

ELOYALTY CORP
Form 4
April 17, 2008

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 *
**PENINSULA MASTER FUND,
LTD**

(Last) (First) (Middle)

**C/O PENINSULA CAPITAL
MANAGEMENT, LP, 235 PINE
STREET, SUITE 1600**

(Street)

SAN FRANCISCO, CA 94104

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
04/14/2008

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____X____ 10% Owner
____ Officer (give title below) ____ Other (specify below)

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

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 Indirect Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	04/14/2008		P		6,929	A	\$ 7.9634	690,220 ⁽¹⁾	D
Common Stock	04/14/2008		P		6,929	A	\$ 7.9634	690,220 ⁽²⁾	I
Common Stock	04/15/2008		P		4,467	A	\$ 7.9624	694,687 ⁽¹⁾	D
Common Stock	04/15/2008		P		4,467	A	\$ 7.9624	694,687 ⁽²⁾	I

By
Peninsula
Master
Fund, Ltd.

By
Peninsula

Master
Fund, Ltd.Common
Stock550,000 ⁽³⁾ IFootnote
(3)

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.

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(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 Beneficially Owned Following Reported 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
PENINSULA MASTER FUND, LTD C/O PENINSULA CAPITAL MANAGEMENT, LP 235 PINE STREET, SUITE 1600 SAN FRANCISCO, CA 94104		X		
PENINSULA CAPITAL MANAGEMENT, LP 235 PINE STREET SUITE 1600 SAN FRANCISCO, CA 94104		X		
BEDFORD SCOTT 235 PINE STREET SUITE 1600 SAN FRANCISCO, CA 94104		X		

Signatures

Peninsula Master Fund, Ltd. (+), By: Peninsula Capital Management, LP, By: /s/ Scott Bedford	04/17/2008
__Signature of Reporting Person	Date
Peninsula Capital Management, LP (+), By: /s/ Scott Bedford	04/17/2008
__Signature of Reporting Person	Date
/s/ Scott Bedford (+)	04/17/2008
__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) These securities are owned by Peninsula Master Fund, Ltd., which is a Reporting Person.
- (2) These securities may be deemed to be beneficially owned by Peninsula Capital Management, LP, the investment manager of Peninsula Master Fund, Ltd., and Scott Bedford, the President of Peninsula Capital Management LP's general partner.
These securities may be deemed to be beneficially owned by Peninsula Capital Management, LP, the general partner and/or investment manager of certain private investment funds which own such securities and Scott Bedford, the President of Peninsula Capital Management LP's general partner.
- (3) manager of certain private investment funds which own such securities and Scott Bedford, the President of Peninsula Capital Management LP's general partner.

Remarks:

(+) Each of the Reporting Persons disclaim beneficial ownership of the reported securities except to the extent of its or his pecuniary interest therein and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended or for any other purpose. The Reporting Persons affirmatively disclaim being a "group" for purposes of Section 16 of the Securities Exchange Act of 1934, as amended.

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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