

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) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
| | | | Code | V | Amount (A) or Price (D) | | |
| 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 |
|--------------------------------------------|------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------|----------------------------------------------------------|----------------------------------------------|--------------------------------------------|------------------------|
|--------------------------------------------|------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------|----------------------------------------------------------|----------------------------------------------|--------------------------------------------|------------------------|

Derivative
Security

Securities
Acquired
(A) or
Disposed
of (D)
(Instr. 3,
4, and 5)

(Instr. 3 and 4)

Own
Follo
Repo
Trans
(Instr

| Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|------|---|-----|-----|---------------------|--------------------|-------|----------------------------------------|
|------|---|-----|-----|---------------------|--------------------|-------|----------------------------------------|

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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