

Danson Christopher Joseph
 Form 3
 December 27, 2004

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Danson Christopher Joseph | | (Month/Day/Year) | ELOYALTY CORP [ELOY] | |
| (Last) | (First) | (Middle) | 12/17/2004 | |
| 150 FIELD DRIVE, SUITE 250 | | | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| (Street) | | | (Check all applicable) | |
| LAKE FOREST, IL 60045 | | | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| (City) | (State) | (Zip) | <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| | | | (give title below) (specify below) | <input type="checkbox"/> Form filed by More than One Reporting Person |
| | | | Vice President, Delivery | |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
| Common Stock | 104,523 | D | ^ |
| Common Stock | 384 ⁽¹⁾ | I | By spouse |

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

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative | 5. Ownership Form of Derivative Security: | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|---|---|---|
|--|--|---|---|---|---|

Edgar Filing: Danson Christopher Joseph - Form 3

| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Security | Direct (D) or Indirect (I) (Instr. 5) | |
|---|------------------|-----------------|--------------|----------------------------|-----------|---------------------------------------|-----------|
| Employee Stock Option (right to buy) | Â (2) | 06/23/2005 | Common Stock | 404 | \$ 23.496 | D | Â |
| 7% Series B Convertible Preferred Stock | Â (3) | Â (3) | Common Stock | 1,927 | \$ 5.1 | D | Â |
| Employee Stock Option (right to buy) (1) | Â (4) | 04/02/2011 | Common Stock | 90 | \$ 17.5 | I | By spouse |
| Employee Stock Option (right to buy) (1) | Â (5) | 05/16/2011 | Common Stock | 45 | \$ 18.9 | I | By spouse |
| 7% Series B Convertible Preferred Stock (1) | Â (3) | Â (3) | Common Stock | 429 | \$ 5.1 | I | By spouse |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Danson Christopher Joseph 150 FIELD DRIVE, SUITE 250 LAKE FOREST, IL 60045 | Â | Â | Â Vice President, Delivery | Â |

Signatures

Robert S. Wert,
Attorney-in-fact

12/27/2004

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.
- (2) Fully vested and exercisable as of the date of this statement.
- (3) Not Applicable
- (4) Became exercisable in equal increments over 48 months beginning in May 2001.
- (5) Became exercisable in equal increments over 48 months beginning in June 2001.

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.