

ELOYALTY CORP  
Form SC 13G/A  
February 12, 2004

**UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION**  
Washington, D.C. 20549  
**SCHEDULE 13G**

OMB APPROVAL  
OMB Number:  
3235-0145

Expires:  
December 31, 2005  
Estimated average burden  
hours per response. . 11

**Under the Securities Exchange Act of 1934  
(Amendment No. 3)\***

**eLoyalty Corporation**

(Name of Issuer)

**Common Stock**

(Title of Class of Securities)

**290151307**

(CUSIP Number)

**December 31, 2003**

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

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The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 290151307

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Sutter Hill Ventures, A California Limited Partnership 77-0287059
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
    - (a)
    - (b)
  3. SEC Use Only
  4. Citizenship or Place of Organization  
California, USA
- |   |    |  |                                       |
|---|----|--|---------------------------------------|
|   | 5. |  | Sole Voting Power<br>1,248,068**      |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 6. |  | Shared Voting Power                   |
|   | 7. |  | Sole Dispositive Power<br>1,248,068** |
|   | 8. |  | Shared Dispositive Power              |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,248,068
  10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
  11. Percent of Class Represented by Amount in Row (9)  
11.2%
  12. Type of Reporting Person (See Instructions)  
PN

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\*\* Includes 895,186 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.

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1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Sutter Hill Associates, L.P. 77-0440210

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)    
(b)

3. SEC Use Only

4. Citizenship or Place of Organization  
California, USA

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

5.	Sole Voting Power 322,078**
6.	Shared Voting Power
7.	Sole Dispositive Power 322,078**
8.	Shared Dispositive Power

9. Aggregate Amount Beneficially Owned by Each Reporting Person  
322,078

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

11. Percent of Class Represented by Amount in Row (9)  
2.9%

12. Type of Reporting Person (See Instructions)  
PN

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\*\* Includes 322,078 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.

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1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Sutter Hill Entrepreneurs Fund (AI), L.P. 94-3338942
2. Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)   
(b)
3. SEC Use Only
4. Citizenship or Place of Organization  
California, USA
- |   |    |                                    |
|---|----|------------------------------------|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 5. | Sole Voting Power<br>12,622**      |
|   | 6. | Shared Voting Power                |
|   | 7. | Sole Dispositive Power<br>12,622** |
|   | 8. | Shared Dispositive Power           |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
12,622
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
11. Percent of Class Represented by Amount in Row (9)  
0.1%
12. Type of Reporting Person (See Instructions)  
PN

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\*\* Includes 8,854 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.

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1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Sutter Hill Entrepreneurs Fund (QP), L.P. 94-3338941
2. Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)   
(b)
3. SEC Use Only
4. Citizenship or Place of Organization  
California, USA
- |   |    |                                    |
|---|----|------------------------------------|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 5. | Sole Voting Power<br>31,973**      |
|   | 6. | Shared Voting Power                |
|   | 7. | Sole Dispositive Power<br>31,973** |
|   | 8. | Shared Dispositive Power           |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
31,973
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
11. Percent of Class Represented by Amount in Row (9)  
0.3%
12. Type of Reporting Person (See Instructions)  
PN

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\*\* Includes 22,418 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.

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1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
David L. Anderson
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
    - (a)
    - (b)
  3. SEC Use Only
  4. Citizenship or Place of Organization  
USA
- |   |    |   |
|---|----|---|
|   | 5. | Sole Voting Power<br>38,696*            |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 6. | Shared Voting Power<br>1,614,741**      |
|   | 7. | Sole Dispositive Power<br>38,696*       |
|   | 8. | Shared Dispositive Power<br>1,614,741** |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,653,437
  10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
  11. Percent of Class Represented by Amount in Row (9)  
14.9%
  12. Type of Reporting Person (See Instructions)  
IN

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\* Includes 28,649 shares held in The Anderson Living Trust of which the reporting person is the trustee, 4,097 shares held by Anvest, L.P. of which the reporting person is the General Partner and 5,950 shares held by a retirement trust for the benefit of the reporting person. The reporting person disclaims beneficial ownership of the trusts and partnership's shares except as to the reporting person's pecuniary interest in the trusts and the partnership.

\*\* Includes 1,248,536 shares of Series B Preferred Stock held by Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Associates, L.P., Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P. that are currently convertible on a one-for-one basis into shares of Common Stock. The reporting person is a Managing Director of the General Partner of Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P., and a General Partner of Sutter Hill Associates, L.P. The reporting person disclaims beneficial ownership of these partnerships' shares except as to the

reporting person's pecuniary interest in the partnerships.



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1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
G. Leonard Baker, Jr.
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
    - (a)
    - (b)
  3. SEC Use Only
  4. Citizenship or Place of Organization  
USA
- |   |    |  |   |
|---|----|--|---|
|   | 5. |  | Sole Voting Power<br>31,319*            |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 6. |  | Shared Voting Power<br>1,614,741**      |
|   | 7. |  | Sole Dispositive Power<br>31,319*       |
|   | 8. |  | Shared Dispositive Power<br>1,614,741** |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,646,060
  10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
  11. Percent of Class Represented by Amount in Row (9)  
14.8%
  12. Type of Reporting Person (See Instructions)  
IN

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\* Includes 23,711 shares held in The Baker Revocable Trust of which the reporting person is a trustee and 7,608 shares held by Saunders Holdings, L.P. of which the reporting person is a General Partner. The reporting person disclaims beneficial ownership of the trust's and partnership's shares except as to the reporting person's pecuniary interest in the trust and the partnership.

\*\* Includes 1,248,536 shares of Series B Preferred Stock held by Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Associates, L.P., Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P. that are currently convertible on a one-for-one basis into shares of Common Stock. The reporting person is a Managing Director of the General Partner of Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P., and a General Partner of Sutter Hill Associates, L.P. The reporting person disclaims beneficial ownership of these partnerships' shares except as to the

reporting person's pecuniary interest in the partnerships.

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1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
William H. Younger, Jr.
2. Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)    
(b)
3. SEC Use Only
4. Citizenship or Place of Organization  
USA
- |   |    |   |
|---|----|---|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 5. | Sole Voting Power<br>29,310*            |
|   | 6. | Shared Voting Power<br>1,614,741**      |
|   | 7. | Sole Dispositive Power<br>29,310*       |
|   | 8. | Shared Dispositive Power<br>1,614,741** |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,644,051
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
11. Percent of Class Represented by Amount in Row (9)  
14.8%
12. Type of Reporting Person (See Instructions)  
IN

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\* Includes 10,404 shares held in The Younger Living Trust of which the reporting person is the trustee and 18,906 shares held by a retirement trust for the benefit of the reporting person. The reporting person disclaims beneficial ownership of the trusts' shares except as to the reporting person's pecuniary interest in the trusts.

\*\* Includes 1,248,536 shares of Series B Preferred Stock held by Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Associates, L.P., Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P. that are currently convertible on a one-for-one basis into shares of Common Stock. The reporting person is a Managing Director of the General Partner of Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P., and a General Partner of Sutter Hill Associates, L.P. The reporting person disclaims beneficial ownership of these partnerships' shares except as to the reporting person's pecuniary interest in the partnerships.



1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Tench Coxe
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
    - (a)
    - (b)
  3. SEC Use Only
  4. Citizenship or Place of Organization  
USA
- |   |    |   |
|---|----|---|
|   | 5. | Sole Voting Power<br>62,667*            |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 6. | Shared Voting Power<br>1,614,741**      |
|   | 7. | Sole Dispositive Power<br>62,667*       |
|   | 8. | Shared Dispositive Power<br>1,614,741** |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,677,408
  10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
  11. Percent of Class Represented by Amount in Row (9)  
15.1%
  12. Type of Reporting Person (See Instructions)  
IN

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\* Includes 44,367 shares held in The Coxe Revocable Trust of which the reporting person is a trustee and 18,300 shares of director's options vested as of 2/29/04. The reporting person disclaims beneficial ownership of the trust's shares except as to the reporting person's pecuniary interest in the trust.

\*\* Includes 1,248,536 shares of Series B Preferred Stock held by Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Associates, L.P., Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P. that are currently convertible on a one-for-one basis into shares of Common Stock. The reporting person is a Managing Director of the General Partner of Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P., and a General Partner of Sutter Hill Associates, L.P. The reporting person disclaims beneficial ownership of these partnerships' shares except as to the reporting person's pecuniary interest in the partnerships.



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1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Gregory P. Sands
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
    - (a)
    - (b)
  3. SEC Use Only
  4. Citizenship or Place of Organization  
USA
- |   |    |   |
|---|----|---|
|   | 5. | Sole Voting Power<br>6,775*             |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 6. | Shared Voting Power<br>1,614,741**      |
|   | 7. | Sole Dispositive Power<br>6,775*        |
|   | 8. | Shared Dispositive Power<br>1,614,741** |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,621,516
  10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
  11. Percent of Class Represented by Amount in Row (9)  
14.6%
  12. Type of Reporting Person (See Instructions)  
IN

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\* Includes 2,919 shares held in the Gregory P. and Sarah J.D. Sands Trust Agreement of which the reporting person is a trustee and 3,856 shares held by the Gregory P. Sands Charitable Remainder Unitrust of which the reporting person is the trustee. The reporting person disclaims beneficial ownership of the trusts' shares except as to the reporting person's pecuniary interest in the trusts.

\*\* Includes 1,248,536 shares of Series B Preferred Stock held by Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Associates, L.P., Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P. that are currently convertible on a one-for-one basis into shares of Common Stock. The reporting person is a Managing Director of the General Partner of Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P., and a General Partner of Sutter Hill Associates, L.P. The reporting person disclaims beneficial ownership of these partnerships' shares except as to the

reporting person's pecuniary interest in the partnerships.



1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
James C. Gaither
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
    - (a)
    - (b)
  3. SEC Use Only
  4. Citizenship or Place of Organization  
USA
- |   |    |   |
|---|----|---|
|   | 5. | Sole Voting Power<br>5,761              |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 6. | Shared Voting Power<br>1,614,741**      |
|   | 7. | Sole Dispositive Power<br>5,761         |
|   | 8. | Shared Dispositive Power<br>1,614,741** |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,620,502
  10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
  11. Percent of Class Represented by Amount in Row (9)  
14.6%
  12. Type of Reporting Person (See Instructions)  
IN

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\*\* Includes 1,248,536 shares of Series B Preferred Stock held by Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Associates, L.P., Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P. that are currently convertible on a one-for-one basis into shares of Common Stock. The reporting person is a Managing Director of the General Partner of Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P., and a General Partner of Sutter Hill Associates, L.P. The reporting person disclaims beneficial ownership of these partnerships' shares except as to the reporting person's pecuniary interest in the partnerships.

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1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
James N. White
2. Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)    
(b)
3. SEC Use Only
4. Citizenship or Place of Organization  
USA
- |   |    |   |
|---|----|---|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 5. | Sole Voting Power<br>4,725*             |
|   | 6. | Shared Voting Power<br>1,614,741**      |
|   | 7. | Sole Dispositive Power<br>4,725*        |
|   | 8. | Shared Dispositive Power<br>1,614,741** |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,619,466
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
11. Percent of Class Represented by Amount in Row (9)  
14.6%
12. Type of Reporting Person (See Instructions)  
IN

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\* Includes 1,160 shares held in The White Family Trust of which the reporting person is a trustee and 3,565 shares held by a retirement trust for the benefit of the reporting person. The reporting person disclaims beneficial ownership of the trusts' shares except as to the reporting person's pecuniary interest in the trusts.

\*\* Includes 1,248,536 shares of Series B Preferred Stock held by Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Associates, L.P., Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P. that are currently convertible on a one-for-one basis into shares of Common Stock. The reporting person is a Managing Director of the General Partner of Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P., and a General Partner of Sutter Hill Associates, L.P. The reporting person disclaims beneficial ownership of these partnerships' shares except as to the reporting person's pecuniary interest in the partnerships.



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1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)  
Jeffrey W. Bird
2. Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)  o  
(b)  y
3. SEC Use Only
4. Citizenship or Place of Organization  
USA
- |   |    |   |
|---|----|---|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 5. | Sole Voting Power<br>3,259*             |
|   | 6. | Shared Voting Power<br>1,614,741**      |
|   | 7. | Sole Dispositive Power<br>3,259*        |
|   | 8. | Shared Dispositive Power<br>1,614,741** |
9. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,618,000
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)  o
11. Percent of Class Represented by Amount in Row (9)  
14.6%
12. Type of Reporting Person (See Instructions)  
IN

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\* Includes 3,259 shares held in the Jeffrey W. and Christina R. Bird Trust Agreement of which the reporting person is a trustee. The reporting person disclaims beneficial ownership of the trust's shares except as to the reporting person's pecuniary interest in the trust.

\*\* Includes 1,248,536 shares of Series B Preferred Stock held by Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Associates, L.P., Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P. that are currently convertible on a one-for-one basis into shares of Common Stock. The reporting person is a Managing Director of the General Partner of Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P., and a General Partner of Sutter Hill Associates, L.P. The reporting person disclaims beneficial ownership of these partnerships' shares except as to the reporting person's pecuniary interest in the partnerships.



**Item 1.**

- (a) Name of Issuer  
eLoyalty Corporation
- (b) Address of Issuer's Principal Executive Offices  
150 Field Drive, Suite 250, Lake Forest, Illinois 60045

**Item 2.**

- (a) Name of Person Filing  
Exhibit A is hereby incorporated by reference
- (b) Address of Principal Business Office or, if none, Residence  
See Exhibit A
- (c) Citizenship  
See Exhibit A
- (d) Title of Class of Securities  
Common Stock
- (e) CUSIP Number  
290151307

**Item 3.**

- If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:**
- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
  - (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
  - (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
  - (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).
  - (e)  An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
  - (f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
  - (g)  A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
  - (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
  - (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
  - (j)  Group, in accordance with §240.13d-1(b)(1)(ii)(J).
- N/A

**Item 4. Ownership**

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount beneficially owned:  
  
See Exhibit A which is hereby incorporated by reference and related pages 2 to 13
- (b) Percent of class:  
  
See Exhibit A which is hereby incorporated by reference and related pages 2 to 13
- (c) Number of shares as to which the person has:
  - (i) Sole power to vote or to direct the vote  
  
\*\*\*
  - (ii) Shared power to vote or to direct the vote  
  
\*\*\*
  - (iii) Sole power to dispose or to direct the disposition of  
  
\*\*\*
  - (iv) Shared power to dispose or to direct the disposition of  
  
\*\*\*

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\*\*\* See Exhibit A which is hereby incorporated by reference and related pages 2 to 13. Messrs. Anderson, Baker, Younger, Coxe, Sands, Gaither, White and Bird are Managing Directors of the General Partner of Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P. They are also General Partners of Sutter Hill Associates, L.P. As such, they share the voting and disposition powers over the shares held by the partnerships.

**Item 5. Ownership of Five Percent or Less of a Class**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following  O.

N/A

**Item 6. Ownership of More than Five Percent on Behalf of Another Person**

N/A

**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person**

N/A

**Item 8. Identification and Classification of Members of the Group**

See Exhibit A

**Item 9. Notice of Dissolution of Group**

N/A

**Item 10. Certification**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.





## Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

2/12/2004

**Date**

Sutter Hill Ventures, A California Limited Partnership

/s/ Tench Coxé

**Signature**

Tench Coxé  
Managing Director of the General Partner

**Name/Title**

Sutter Hill Associates, L.P.

/s/ Tench Coxé

**Signature**

Tench Coxé  
General Partner

**Name/Title**

Sutter Hill Entrepreneurs Fund (AI), L.P.

/s/ Tench Coxé

**Signature**

Tench Coxé  
Managing Director of the General Partner

**Name/Title**

Sutter Hill Entrepreneurs Fund (AI), L.P.

/s/ Tench Coxé

**Signature**

Tench Coxé  
Managing Director of the General Partner

**Name/Title**

/s/ David L. Anderson

**Signature**

*/s/ G. Leonard Baker, Jr.*  
**Signature**

*/s/ William H. Younger, Jr.*  
**Signature**

*/s/ Tench Coxe*  
**Signature**

*/s/ Gregory P. Sands*  
**Signature**

*/s/ James C. Gaither*  
**Signature**

*/s/ James N. White*  
**Signature**

*/s/ Jeffrey W. Bird*  
**Signature**

**EXHIBIT A TO SCHEDULE 13G - ELOYALTY CORPORATION**

Name of Originator	Aggregate Number of Shares Beneficially Owned		% of Total Shares	
	Individual	Aggregate		
Sutter Hill Ventures, A California Limited Partnership	1,248,068	Note 9	11.2%	
Sutter Hill Associates, L.P.	322,078	Note 10	2.9%	
Sutter Hill Entrepreneurs Fund (AI), L.P.	12,622	Note 11	0.1%	
Sutter Hill Entrepreneurs Fund (QP), L.P.	31,973	Note 12	0.3%	
David L. Anderson	38,696	Note 2	0.3%	
		1,653,437	Notes 1 & 13	14.9%
G. Leonard Baker, Jr.	31,319	Note 3	0.3%	
		1,646,060	Notes 1 & 13	14.8%
William H. Younger, Jr.	29,310	Note 4	0.3%	
		1,644,051	Notes 1 & 13	14.8%
Tench Coxe	62,667	Note 5	0.6%	
		1,677,408	Notes 1 & 13	15.1%
Gregory P. Sands	6,775	Note 6	0.1%	
		1,621,516	Notes 1 & 13	14.6%
James C. Gaither	5,761		0.1%	
		1,620,502	Notes 1 & 13	14.6%
James N. White	4,725	Note 7	0.0%	
		1,619,466	Notes 1 & 13	14.6%
Jeffrey W. Bird	3,259	Note 8	0.0%	
		1,618,000	Notes 1 & 13	14.6%

The address for all of the above is: 755 Page Mill Road, Suite A-200, Palo Alto, CA 94304

The partnerships are organized in California. The individuals are all U.S. citizens and residents.

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None of the above has been convicted in any criminal proceedings nor have they been subject to judgments, decrees, or final orders enjoining future violations of Federal or State securities laws.

All of the parties are individuals or entities in the venture capital business.

Note 1: Includes individual shares plus all shares held by the following partnerships: Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Associates, L.P., Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P. The reporting person is a Managing Director of the General Partner of Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P., and a General Partner of Sutter Hill Associates, L.P. The reporting person disclaims beneficial ownership of these partnerships' shares except as to the reporting person's pecuniary interest in the partnerships.

Note 2: Includes 28,649 shares held in The Anderson Living Trust of which the reporting person is the trustee, 4,097 shares held by Anvest, L.P. of which the reporting person is the General Partner and 5,950 shares held by a retirement trust for the benefit of the reporting person. The reporting person disclaims beneficial ownership of the trusts' and partnership's shares except as to the reporting person's pecuniary interest in the trusts and the partnership.

Note 3: Includes 23,711 shares held in The Baker Revocable Trust of which the reporting person is a trustee and 7,608 shares held by Saunders Holdings, L.P. of which the reporting person is a General Partner. The reporting person disclaims beneficial ownership of the trusts' and partnership's shares except as to the reporting person's pecuniary interest in the trust and the partnership.

Note 4: Includes 10,404 shares held in The Younger Living Trust of which the reporting person is the trustee and 18,906 shares held by a retirement trust for the benefit of the reporting person. The reporting person disclaims beneficial ownership of the trusts' shares except as to the reporting person's pecuniary interest in the trusts.

Note 5: Includes 44,367 shares held in The Coxe Revocable Trust of which the reporting person is a trustee and 18,300 shares of director's options vested as of 2/29/04. The reporting person disclaims beneficial ownership of the trusts' shares except as to the reporting person's pecuniary interest in the trust.

Note 6: Includes 2,919 shares held in the Gregory P. and Sarah J.D. Sands Trust Agreement of which the reporting person is a trustee and 3,856 shares held by the Gregory P. Sands Charitable Remainder Unitrust of which the reporting person is the trustee. The reporting person disclaims beneficial ownership of the trusts' shares except as to the reporting person's pecuniary interest in the trusts.

Note 7: Includes 1,160 shares held in The White Family Trust of which the reporting person is a trustee and 3,565 shares held by a retirement trust for the benefit of the reporting person. The reporting person disclaims beneficial ownership of the trusts' shares except as to the reporting person's pecuniary interest in the trusts.

Note 8: Includes 3,259 shares held in the Jeffrey W. and Christina R. Bird Trust Agreement of which the reporting person is a trustee. The reporting person disclaims beneficial ownership of the trusts' shares except as to the reporting person's pecuniary interest in the trust.

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Note 9: Includes 895,186 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.

Note 10: Includes 322,078 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.

Note 11: Includes 8,854 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.

Note 12: Includes 22,418 shares of Series B Preferred Stock that are currently convertible on a one-for-one basis into shares of Common Stock.

Note 13: Includes 1,248,536 shares of Series B Preferred Stock held by Sutter Hill Ventures, A California Limited Partnership, Sutter Hill Associates, L.P., Sutter Hill Entrepreneurs Fund (AI), L.P. and Sutter Hill Entrepreneurs Fund (QP), L.P. that are currently convertible on a one-for-one basis into shares of Common Stock.

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