ELOYALTY CORP

Form 4

February 29, 2008

FORM 4

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

SECURITIES

OMB 3235-0287

Check this box STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF Number: January 31, Expires: 2005

OMB APPROVAL

if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

Estimated average burden hours per response... 0.5

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 See Instruction

1(b).

Common

Stock

(Print or Type Responses)

1. Name and Ad GAITHER JA		orting Person *	2. Issuer Name and Ticker or Trading Symbol ELOYALTY CORP [ELOY]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)				
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check all applicable)				
755 PAGE MILL ROAD, SUITE A-200			(Month/Day/Year) 02/27/2008	DirectorX 10% Owner Officer (give title below) Other (specify below)				
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check				
			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting				
PALO ALTO), CA 9430	41005		Person				

(City)	(State)	(Zip) Tal	ole I - Non-	-Derivativ	e Sec	urities Acqu	ired, Disposed o	f, or Benefici	ally Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired (A) Transaction Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)			5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	(A) or (D)	Price	Transaction(s) (Instr. 3 and 4)	(Instr. 4)	By Ltd
Common Stock	02/27/2008		P	3,604	A	10.3223 (1)	739,519	I	Partnership (SHV) (2)
Common Stock							8,380	D	D., I.A.
Common Stock							5,853	I	By Ltd Partnership (SHAI) (3)

(SHAI) (3)

Partnership

(SHQP) (4)

By Ltd

14,847

Ι

Edgar Filing: ELOYALTY CORP - Form 4

Common Stock 1,888 I By Ltd Partnership $(TAL)^{(5)}$

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474

(9-02)

9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr

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. Transact Code (Instr. 8)	5. tiorNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		ate	Secur	ınt of rlying	8. Price of Derivative Security (Instr. 5)	
				Code V	/ (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

GAITHER JAMES C 755 PAGE MILL ROAD, SUITE A-200 X

PALO ALTO, CA 943041005

Signatures

By: Robert Yin, by power of attorney 02/29/2008

**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) This represents the weighted average sales price.
- Shares held by Sutter Hill Ventures, A California Limited Partnership. The reporting person is a Managing Director of the General

 (2) Partner of Sutter Hill Ventures, A California Limited Partnership. The reporting person disclaims beneficial ownership in these shares except as to the reporting person's pecuniary interest in the partnership.

Reporting Owners 2

Edgar Filing: ELOYALTY CORP - Form 4

- Shares held by Sutter Hill Entrepreneurs Fund (AI), L.P. The reporting person is a Managing Director of the General Partner of Sutter

 (3) Hill Entrepreneurs Fund (AI), L.P. The reporting person disclaims beneficial ownership in these shares except as to the reporting person's pecuniary interest in the partnership.
- Shares held by Sutter Hill Entrepreneurs Fund (QP), L.P. The reporting person is a Managing Director of the General Partner of Sutter

 (4) Hill Entrepreneurs Fund (QP), L.P. The reporting person disclaims beneficial ownership in these shares except as to the reporting person's pecuniary interest in the partnership.
- (5) Shares held by a limited partnership of which the reporting person is the General Partner. The reporting person disclaims beneficial ownership in these shares except as to the reporting person's pecuniary interest in the partnership.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.