

ELOYALTY CORP  
Form 4  
May 15, 2007

**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 \*  
**BOLTON KAREN**

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)  
**150 FIELD DRIVE, SUITE 250**

3. Date of Earliest Transaction (Month/Day/Year)  
**05/11/2007**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**VP, Client Services**

(Street)  
**LAKE FOREST, IL 60045**

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 (A) or (D) Price			
Common Stock	05/11/2007		A	602 <sup>(1)</sup> A \$ 24.93	56,653	D	
Common Stock	05/11/2007		F	161 <sup>(2)</sup> D \$ 24.93	56,492	D	
Common Stock	05/14/2007		S	2,552 D \$ 24.18	53,940	D	
Common Stock	05/14/2007		S	2,000 D \$ 24.08	51,940	D	
Common Stock	05/14/2007		S	1,000 D \$ 24.05	50,940	D	

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Common Stock	05/14/2007	S	2,000	D	\$ 24.12	48,940	D
Common Stock	05/14/2007	S	448	D	\$ 24.1	48,492	D

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)

**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)	9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director    10% Owner    Officer    Other

BOLTON KAREN  
150 FIELD DRIVE  
SUITE 250  
LAKE FOREST, IL 60045

VP, Client Services

## Signatures

Steven H. Shapiro,  
Attorney-in-fact

05/15/2007

\*\*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) Represents Common Stock awarded to the employee. The stock was issued under the eLoyalty Corporation 2006/2007 Salary Replacement Program approved by the Compensation Committee in accordance with Rule 16b-3 and the 1999 Stock Incentive Plan.

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- Disposition of shares to the issuer in the form of share withholding pursuant to the eLoyalty Corporation 2006/2007 Salary Replacement
- (2) Program and the 1999 Stock Incentive Plan to satisfy tax withholding obligations. The disposition was approved by the Compensation Committee in accordance with Rule 16b-3.

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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