

ELOYALTY CORP  
Form 4  
December 17, 2004

**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

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
ANDERSON DAVID L

(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)

12/15/2004

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3.<br>Transaction<br>Code (Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of<br>(D) (Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6.<br>Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |   |                                                      |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|---|------------------------------------------------------|
|                                       |                                         |                                                             | Code                                 | V                                                                       | Amount<br>(A)<br>or<br>(D)                                                                                         | Price                                                                   |                                                                   |   |                                                      |
| Common<br>(1)                         | 12/15/2004                              |                                                             | P                                    |                                                                         | 4,559<br>(2)                                                                                                       | A \$ 6                                                                  | 10,509 (1)                                                        | I | By Profit<br>Sharing Plan<br>Trust (3)               |
| Common<br>(4)                         | 12/15/2004                              |                                                             | P                                    |                                                                         | 64,986<br>(2)                                                                                                      | A \$ 6                                                                  | 1,313,054 (4)                                                     | I | By Shares<br>Held By Ltd<br>Partnership<br>(SHV) (5) |
| Common                                |                                         |                                                             |                                      |                                                                         |                                                                                                                    |                                                                         | 4,097                                                             | I | By Shares<br>Held By Ltd<br>Partnership<br>(ANV) (6) |

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|                |             |   |                                                        |
|----------------|-------------|---|--------------------------------------------------------|
| Common<br>(7)  | 322,078 (7) | I | By Shares<br>Held By Ltd<br>Partnership<br>(SHA) (8)   |
| Common<br>(9)  | 12,622 (9)  | I | By Shares<br>Held By Ltd<br>Partnership<br>(SHAI) (10) |
| Common<br>(11) | 31,973 (11) | I | By Shares<br>Held By Ltd<br>Partnership<br>(SHQP) (12) |
| Common<br>(13) | 28,649 (13) | I | By Trust<br>(Trustee) (14)                             |

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)

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and<br>Amount of<br>Underlying<br>Securities<br>(Instr. 3 and 4) | 8. Price of<br>Derivative<br>Security<br>(Instr. 5) | 9. Number of<br>Derivative<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction<br>(Instr. 6) |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
|                                                     |                                                                    |                                         |                                                             | Code                                 | V (A) (D)                                                                                                          | Date<br>Exercisable                                            | Expiration<br>Date                                                        | Title                                               | Amount<br>or<br>Number<br>of<br>Shares                                                                                  |

## Reporting Owners

| Reporting Owner Name / Address                                                 | Relationships                    |
|--------------------------------------------------------------------------------|----------------------------------|
|                                                                                | Director 10% Owner Officer Other |
| ANDERSON DAVID L<br>755 PAGE MILL ROAD, SUITE A-200<br>PALO ALTO, CA 943041005 | X                                |

## Signatures

By: Robert Yin, by power of  
attorney

12/17/2004

\_\_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 4,559 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.
- (3) Shares held by SHV Profit Sharing Plan, a retirement trust, for the benefit of the reporting person.
- (4) 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.
- (5) 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.
- (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.
- (9) 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 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.
- (10) Includes 14,289 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.
- (11) Shares held by a trust of which the reporting person is the trustee. The reporting person disclaims beneficial ownership in these shares except as to the reporting person's pecuniary interest in the trust.
- (12)
- (13)
- (14)

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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