

SWEET DAVID E
Form 4
August 23, 2007

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 *
SWEET DAVID E

(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)
08/21/2007

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common | 08/21/2007 | | P | 200 A \$ 15.5 | 623,201 | I | By Shares Held By Ltd Partnership (SHV) ⁽¹⁾ |
| Common | | | | | 4,004 | I | By Profit Sharing Plan Trust ⁽²⁾ |
| Common | | | | | 5,853 | I | By Shares Held By Ltd Partnership (SHAI) ⁽³⁾ |

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- Shares held by Sutter Hill Ventures, A California Limited Partnership. The reporting person is a Managing Director of the General
- (1) 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.
 - (2) Shares held by SHV Profit Sharing Plan, a retirement trust, for the benefit of the reporting person.
- Shares held by Sutter Hill Entrepreneurs Fund (AI), L.P. The reporting person is a Managing Director of the General Partner of Sutter
- (3) 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
- (4) 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.
 - (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.

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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