

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).

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
1,248,068** |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 6. | | Shared Voting Power |
| | 7. | | Sole Dispositive Power
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

** 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

** 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
Shares
Beneficially
Owned by
Each
Reporting
Person With

5.	Sole Voting Power 12,622**
6.	Shared Voting Power
7.	Sole Dispositive Power 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

** 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
Shares
Beneficially
Owned by
Each
Reporting
Person With | 5. | Sole Voting Power
31,973** |
| | 6. | Shared Voting Power |
| | 7. | Sole Dispositive Power
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

** 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
- | | | |
|---|----|---|
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 5. | Sole Voting Power
38,696* |
| | 6. | Shared Voting Power
1,614,741** |
| | 7. | Sole Dispositive Power
38,696* |
| | 8. | Shared Dispositive Power
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

* 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
31,319* |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 6. | Shared Voting Power
1,614,741** |
| | 7. | Sole Dispositive Power
31,319* |
| | 8. | Shared Dispositive Power
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

* 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
- | | | |
|---|----|---|
| | 5. | Sole Voting Power
29,310* |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 6. | Shared Voting Power
1,614,741** |
| | 7. | Sole Dispositive Power
29,310* |
| | 8. | Shared Dispositive Power
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

* 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.

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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
62,667* |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 6. | Shared Voting Power
1,614,741** |
| | 7. | Sole Dispositive Power
62,667* |
| | 8. | Shared Dispositive Power
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

* 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
6,775* |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 6. | Shared Voting Power
1,614,741** |
| | 7. | Sole Dispositive Power
6,775* |
| | 8. | Shared Dispositive Power
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

* 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
5,761 |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 6. | Shared Voting Power
1,614,741** |
| | 7. | Sole Dispositive Power
5,761 |
| | 8. | Shared Dispositive Power
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

** 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
Shares
Beneficially
Owned by
Each
Reporting
Person With | 5. | Sole Voting Power
4,725* |
| | 6. | Shared Voting Power
1,614,741** |
| | 7. | Sole Dispositive Power
4,725* |
| | 8. | Shared Dispositive Power
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

* 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.

- | | | | | | | | | | |
|---|---|----|-----------------------------|----|------------------------------------|----|----------------------------------|----|---|
| 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) <input type="radio"/>
(b) <input checked="" type="radio"/> | | | | | | | | |
| 3. | SEC Use Only | | | | | | | | |
| 4. | Citizenship or Place of Organization
USA | | | | | | | | |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | <table border="0"> <tr> <td style="vertical-align: top;">5.</td> <td style="vertical-align: top;">Sole Voting Power
3,259*</td> </tr> <tr> <td style="vertical-align: top;">6.</td> <td style="vertical-align: top;">Shared Voting Power
1,614,741**</td> </tr> <tr> <td style="vertical-align: top;">7.</td> <td style="vertical-align: top;">Sole Dispositive Power
3,259*</td> </tr> <tr> <td style="vertical-align: top;">8.</td> <td style="vertical-align: top;">Shared Dispositive Power
1,614,741**</td> </tr> </table> | 5. | Sole Voting Power
3,259* | 6. | Shared Voting Power
1,614,741** | 7. | Sole Dispositive Power
3,259* | 8. | Shared Dispositive Power
1,614,741** |
| 5. | Sole Voting Power
3,259* | | | | | | | | |
| 6. | Shared Voting Power
1,614,741** | | | | | | | | |
| 7. | Sole Dispositive Power
3,259* | | | | | | | | |
| 8. | Shared Dispositive Power
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) <input type="radio"/> | | | | | | | | |
| 11. | Percent of Class Represented by Amount in Row (9)
14.6% | | | | | | | | |
| 12. | Type of Reporting Person (See Instructions)
IN | | | | | | | | |

* 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

*** 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 .

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 Coxe

Signature

Tench Coxe
Managing Director of the General Partner

Name/Title

Sutter Hill Associates, L.P.

/s/ Tench Coxe

Signature

Tench Coxe
General Partner

Name/Title

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

/s/ Tench Coxe

Signature

Tench Coxe
Managing Director of the General Partner

Name/Title

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

/s/ Tench Coxe

Signature

Tench Coxe
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.
