ELOYALTY CORP

Form 4 June 02, 2006

FORM 4

Check this box

if no longer

subject to

Section 16.

Form 4 or

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Form 5 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

(Print or Type Responses)

1(b).

1. Name and Address of Reporting Person **
POLLEMA STEVEN C

150 FIELD DRIVE, SUITE 250

LAKE FOREST, IL 60045

2. Issuer Name **and** Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

ELOYALTY CORP [ELOY]

(Last) (First) (Middle) 3. Date of Earliest Transaction

(Month/Day/Year) 05/31/2006 ____ Director _____ 10% Owner X_ Officer (give title _____ Other (specify

(Check all applicable)

below) below)

VP, Operations & CFO

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person ____ Form filed by More than One Reporting

Person

(City)	(State)	(Zip) Tab	le I - Non-	Derivative S	Securiti	es Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security	2. Transaction Date (Month/Day/Year)	Execution Date, if		4. Securiti	ed of (D)	` ′	5. Amount of Securities	6. Ownership	7. Nature of Indirect
(Instr. 3)		any (Month/Day/Year)	Code (Instr. 8)	(Instr. 3, 4	and 5)		Beneficially Owned	Form: Direct (D)	Beneficial Ownership
					(A)		Following Reported	or Indirect (I)	(Instr. 4)
			Code V	Amount	or (D)	Price	Transaction(s) (Instr. 3 and 4)	(Instr. 4)	
Common					` ′				

05/31/2006 Α 35,000 Α (1) 175,824 D Stock 2,004 Common 05/31/2006 F D 173,820 D (2) Stock

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

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SEC 1474

(9-02)

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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. Titl		8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction	onNumber	Expiration D	ate	Amou	ınt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	rlying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivativ	e		Secur	rities	(Instr. 5)	Bene
	Derivative				Securities	3		(Instr.	. 3 and 4)		Own
	Security				Acquired						Follo
					(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									Amount		
						Date	Expiration	Title	or Number		
						Exercisable	Date	Title			
				C 1 W	(A) (D)				of		
				Code V	(A) (D)				Shares		

Reporting Owners

Relationships Reporting Owner Name / Address

> Officer Other Director 10% Owner

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

VP, Operations & CFO

Signatures

Reporting Person

Steven Pollema 06/02/2006 Date **Signature of

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).
- Award of time-vesting restricted stock pursuant to eLoyalty Corporation 1999 Stock Incentive Plan, 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.
- Disposition of shares to the issuer in the form of share withholding upon vesting of restricted stock, to satisfy tax withholding obligations. **(2)** 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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