

ELOYALTY CORP  
Form 4  
May 15, 2007

**FORM 4**

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

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

## OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**BOLTON KAREN**

(Last) (First) (Middle)

150 FIELD DRIVE, SUITE 250

(Street)

LAKE FOREST, IL 60045

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol  
**ELOYALTY CORP [ELOY]**

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

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

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_X\_ Officer (give title below) \_\_\_\_ Other (specify  
below)

VP, Client Services

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

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------|
|                                       |                                         |                                                             | Code                                 | V                                                                       | Amount<br>(A)<br>or<br>(D)                                                                                         | Price                                                                |                                         |
| Common<br>Stock                       | 05/11/2007                              |                                                             | A                                    |                                                                         | 602 <sup>(1)</sup>                                                                                                 | A \$<br>24.93                                                        | 56,653 D                                |
| Common<br>Stock                       | 05/11/2007                              |                                                             | F                                    |                                                                         | 161 <sup>(2)</sup>                                                                                                 | D \$<br>24.93                                                        | 56,492 D                                |
| Common<br>Stock                       | 05/14/2007                              |                                                             | S                                    |                                                                         | 2,552                                                                                                              | D \$<br>24.18                                                        | 53,940 D                                |
| Common<br>Stock                       | 05/14/2007                              |                                                             | S                                    |                                                                         | 2,000                                                                                                              | D \$<br>24.08                                                        | 51,940 D                                |
| Common<br>Stock                       | 05/14/2007                              |                                                             | S                                    |                                                                         | 1,000                                                                                                              | D \$<br>24.05                                                        | 50,940 D                                |

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|                 |            |   |       |   |             |        |   |
|-----------------|------------|---|-------|---|-------------|--------|---|
| Common<br>Stock | 05/14/2007 | S | 2,000 | D | \$<br>24.12 | 48,940 | D |
| Common<br>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<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and<br>Amount of<br>Underlying<br>Securities<br>(Instr. 3 and 4) | 8. Price of<br>Derivative<br>Security<br>(Instr. 5) | 9. Nu<br>Deriv<br>Secur<br>Bene<br>Own<br>Follo<br>Repor<br>Trans<br>(Instr |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------|
|                                                     |                                                                    |                                         |                                                             | Code                                 | V (A) (D)                                                                                                          | Date<br>Exercisable                                            | Expiration<br>Date                                                        | Title                                               | Amount<br>or<br>Number<br>of<br>Shares                                      |

## Reporting Owners

| Reporting Owner Name / Address                                        | Relationships                                           |
|-----------------------------------------------------------------------|---------------------------------------------------------|
| BOLTON KAREN<br>150 FIELD DRIVE<br>SUITE 250<br>LAKE FOREST, IL 60045 | Director 10% Owner Officer Other<br>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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