ELOYALTY CORP

Form 4 January 04, 2006

FORM 4

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

OMB APPROVAL OMB

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF Estimated average

response...

if no longer subject to Section 16. Form 4 or Form 5 obligations

Check this box

may continue. See Instruction

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

SECURITIES

(Print or Type Responses)

1(b).

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading ISTVAN JAY A Issuer Symbol ELOYALTY CORP [ELOY] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner Other (specify X_ Officer (give title 150 FIELD DRIVE, SUITE 250 01/02/2006 below) below) VP Strategy & Marketing (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

LAKE FOREST, IL 60045

(City)	(State)	(Zip) Tab	le I - Non-l	Derivative S	Secur	ities Acq	uired, Disposed o	of, or Beneficia	ally Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)		posec	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	01/02/2006		F	41 (1)	D	\$ 10.29	134,934	D	
Common Stock							200	I	Spouse's Revocable Living Trust

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Person

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of	2.	3. Transaction Date		4.	5.	6. Date Exer		7. Title		8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	orNumber	Expiration Date		Amou	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security	Secur
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securi	ties	(Instr. 5)	Bene
	Derivative				Securities			(Instr.	3 and 4)		Own
	Security	rity Acquired								Follo	
					(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3, 4, and 5)						
									Amount		
						Date	Expiration		or		
						Exercisable	Date Tit	Title	Number		
						Lacicisable			of		
				Code V	(A) (D)				Shares		

Reporting Owners

Relationships Reporting Owner Name / Address

> Officer Other Director 10% Owner

ISTVAN JAY A 150 FIELD DRIVE **SUITE 250** LAKE FOREST, IL 60045

VP Strategy & Marketing

Signatures

Steven Pollema, 01/04/2006 Attorney-in-fact

**Signature of Reporting Person

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).
- Disposition of shares to the issuer in the form of share withholding upon vesting of restricted stock, to satisfy tax withholding obligations. The disposition was approved in advance in the manner provided in Rule 16b-3(e) under the Securities Exchange Act of 1934.

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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