ELOYALTY CORP

Form 4 June 02, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

Number:

3235-0287

Expires:

January 31, 2005

0.5

burden hours per

response...

Estimated average

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

Check this box

obligations 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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading **BOLTON KAREN** Issuer Symbol ELOYALTY CORP [ELOY] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner X_ Officer (give title Other (specify 150 FIELD DRIVE, SUITE 250 05/31/2006 below) VP, Client Services 6. Individual or Joint/Group Filing(Check

(Street) 4. If Amendment, Date Original Filed(Month/Day/Year)

(7:m)

Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person

LAKE FOREST, IL 60045

(Ctata)

(City)	(State)	Table Table	e I - Non-D	Derivative	Secur	rities Acqu	ired, Disposed of	or Beneficiall	y 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)	4. Securi on(A) or D (Instr. 3,	ispose	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	05/31/2006		C	6,748	A	<u>(1)</u>	51,292	D	
Common Stock	05/31/2006		F	2,006 (2)	D	\$ 13.272	49,286	D	

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.

Edgar Filing: ELOYALTY CORP - Form 4

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. Transaction Code (Instr. 8)	5. Number or Derivative Securities Acquired Disposed (Instr. 3, 4	(A) or of (D)	6. Date Exer Expiration D (Month/Day)	ate	7. Title and a Underlying S (Instr. 3 and	Securities
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Right to future delivery of Common Stock	(3)	05/31/2006		A	65,000		(3)	<u>(1)</u>	Common Stock	65,000
Right to future delivery of Common Stock	<u>(4)</u>	05/31/2006		С		6,748	<u>(1)</u>	<u>(1)</u>	Common Stock	6,748

Reporting Owners

	Relationships
Departing Owner Name / Address	Keiationships

Director 10% Owner Officer Other

BOLTON KAREN 150 FIELD DRIVE SUITE 250 LAKE FOREST, IL 60045

VP, Client Services

Signaturas

Signatures
Steven H. Shapiro,

Attorney-in-fact 06/02/2006

**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) Not Applicable
- (2) 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.
 - Contractual right to receive 65,000 shares of Common Stock, which shall vest in 20 equal quarterly installments beginning August 31,
- (3) 2006, subject to continuing employment. The Award was approved by the Board of Directors of the issuer for purposes of 16b-3 and includes a tax withholding feature.

Reporting Owners 2

Edgar Filing: ELOYALTY CORP - Form 4

(**4**) 1-for-1

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.