

ELOYALTY CORP
Form 4
May 27, 2008

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 *
SANDS GREGORY P

(Last) (First) (Middle)

755 PAGE MILL ROAD, SUITE A-200

(Street)

PALO ALTO, CA 943041005

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
05/22/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing (Check Applicable Line)

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 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 (D) Price			
Common Stock	05/22/2008		P	1,500 A \$ 6.56 (1)	809,510	I	By Ltd Partnership (SHV) (2)
Common Stock	05/23/2008		P	41,834 A \$ 7.0292 (1)	851,344	I	By Ltd Partnership (SHV) (2)
Common Stock	05/23/2008		P	837 A \$ 7.0292 (1)	13,069	I	By Trust (Trustees) (3)
Common Stock					5,853	I	By Ltd Partnership

Common Stock	14,847	I	(SHAI) ⁽⁴⁾ By Ltd Partnership (SHQP) ⁽⁵⁾
Common Stock	819	I	By Profit Sharing Plan Trust ⁽⁶⁾
Common Stock	3,856	I	By Trust (CRT) ⁽⁷⁾

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

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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
SANDS GREGORY P 755 PAGE MILL ROAD, SUITE A-200 PALO ALTO, CA 943041005		X		

Signatures

By: Robert Yin, by power of attorney
05/27/2008

__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 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.

(3) Shares held by a trust of which the reporting person is a trustee. The reporting person disclaims beneficial ownership in these shares except as to the reporting person's pecuniary interest in the trust.

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

(4) 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

(5) 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.

(6) Shares held by SHV Profit Sharing Plan, a retirement trust, for the benefit of the reporting person.

(7) Shares held by a charitable remainder unitrust of which the reporting person is the trustee. The reporting person disclaims beneficial ownership in these shares except as to the reporting person's pecuniary interest in the trust.

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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