

BOLTON KAREN  
Form 4  
August 30, 2006

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

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. Name and Address of Reporting Person \*  
BOLTON KAREN

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)  
150 FIELD DRIVE, SUITE 250

3. Date of Earliest Transaction (Month/Day/Year)  
08/28/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
VP, Client Services

(Street)  
LAKE FOREST, IL 60045

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	08/28/2006		S	500	D \$ 16.25	48,786	D
Common Stock	08/28/2006		S	500	D \$ 16.38	48,286	D
Common Stock	08/28/2006		S	500	D \$ 16.47	47,786	D
Common Stock	08/28/2006		S	500	D \$ 16.53	47,286	D
Common Stock	08/28/2006		S	500	D \$ 16.56	46,786	D

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Common Stock	08/28/2006	S	500	D	\$ 16.58	46,286	D
Common Stock	08/29/2006	S	1,000	D	\$ 16.1	45,286	D
Common Stock	08/29/2006	S	600	D	\$ 16.12	44,686	D
Common Stock	08/29/2006	S	500	D	\$ 16.13	44,186	D
Common Stock	08/29/2006	S	1,000	D	\$ 16.14	43,186	D
Common Stock	08/29/2006	S	400	D	\$ 16.16	42,786	D
Common Stock	08/29/2006	S	1,000	D	\$ 16.18	41,786	D
Common Stock	08/29/2006	S	1,000	D	\$ 16.19	40,786	D
Common Stock	08/29/2006	S	500	D	\$ 16.2	40,286	D
Common Stock	08/29/2006	S	500	D	\$ 16.25	39,786	D
Common Stock	08/29/2006	S	500	D	\$ 16.26	39,286	D
Common Stock	08/30/2006	S	500	D	\$ 15.97	38,786	D
Common Stock	08/30/2006	S	500	D	\$ 15.98	38,286	D
Common Stock	08/30/2006	S	500	D	\$ 16.03	37,786	D
Common Stock	08/30/2006	S	500	D	\$ 16.04	37,286	D

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

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(9-02)

**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	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene
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Derivative Security	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)				(Instr. 3 and 4)		Title	Amount or Number of Shares
	Code	V	(A)	(D)	Date Exercisable	Expiration Date		

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BOLTON KAREN 150 FIELD DRIVE SUITE 250 LAKE FOREST, IL 60045			VP, Client Services	

## Signatures

Karen Bolton                      08/30/2006  
 \_\_Signature of                      Date  
 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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