BEDFORD SCOTT

Form 4

December 17, 2009

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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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

may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * PENINSULA CAPITAL MANAGEMENT, LP

(Last)

(City)

(First)

(Street)

(State)

235 PINE STREET, SUITE 1600

(Middle)

(Zip)

2. Issuer Name and Ticker or Trading Symbol

ELOYALTY CORP [ELOY]

3. Date of Earliest Transaction

(Month/Day/Year) 12/16/2009

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

Code V

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner Other (specify Officer (give title below)

6. Individual or Joint/Group Filing(Check

Applicable Line)

Form filed by One Reporting Person _X_ Form filed by More than One Reporting Person

I

SAN FRANCISCO, CA 94104

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3) anv (Month/Day/Year)

4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)

(A)

or

(D)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 5. Amount of Securities Beneficially Owned Following Reported

6. Ownership 7. Nature of Form: Direct Indirect (D) or Beneficial Indirect (I) Ownership (Instr. 4) (Instr. 4)

Transaction(s)

(Instr. 3 and 4) Price

Common 12/16/2009 Stock

J(1)304,574 D

Amount

\$0 1,173,476 See Footnote

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

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SEC 1474 (9-02)

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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if		5. orNumber	6. Date Exerc Expiration D	ate	7. Titl	ınt of	8. Price of Derivative	9. Nu Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	, ,	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivativ	e		Secur		(Instr. 5)	Bene
	Derivative				Securities			(Instr.	3 and 4)		Own
	Security				Acquired						Follo
					(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									A 4		
						Date Exercisable	Expiration Date	Title	Amount or Number of		
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
PENINSULA CAPITAL MANAGEMENT, LP 235 PINE STREET SUITE 1600 SAN FRANCISCO, CA 94104		X				
BEDFORD SCOTT 235 PINE STREET SUITE 1600 SAN FRANCISCO, CA 94104		X				
Signatures						
Peninsula Capital Management, LP(+), By: /s/ So	cott	12/	17/2009			

Peninsula Capital Management, LP(+), By: /s/ Scott Bedford	12/17/2009		
**Signature of Reporting Person	Date		
/s/ Scott Bedford(+)	12/17/2009		
**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) Peninsula Capital Management, LP distributed the shares to its investors on a pro rata basis.

These securities are held in the accounts of investment funds over which Peninsula Capital Management, LP and Scott Bedford have investment discretion (the "Reporting Persons"). Peninsula Capital Management, LP is the general partner and/or the investment manager **(2)** of such investment funds and Scott Bedford is the President of Peninsula Capital Management, Inc. which is Peninsula Capital Management, LP's general partner.

Remarks:

(+) Each of the Reporting Persons disclaim beneficial ownership of the reported securities except to the extent of its or his pecuniary interest therein and this report shall not be deemed an admission that such Reporting Person is the beneficial

Reporting Owners 2

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owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended or for any other purpose. The Reporting Persons affirmatively disclaim being a "group" for purposes of Section 16 of the Securities Exchange Act of 1934, as amended.

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.