ELOYALTY CORP

Form 4

February 22, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

Number:

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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 * POLLEMA STEVEN C			2. Issuer Name and Ticker or Trading Symbol ELOYALTY CORP [ELOY]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(The state of the		
150 FIELD DRIVE, SUITE 250		TE 250	(Month/Day/Year) 02/16/2007	Director 10% OwnerX Officer (give title Other (specify below) VP, Operations & CFO		
(Street) LAKE FOREST, IL 60045			4. If Amendment, Date Original 6. Individual or Joint/Grou			
			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

	(City)	(State)	Zip) Table	e I - Non-D	erivative	Secur	ities Acqu	uired, Disposed of	, or Beneficiall	y Owned
S	.Title of Security Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	4. Securi n(A) or Di (Instr. 3,	(A) or	d of (D)	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 Stock	02/16/2007		A	669 (1)	` /	\$ 22.44	163,594	D	
	Common Stock	02/16/2007		F	223 (2)	D	\$ 22.44	163,371	D	
	Common Stock	02/20/2007		A	7,745	A	<u>(3)</u>	171,116	D	

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

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number.

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. Transactic Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	e Expiration Date (Month/Day/Year) (A) ed of		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	\$ 21.95	02/20/2007		A	20,000	<u>(4)</u>	02/20/2017	Common Stock	20,000

Reporting Owners

Reporting Owner Name / Address	Relationships
Reporting Owner Hame / Hauress	

Director 10% Owner Officer Other

POLLEMA STEVEN C 150 FIELD DRIVE SUITE 250 LAKE FOREST, IL 60045

VP, Operations & CFO

Signatures

Steven H. Shapiro, Attorney-in-Fact 02/22/2007

**Signature of Reporting Person Da

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) Represents Common Stock awarded to the employee. The stock was issued under the eLoyalty Corporation 2006/2007 Salary Replacement Program approved by the Compensation Committee in accordance with Rule 16b-3 and the 1999 Stock Incentive Plan.
- Disposition of shares to the issuer in the form of share withholding pursuant to the eLoyalty Corporation 2006/2007 Salary Replacement (2) Program and the 1999 Stock Incentive Plan to satisfy tax withholding obligations. The disposition was approved by the Compensation Committee in accordance with Rule 16b-3.
- Award of time-vesting restricted stock pursuant to eLoyalty Corporation 1999 Stock Incentive Plan, subject to continuing employment.

 (3) The Award was approved by the Board of Directors of the issuer for purposes of 16b-3 and includes a tax withholding feature. 50% of the Award will vest on 2/28/07, with the remaining 50% vesting on 2/28/09.
- (4) Option grant under the eLoyalty Corporation 1999 Stock Incentive Plan, shares vest in equal increments quarterly over 4 years beginning on February 28, 2007.

Reporting Owners 2

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(5) Not Applicable

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