BIRD JEFFREY W

Form 4

December 17, 2004

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

OMB APPROVAL

3235-0287

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may continue.

See Instruction

Check this box

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * **BIRD JEFFREY W**

755 PAGE MILL ROAD, SUITE

(Street)

(State)

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

(Last)

(First)

(Middle)

(Zin)

ELOYALTY CORP [ELOY]

below)

(Check all applicable)

(City)

3. Date of Earliest Transaction

_X__ 10% Owner Officer (give title _ Other (specify

(Month/Day/Year) 12/15/2004

A-200

4. If Amendment, Date Original

Director

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

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

PALO ALTO, CA 943041005

(City)	(State)	(Zip) Tabl	e I - Non-D	Perivative S	Securi	ties Ac	quired, Disposed	of, or Benefici	ally Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year) 2A. Deemed Execution Date, if any (Month/Day/Year)		Transaction(A) or Disposed of Code (D) (Instr. 8) (Instr. 3, 4 and 5) (A)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
Common (1)	12/15/2004		P	64,986 (2)	A	\$ 6	1,313,054 (1)	I	By Shares Held By Ltd Partnership (SHV) (3)
Common (4)	12/15/2004		P	1,341 (2)	A	\$6	4,600 (4)	I	By Trust (Trustees) (5)
Common (6)							322,078 (6)	I	By Shares Held By Ltd Partnership (SHA) (7)
Common							12,622 (8)	I	By Shares

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

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SEC 1474 (9-02)

> 9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr

(SHQP) (11)

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. Transactio Code (Instr. 8)	5. orNumber of Derivativ Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			Amor Unde Secur	le and ant of rlying rities . 3 and 4)	8. Price of Derivative Security (Instr. 5)
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	

Reporting Owners

**Signature of Reporting Person

Reporting Owner Name / Address	Relationships						
reporting Owner Name, Mariess	Director	10% Owner	Officer	Other			
BIRD JEFFREY W 755 PAGE MILL ROAD, SUITE A-200 PALO ALTO, CA 943041005		X					
Signatures							
By: Robert Yin, by power of attorney	12/17/2004						

Date

Reporting Owners 2

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.
- (2) All shares are 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
- (3) 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.
- (4) Includes 1,341 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.
- (5) 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.
- (6) Includes 322,078 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock
- (7) Shares held by Sutter Hill Associates, L.P. The reporting person is a General Partner of Sutter Hill Associates, L.P. The reporting person disclaims beneficial ownership in these shares except as to the reporting person's pecuniary interest in the partnership.
- (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
- 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
- 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. 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.