## Edgar Filing: GAITHER JAMES C - Form 4

GAITHER . Form 4	JAMES C											
August 23, 2	2007								<b></b>			
FORM	<b>14</b> UNITED	STATES	SECUI	RITIES A	ND EX	СНА	NGE	COMMISSIO		APPROVAL		
				shington,				0000000	Number:	3235-0287		
Check th if no lon subject t Section Form 4 d	ger <b>STATEN</b> 16.											
Form 5 obligation may con <i>See</i> Instru- 1(b).	tinue. Section 17	a) of the	Public U		ding Coi	mpan	y Act o	ge Act of 1934 of 1935 or Sect 940		e 0.5		
(Print or Type	Responses)											
1. Name and Address of Reporting Person <u>*</u> GAITHER JAMES C			2. Issuer Name <b>and</b> Ticker or Trading Symbol ELOYALTY CORP [ELOY]					5. Relationship of Reporting Person(s) to Issuer				
(Last)	(First) (I	(Middle) 3. Date of Earliest Transaction (Ch						neck all applicable)				
755 PAGE A-200	MILL ROAD, SU	JITE	(Month/I 08/21/2	Day/Year) 2007				Director Officer (gi below)	ve titleC below)	10% Owner Other (specify		
	(Street)		4. If Amendment, Date Original 6.					6. Individual or	6. Individual or Joint/Group Filing(Check			
PALO ALT	TO, CA 94304100	5	Filed(Mo	nth/Day/Yea	r)			Applicable Line) _X_ Form filed b Form filed by Person	y One Reporting More than One			
(City)	(State)	(Zip)	Tab	le I - Non-I	Derivative	Secu	rities Ac	quired, Disposed	of, or Benefic	ially Owned		
1.Title of Security (Instr. 3)	any		ned n Date, if Day/Year)	3. 4. Securities Acquire Transactior(A) or Disposed of Code (D) (Instr. 8) (Instr. 3, 4 and 5) (A) or Code V Amount (D) Pric		d of	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	Ownership			
Common (1)	08/21/2007			P	200	A	\$ 15.5	1,562,153 <u>(1)</u>	Ι	By Shares Held By Ltd Partnership (SHV) <sup>(2)</sup>		
Common (3)								18,472 <u>(3)</u>	D			
Common (4)								14,707 <u>(4)</u>	Ι	By Shares Held By Ltd Partnership (SHAI) (5)		
Common								37,265 <u>(6)</u>	Ι	By Shares		

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<u>(6)</u>							Held I Partne (SHQ	<b>^</b>					
Common		417 I					By Shares Held By Ltd Partnership (TAL) (8)						
Reminder: Report on a separate line for each class of	f securities benefic	Person informa require	s who res ation con d to resp vs a curre	or indirectly. spond to the tained in this ond unless t ntly valid Of	s form are the form	not	SEC 14 (9-0						
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned         (e.g., puts, calls, warrants, options, convertible securities)													
Security or Exercise any	ecution Date, if	4. Transactio 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. Titl Amou Under Securi (Instr.	nt of lying	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secu Bene Own Follo Repo Trans (Instr				
		Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares						
Reporting Owners													
	R	elationshij	ps										
<b>Reporting Owner Name / Address</b>	Director 10% Owner Officer Other												
GAITHER JAMES C 755 PAGE MILL ROAD, SUITE A-200 PALO ALTO, CA 943041005		Х											
Signatures													
By: Robert Yin, by power of attorney	08/23/2007												
**Signature of Reporting Person													

## **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) Includes 938,952 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.

Shares held by Sutter Hill Ventures, A California Limited Partnership. The reporting person is a Managing Director of the General
 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) Includes 10,092 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.
- (4) Includes 8,854 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock

Shares held by Sutter Hill Entrepreneurs Fund (AI), L.P. The reporting person is a Managing Director of the General Partner of Sutter
(5) 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.

(6) Includes 22,418 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock

Shares held by Sutter Hill Entrepreneurs Fund (QP), L.P. The reporting person is a Managing Director of the General Partner of Sutter
(7) 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.

(8) 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.