

ELOYALTY CORP  
Form 4  
August 17, 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

OMB  
Number: 3235-0287  
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2005  
Estimated average  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**BAKER G LEONARD JR**

(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)  
**08/15/2007**

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)  
\_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 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)
Common (1)	08/15/2007		P	276 A \$ 14.1	29,238 (1)	I	By Trust (Trustees) (2)
Common (3)	08/15/2007		P	276 A \$ 14.1	78,041 (3)	I	By Shares Held By Ltd Partnership (SND) (4)
Common (5)	08/15/2007		P	18,668 A \$ 14.1	1,549,407 (5)	I	By Shares Held By Ltd Partnership

Common (1)	08/16/2007	P	93	A	\$ 12.8801 (7)	29,331 (1)	I	(SHV) (6) By Trust (Trustees) (2)
Common (5)	08/16/2007	P	6,273	A	\$ 12.8801 (7)	1,555,680 (5)	I	By Shares Held By Ltd Partnership (SHV) (6)
Common (3)	08/16/2007	P	93	A	\$ 12.8801 (7)	78,134 (3)	I	By Shares Held By Ltd Partnership (SND) (4)
Common (1)	08/17/2007	P	93	A	\$ 13.4006 (7)	29,424 (1)	I	By Trust (Trustees) (2)
Common (5)	08/17/2007	P	6,273	A	\$ 13.4006 (7)	1,561,953 (5)	I	By Shares Held By Ltd Partnership (SHV) (6)
Common (3)	08/17/2007	P	93	A	\$ 13.4006 (7)	78,227 (3)	I	By Shares Held By Ltd Partnership (SND) (4)
Common (8)						14,707 (8)	I	By Shares Held By Ltd Partnership (SHAI) (9)
Common (10)						37,265 (10)	I	By Shares Held By Ltd Partnership (SHQP) (11)

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)

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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. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				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
BAKER G LEONARD JR 755 PAGE MILL ROAD, SUITE A-200 PALO ALTO, CA 943041005	X

## Signatures

By: Robert Yin, by power of attorney 08/17/2007

\_\_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) Includes 8,072 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.
- (2) 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.
- (3) Includes 59,103 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.
- (4) Shares held by a limited partnership of which the reporting person is a General Partner. The reporting person disclaims beneficial ownership in these shares except as to the reporting person's pecuniary interest in the partnership.
- (5) Includes 938,952 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.
- (6) 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.
- (7) This represents the weighted average sales price.
- (8) Includes 8,854 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.
- (9) Shares held by Sutter Hill Entrepreneurs Fund (AI), L.P. The reporting person is a Managing Director of the General Partner of Sutter 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.
- (10) Includes 22,418 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.

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Shares held by Sutter Hill Entrepreneurs Fund (QP), L.P. The reporting person is a Managing Director of the General Partner of Sutter  
**(11)** 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.

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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