ELOYALTY CORP

Form 4 September 05, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

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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)

obligations

may continue.

See Instruction

Name and Address of Reporting Person * Noon William Boyd	2. Issuer Name and Ticker or Trading Symbol ELOYALTY CORP [ELOY]	5. Relationship of Reporting Person(s) to Issuer				
(Last) (First) (Middle)	3. Date of Earliest Transaction	(Check all applicable)				
150 FIELD DRIVE, SUITE 250	(Month/Day/Year) 08/31/2006	Director 10% Owner _X_ Officer (give title Other (specification) below) Vice President, Controller				
(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				
LAKE FOREST, IL 60045		Form filed by More than One Reporting Person				

(State)

(Zip)

(City)

(,)	()	Table 1 - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned								
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securities	s Acquired	5. Amount of	6. Ownership	7. Nature of		
Security	(Month/Day/Year)	Execution Date, if	Transactio	n(A) or Disp	osed of (D)	Securities	Form: Direct	Indirect		
(Instr. 3)		any	Code (Instr. 3, 4 and 5)			Beneficially	(D) or	Beneficial		
		(Month/Day/Year)	(Instr. 8)			Owned	Indirect (I)	Ownership		
						Following	(Instr. 4)	(Instr. 4)		
						Reported				
					(A)	Transaction(s)				
			Code V		or D) Price	(Instr. 3 and 4)				
Common Stock	08/31/2006		F	255 (1) D	\$ 16.21	20,009	D			

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

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Table I. Non Desirative Committee Assumed Disposed of an Deneficially Or

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

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	Transaction Date 3A. Deemed Month/Day/Year) Execution Date, if any (Month/Day/Year)			6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	of ng s	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
			Code V	(Instr. 3, 4, and 5) (A) (D)	Date Exercisable	Expiration Date	or Title Nu of	umber		

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Noon William Boyd 150 FIELD DRIVE, SUITE 250 LAKE FOREST, IL 60045

Vice President, Controller

Signatures

Steven H. Shapiro, Attorney-in-fact

09/05/2006

**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) 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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