ELOYALTY CORP

Form 4

September 07, 2007

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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January 31, 2005

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obligations

may continue.

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

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * SUTTER HILL VENTURES

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

(First) (Last)

(Middle)

(Zip)

(Month/Day/Year)

3. Date of Earliest Transaction

ELOYALTY CORP [ELOY]

Director

Officer (give title

10% Owner Other (specify

755 PAGE MILL ROAD, SUITE

(Street)

A-200

(City)

Security

(Instr. 3)

4. If Amendment, Date Original

Filed(Month/Day/Year)

Code

(Instr. 8)

Code V

(Month/Day/Year)

09/05/2007

6. Individual or Joint/Group Filing(Check

(Check all applicable)

Applicable Line)

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

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

below)

PALO ALTO, CA 943041005

1.Title of 2. Transaction Date 2A. Deemed

(State)

(Month/Day/Year)

4. Securities Acquired (A) 3. Execution Date, if Transaction Disposed of (D)

(Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned

6. Ownership Form: Direct (D)

or Indirect

7. Nature of Indirect Beneficial Ownership (Instr. 4)

Following Reported Transaction(s)

(I) (Instr. 4)

(Instr. 3 and 4)

Common (1)

09/05/2007

Amount (D) Price \$ P 7.319 Α 15.0884

(A)

or

(2)

1,593,554 (1) D

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

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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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	2.	3. Transaction Date		4.	5.	6. Date Exerc		7. Titl		8. Price of	9. Nu
Derivative Security (Instr. 3)	Conversion or Exercise Price of Derivative Security	(Month/Day/Year)	Execution Date, if any (Month/Day/Year)	Transact Code (Instr. 8)	orNumber of Derivativ Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	:		Amou Under Securi (Instr.	lying	Derivative Security (Instr. 5)	Deriv Secur Bene Own Follo Repo 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			
SUTTER HILL VENTURES 755 PAGE MILL ROAD, SUITE A-200 PALO ALTO, CA 943041005		X					

Signatures

By: Robert Yin, by power of attorney 09/07/2007

**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 938,952 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.
- (2) This represents the weighted average sales price.

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.

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