	$ (1,988)		$ 37,103

See Notes to Pro Forma Consolidated Financial Statements.

QUALITY SYSTEMS, INC.
PRO FORMA CONSOLIDATED BALANCE SHEETS (Continued)
As of March 31, 1996 (Unaudited)
(in thousands)

	QSI As of March 31, 1996	CLINITEC As of December 31, 1995	Pro Forma Adjust-ments (Note 2)		Pro Forma
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities:					
Accounts payable	1,706	$ 50	$ -		$ 1,756
Deferred service revenue	1,031	35	-		1,066
Estimated costs to complete system installations	402	-	-		402
Customer deposits	-	616	-		616
Other current liabilities	1,348	94	-		1,442
Total current liabilities	4,487	795	-		5,282
Deferred Tax Liability	84	59	332	c	475
Commitments And Contingencies					
Shareholders' Equity:					
Preferred stock	-	985	(985)	e	-
Common stock	56	941	3	a	59
			(941)	e	
Additional paid-in capital	27,148	-	6,891	a	34,039
Unrealized loss on available-for-sale securities	(44)	-	-		(44)
Retained earnings (deficit)	5,541	(961)	(8,300)	c	(2,708)
			961	e	
			51	b	
Total shareholders' equity	32,701	965	(2,320)		31,346
Total liabilities and shareholders' equity	$ 37,272	$ 1,819	$ (1,988)		$ 37,103

See Notes to Pro Forma Consolidated Financial Statements.

QUALITY SYSTEMS, INC.
PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS
For the Year ended March 31, 1996 (Unaudited)
(in thousands, except per shares amounts)

	QSI Year Ended March 31, 1996	CLINITEC Year Ended December 31, 1995	Pro Forma Adjust- ments (Note 2)		Pro Forma
NET REVENUES:					
Sales of Computer Systems, Upgrades and Supplies	$ 9,623	$ 1,493	$ -		$ 11,116
Maintenance and Other Services	7,109	-	-		7,109
	16,732	1,493	-		18,225
COST OF PRODUCTS AND SERVICES	7,929	449	277	d	8,655
Gross Profit	8,803	1,044	(277)		9,570
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,897	1,399	305	d	5,601
RESEARCH AND DEVELOPMENT COSTS	1,567	150	-		1,717
Income (Loss) from Operations	3,339	(505)	(582)		2,252
INVESTMENT INCOME	533	17	-		550
EQUITY IN LOSS OF CLINITEC INTERNATIONAL, INC.	(51)	-	51	b	-
Income (Loss) before Income Tax Provision (Benefit)	3,821	(488)	(531)		2,802
INCOME TAX PROVISION (BENEFIT)	1,528	(40)	(111)	d	1,377
NET INCOME (LOSS)	$ 2,293	$ (448)	$ (420)		$ 1,425
NET INCOME PER SHARE	$0.48				$0.28
Weighted Average Shares Used in Calculation	4,788				5,098

See Notes to Pro Forma Consolidated Financial Statements.

QUALITY SYSTEMS, INC.
NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
March 31, 1996
(Unaudited)

1. UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

In May 1995, Quality Systems, Inc. ("QSI") acquired a 25% ownership interest in Clinitec International, Inc. ("Clinitec") through the purchase of 359,382 shares of Clinitec convertible preferred stock for $1.0 million in cash. On May 17, 1996, QSI acquired the remaining 75% of Clinitec by purchasing 100% of the outstanding shares of Clinitec common stock for $4.9 million in cash plus 309,846 shares of QSI Common Stock. For purposes of the acquisition, the shares were valued at $6.9 million, or $22.25 per share. The unaudited pro forma consolidated balance sheets and statements of operations give effect on a purchase accounting basis to the acquisition of Clinitec. The pro forma consolidated balance sheets as of March 31, 1996 have been prepared by consolidating the balance sheet of QSI as of March 31, 1996 with the balance sheet of Clinitec as of December 31, 1995. The pro forma consolidated statements of operations for the fiscal year ended March 31, 1996 are comprised of the results of QSI for the fiscal year ended March 31, 1996 and the results of Clinitec for the year ended December 31, 1995.

The pro forma consolidated balance sheets as of March 31, 1996 assume that the acquisition occurred on March 31, 1996. The pro forma consolidated statements of operations for the fiscal year ended March 31, 1996 assume that the acquisition occurred on April 1, 1995. The pro forma consolidated balance sheets and statements of operations do not purport to represent the results of operations or financial position of the Company had the transaction and events assumed therein occurred on the dates specified, nor are they necessarily indicative of the results of operations that may be achieved in the future. The pro forma adjustments are based on management's preliminary assumptions regarding purchase accounting adjustments. The actual allocation of the purchase price will be adjusted to the extent that actual amounts differ from management's estimates in accordance with FAS No. 38, "Accounting for Preacquisition Contingencies of Purchased Enterprises."

The pro forma consolidated financial information is based upon certain assumptions and adjustments described in the notes to the pro forma consolidated financial statements. The pro forma consolidated financial information should be read in conjunction with the historical financial statements, and related notes, of QSI contained in QSI's Annual Report on Form 10-KSB for the year ended March 31, 1996 and of Clinitec contained in QSI's Registration Statement on Form S-1, File No. 333-00161.

2. PRO FORMA ADJUSTMENTS

The following items describe the pro forma adjustments made to reflect the acquisition of Clinitec:

a) To reflect the acquisition of 100% of the outstanding shares of Clinitec common stock for $4.9 million in cash and $6.9 million in QSI Common Stock.

b) To reverse QSI's portion of Clinitec's net loss initially recorded using the equity accounting method due to the pro forma change to the consolidation method.

c) To record purchase accounting adjustments resulting from the acquisition of Clinitec based on an appraisal of the fair value of the net assets of Clinitec as follows:

QSI's investment, including $1.0 million for QSI's original 25% investment	$12,817
Clinitec's net assets	965
Excess of purchase price over net assets	$11,852
Allocated to:	
In-process research and development	$ 8,300
Intangible assets relating to existing technology of $830, net of $332 tax liability	498
Goodwill	3,054
	$11,852

d) To record amortization of and the corresponding tax benefit related to the existing purchased technology and goodwill based on the straight line method over three year and ten year useful lives, respectively.

e) To eliminate Clinitec's equity accounts and QSI's investment account.

f) In accordance with FASB Interpretation No. 4, the Company is required to write-off the $8.3 million in-process research and development acquired in the acquisition. This write-off will be reflected in the quarter ending June 30, 1996 and has not been reflected in the Pro Forma Consolidated Statements of Operations because it is a one-time non-recurring charge, but the write-off is reflected in the Pro Forma Consolidated Balance Sheets.

3. PRO FORMA WEIGHTED AVERAGE SHARES OUTSTANDING

Pro forma weighted average shares outstanding after the acquisition of Clinitec assumes as outstanding the 309,846 new shares issued by QSI to fund the $6.9 million portion of the purchase price paid with QSI Common Stock, valuing each QSI share at $22.25.

Index to Exhibit
To Current Report on Form 8-K/A

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is entered into effective as of May 16, 1996, by and between CII Acquisition Corporation, a California corporation ("Merger Sub") and Patrick Cline (the "Employee"), with reference to the following facts:

Recitals

A. Quality Systems, Inc., a California corporation ("QSI"), Merger Sub, Clinitec International, Inc., a Pennsylvania corporation ("Clinitec"), and certain principal shareholders of Clinitec have entered into that certain Agreement and Plan of Merger dated May 16, 1996 (the "Merger Agreement"), pursuant to which Clinitec shall merge (the "Merger") with and into Merger Sub, a wholly-owned subsidiary of QSI;

B. Merger Sub and the Employee desire to enter into an employment relationship pursuant to which the Employee will be employed by Merger Sub subsequent to the consummation of the Merger and will perform duties similar to those performed by the Employee for Clinitec prior to the consummation of the Merger;

C. As a condition to the closing of the Merger and concurrently herewith, the Employee, Merger Sub and QSI have entered into a Non-Competition and Non-Disclosure Agreement (the "Non-Competition Agreement") also effective as of May 16, 1996, pursuant to which the Employee has agreed to refrain from competing with Merger Sub and/or QSI or taking certain other actions as outlined in the Non-Competition Agreement; and

D. It is a condition to the closing of the Merger that Merger Sub and the Employee enter into this Agreement.

Agreement

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. Duties and Performance.

1.1 Employment and Performance. During the Term (as defined below), Merger Sub shall employ the Employee full-time and the Employee hereby accepts such employment. The parties acknowledge and agree that "full-time" shall have a meaning which is consistent with the meaning of such term in the industry in which the Company operates and shall include, if reasonably necessary, more than forty (40) hours per week. Employee shall devote all of his working hours and time to performing services for Merger Sub and shall not, during the Term hereof, hold any position with or perform any services for or on behalf of any other person in exchange for any form of remuneration whatsoever.

The Employee shall have duties and responsibilities as an employee of Merger Sub that are substantially similar to those performed by the Employee for Clinitec prior to the date hereof, subject to such reasonable changes as determined by the Board of Directors of Merger Sub and submitted in writing to Employee. Notwithstanding the preceding sentence, Employee shall have a senior executive position with Merger Sub, with such duties and responsibilities commensurate with those of senior executive officers with companies of similar size in the same industry. In addition, the Employee agrees to faithfully and diligently perform such reasonable duties and services.

1.2 Performance Location. If the principal business office of Merger Sub is moved or relocated to a new location which is outside of the twenty-five (25) mile radius of its location as of the Effective Date of this Agreement, then Employee shall be entitled to work from his principal place of residence so long as Employee does not relocate his principal place of residence outside of a twenty-five (25) mile radius of the Employee's principal place of residence as of the date of this Agreement.

2. No Conflict. The Employee covenants and represents that he is not a party to any agreement or understanding which impairs or prohibits his ability to enter into, and perform services under, this Agreement.

3. Term. The Employee shall be employed by Merger Sub on a full-time basis for a term of three (3) years (the "Term"), commencing on the Closing Date (as such term is defined in the Merger Agreement); subject, however, to earlier termination as hereinafter provided. The Term shall terminate upon the Employee's death or Total Disability. For purposes of this Agreement, "Total Disability" shall mean the Employee's disability for a continuous period of one hundred twenty (120) days, if such disability prevents him from performing his duties for Merger Sub. Upon (i) the expiration of the Term or (ii) upon Employee's early, voluntary termination of this Agreement, the Employee shall, on a good faith basis, attempt to be available to consult with Merger Sub or QSI regarding Merger Sub's and/or QSI's products, and the payment for such services shall be mutually agreeable to the Employee and Merger Sub. The immediately preceding sentence shall survive the termination or expiration of this Agreement.

4. Compensation.

4.1 Annual Compensation. Subject to the limitations set forth in Section 4.2 below, Employee shall receive the following compensation:

(i) Base Salary. Employee shall receive a base annual salary of One Hundred Fifty-Three Thousand Dollars ($153,000) (the "Base Salary") payable in installments on such dates consistent with Merger Sub's payroll procedures;

(ii) Additional Compensation. Employee shall be entitled to commission and bonuses (collectively "Additional Compensation") computed upon such formula and payable at such times as set forth in Schedule A hereto; and

(iii) For purposes of this Agreement, the following terms shall have the meanings indicated below:

(a) The term "non-QSI Revenues" shall mean total revenues of Merger Sub (following consummation of the Merger) less revenues generated from sales to QSI.

(b) The term "QSI Contribution" shall mean total revenues of Merger Sub (following consummation of the Merger) generated from sales to QSI, less aggregate sales commissions paid on such sales to Merger Sub's sales representatives.

4.2 Maximum Annual Compensation. Subject to Section 5.2 hereof, during the Term, the Employee's total annual compensation hereunder (including, without limitation, Base Salary and any Additional Compensation) shall be capped for each successive fiscal year under the Term hereof as follows (hereinafter, as to the maximum annual compensation for each fiscal year, a "Cap"):

(i) for the fiscal year ending March 31, 1997: $250,000 (the aggregate compensation received from Clinitec by Employee from April 1, 1996 through consummation of the Merger is deemed to have been paid by Merger Sub for purposes of computing the Employee's total annual compensation paid for the fiscal year ending March 31, 1997);

(ii) for the fiscal year ending March 31, 1998: $275,000; and

(iii) for the fiscal year ending March 31, 1999: $302,000

Notwithstanding the preceding fiscal year Caps on annual compensation, the compensation limits applicable to the fiscal years 1998 and 1999 shall be subject to the criteria set forth in Schedule B hereto. Merger Sub will be entitled to offset against any future amounts owed to Employee payments made to Employee in excess of the Caps described above.

4.3 Employee Benefits. Employee shall be entitled to participate, subject to the provisions, rules and regulations applicable thereto, including provisions empowering the Board of Directors of Merger Sub to modify and/or terminate any such plan or programs, in all Merger Sub employee benefit plans or programs (including vacation time, sick leave and holidays) in accordance with the terms and conditions thereof. The benefit plans or programs made available to Employee shall be commensurate with those plans or programs made available to employees of QSI with similar positions and duties.

4.4 Expenses. In accordance with Merger Sub's policies established from time to time, Merger Sub will pay or reimburse the Employee for all reasonable and necessary out-of-pocket expenses incurred by him in the performance of his duties under this Agreement, subject to the prior authorization thereof or subsequent presentment of appropriate receipts and vouchers therefor.

5. Termination.

5.1 Termination by the Merger Sub for Cause. At any time, at its sole option, Merger Sub shall have the right to immediately terminate the Employee's employment hereunder by written notice to the Employee upon any of the following occurrences:

(i) the Employee's conviction of a felony or other serious crime;

(ii) the Employee's gross negligence or willful misconduct which results in material injury to QSI and/or Merger Sub;

(iii) the Employee's willful dishonesty towards, fraud upon, or deliberate injury or attempted injury to, QSI and/or Merger Sub;

(iv) a material breach by the Employee of any of the terms or conditions of (A) this Agreement or (B) the Non-Competition Agreement; provided, that Merger Sub shall not be permitted to terminate the Employee's employment pursuant to (A) above without at least thirty (30) days prior written notice specifying the breach and permitting the Employee a reasonable opportunity to cure such breach;

(v) If Employee materially fails to perform the reasonably assigned duties hereunder; provided that Employee shall be provided with at least thirty (30) days prior written notice specifying such failure and permitting Employee a reasonable opportunity to cure such failure;

(vi) in the event that Merger Sub's income from operations as determined in accordance with generally accepted accounting principles applied on a consistent basis ("Income from Operations") excluding the QSI Contribution is not at least Seven Hundred Fifty Thousand Dollars ($750,000) for the fiscal year ending March 31, 1997; or

(vii) in the event that Merger Sub does not attain a minimum increase of fifteen percent (15%) in Income from Operations excluding the QSI Contribution for the fiscal year ending March 31, 1998 as compared to the corresponding amount for the fiscal year ending March 31, 1997.

5.2 Voluntary Termination by the Employee; Payments Upon Voluntary Termination or Termination for Cause. The Employee shall have the right to voluntarily terminate his employment hereunder at any time upon fifteen (15) business days prior written notice to Merger Sub. In the event that the Employee voluntarily terminates his employment hereunder (which shall not include termination due to death or Total Disability of the Employee or the Employee's termination of this Agreement pursuant to Section 5.3 due to the breach of this Agreement by Merger Sub), or this Agreement is terminated pursuant to Section 5.1 above, Merger Sub shall pay the Employee's Base Salary and provide other compensation and benefits through the date of such termination only and shall have no responsibility for the payment of Employee's Base Salary or any other compensation or benefits to the Employee for any time period subsequent to such termination. Nothing herein shall affect Merger Sub's obligation to provide benefits as required by COBRA or any other applicable federal or state law.

5.3 Termination by the Employee for Breach; Termination by Merger Sub Without Cause; Payments Upon Such Termination. The Employee shall have the right to terminate his employment hereunder upon a material breach by Merger Sub of any of the terms or conditions of this Agreement; provided, that the Employee shall not be permitted to terminate his employment pursuant to this Section 5.3 without providing Merger Sub at least thirty (30) days prior written notice specifying the breach and permitting Merger Sub a reasonable opportunity to cure such breach. Notwithstanding the preceding sentence, if the breach by Merger Sub results from its failure to timely pay Employee's Base Salary, Employee may terminate his employment pursuant to this Section 5.3 upon providing Merger Sub with at least five (5) business days prior written notice and reasonable opportunity to cure such breach. In addition, Merger Sub may terminate this Agreement upon fifteen (15) business days prior written notice "without cause" (i.e., without reason or for any reason other than pursuant to Section 5.1 above). If Merger Sub exercises its rights pursuant to this Section 5.3, Merger Sub shall pay to the Employee, as his sole and exclusive remedy, (i) the Base Salary, (ii) Additional Compensation and (iii) any and all employee benefits (including health insurance) that the Employee would have received had he remained in the employ of Merger Sub through the end of the Term. If Employee exercises his rights pursuant to this Section 5.3, Merger Sub shall pay to Employee, as his sole and exclusive remedy, items (i) and (iii) in the preceding sentence that he would have received had he remained in the employ of Merger Sub through the end of the Term. Any amounts payable under this paragraph shall be paid according to the same schedule as would have applied if the Employee had remained in the employ of Merger Sub.

6. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Merger Sub, and, unless clearly inapplicable, all references herein to Merger Sub shall be deemed to include any such successor. In addition, this Agreement shall be binding upon and inure to the benefit of the Employee and his heirs, executors, legal representatives and assigns; provided, that this Agreement and any provision hereunder shall not be assigned, transferred or delegated by Employee without the prior written approval of the Board of Directors of Merger Sub.

7. Entire Agreement; Waivers. This Agreement and the Non-Competition Agreement constitute the entire agreement between the parties with respect to the subject matter hereof. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all parties. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

8. Severability. All provisions contained herein are severable and in the event that any of them shall be held to be to any extent invalid or otherwise unenforceable by any court of competent jurisdiction, such provision shall be construed as if it were written so as to effectuate to the greatest possible extent the parties' expressed intent; and in every case the remainder of this Agreement shall not be affected thereby and shall remain valid and enforceable, as if such affected provision were not contained herein.

9. Notices. All notices, requests, demands, and other communications provided for hereunder shall be in writing and shall be deemed to have been duly given upon receipt if (i) delivered in person; (ii) given by facsimile; (iii) sent by Federal Express or other nationally recognized overnight delivery service, charges paid by the sender, or (iv) upon the earlier of receipt or five (5) business days after being sent by registered or certified mail, return receipt requested, with proper postage prepaid, as follows:

To the Employee at: Patrick Cline
Clinitec International, Inc.
Cedar Creek Corporate Center
195A Witmer Road
Horsham, PA 19044
Facsimile No. (215) 957-5493

With a copy to: Buchanan Ingersoll
500 College Road East
Princeton Forrestal Center
Princeton, NJ 08540-6615
Attn: William J. Thomas, Esq.
Facsimile No. (609) 520-0360

To the Company at: Quality Systems, Inc.
17822 East 17th Street
Suite 210
Tustin, CA 92680
Attn: Sheldon Razin, Chief Executive Officer
Facsimile No. (714) 731-9494

With a copy to: Brobeck, Phleger & Harrison LLP
4675 MacArthur Court, Suite 1000
Newport Beach, CA 92660
Attn: Bruce R. Hallett, Esq.
Facsimile No. (714) 752-7522

10. Applicable Law. The terms of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania applicable to agreements entered into, to be wholly performed in and among residents exclusively of, Pennsylvania, without regard to the conflicts of law provisions thereof.

11. Termination of Other Agreements. Upon the effective date of this Agreement, all other employment, severance or other similar agreements between the Employee and Clinitec and/or any affiliate, subsidiary or parent company of Clinitec, if any, shall immediately terminate and be of no further force and effect and no payments or other provisions regarding benefits or payment of any other amounts shall be made thereunder, notwithstanding any provision to the contrary set forth therein.

12. Liquidated Damages. Employee acknowledges and agrees that his employment by Merger Sub is necessary to maintain the goodwill of Clinitec's business as operated by Merger Sub following the Merger, and that this Agreement is a condition to consummation of the Merger by QSI and Merger Sub. Employee, Merger Sub and QSI acknowledge and agree that the business of Clinitec, as operated by Merger Sub subsequent to the Merger, will suffer loss of business relations and other goodwill if (A) Employee resigns or voluntarily terminates this Agreement prior to its expiration or (B) this Agreement is terminated for cause under Section 5.1 (except for subsections (vi) and (vii) thereof), and that it will be extremely difficult to ascertain or quantify the actual amount of damages or loss suffered by QSI or Merger Sub as a result of such resignation or termination. Accordingly, Employee agrees to pay to Merger Sub as liquidated damages the amounts as specified below if (X) Employee terminates this Agreement prior to the expiration of its Term for any reason other than pursuant to and in accordance with the provisions of Section 5.3 for breach of this Agreement by Merger Sub or (Y) Merger Sub terminates this Agreement for cause under Section 5.1 (except for subsections (vi) and (vii) thereof) prior to the expiration of its Term. Employee shall be entitled to pay up to one-half (1/2) of a required liquidated damages payment in QSI Stock (to the extent Employee owns sufficient amounts of QSI Stock) valued at the average of the closing trading price for QSI Stock over the twenty (20) day period ending on the termination date.

Liquidated Damages

(i) $2.0 Million if terminated during the first year of the Term;

(ii) $1.5 Million if terminated during the second year of the Term; and

(iii) $1.0 million if terminated during the third year of the Term.

13. Obligations of QSI. As inducement for Employee to enter into this Agreement with Merger Sub, QSI guarantees the full and prompt performance of each of Merger Sub's duties and obligations hereunder.

14. Assignment of Inventions. All inventions, computer programs and associated documentation, whether or not patentable, made or conceived solely or jointly by Employee during the period of Employee's employment hereunder, which relate in any manner to the actual or anticipated business, including research and development, of QSI, Merger Sub or any of their affiliates (collectively, the "Company") or are suggested by or result from work assigned to Employee or work performed by Employee, shall be the property of the Company. By executing this Agreement, Employee agrees as follows:

(i) Employee will promptly and fully disclose in writing to the Company all such inventions, computer programs and associated documentation.

(ii) Employee will cooperate with the Company in all proper ways to protect the Company's rights therein, including the execution of papers deemed by the Company to be desirable or necessary to enable the Company to apply for, secure, and maintain patent or copyright protection thereon in the United States and in foreign countries.

[Signature Pages to Follow]

Counterpart Signature Page to Employment Agreement

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CII ACQUISITION CORPORATION

By: /s/ Sheldon Razin

Its: Chief Executive Officer

QUALITY SYSTEMS, INC.

By: /s/ Sheldon Razin

Its: President

EMPLOYEE

By: /s/ Patrick Cline

Patrick Cline