

ELOYALTY CORP  
Form SC 13D/A  
June 05, 2007

OMB APPROVAL  
OMB Number: 3235-0145  
Expires: February 28, 2009  
Estimated average burden  
hours per response...14.5

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

**SCHEDULE 13D**

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

eLoyalty Corporation  
(Name of Issuer)

Common Stock, par value \$0.01 per share  
(Title of Class of Securities)

290151307

(CUSIP Number)

Carla S. Newell

c/o Technology Crossover Ventures

528 Ramona Street

Palo Alto, California 94301

(650) 614-8200

(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications)

**COPY TO:**

Carla S. Newell

c/o Technology Crossover Ventures

528 Ramona Street, Palo Alto, CA 94301

May 17, 2007

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* 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 disclosures provided in a prior cover page.

The information required on 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).

---

NAMES OF REPORTING PERSONS:

TCV IV, L.P.

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

See item 2 for identification of the General Partner

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 2,220,749 SHARES OF COMMON STOCK (A)

SHARES  
BENEFICIALLY OWNED BY 8

SHARED VOTING POWER:

-0- SHARES OF COMMON STOCK

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
2,220,749 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
2,220,749 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
20.5%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):  
PN

(A) Please see Item 5. This includes shares of Series B Preferred Stock immediately convertible into 1,501,673 shares of Common Stock.

---

NAMES OF REPORTING PERSONS:

TCV IV STRATEGIC PARTNERS, L.P.

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

See item 2 for identification of the General Partner

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 83,508 SHARES OF COMMON STOCK (A)

SHARES SHARED VOTING POWER:  
BENEFICIALLY 8

OWNED BY -0- SHARES OF COMMON STOCK

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
83,508 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
83,508 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
Less than 1%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):  
PN

(A) Please see Item 5. This includes shares of Series B Preferred Stock immediately convertible into 56,516 shares of Common Stock.

---

NAMES OF REPORTING PERSONS:

1 TECHNOLOGY CROSSOVER MANAGEMENT IV, L.L.C.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

See item 2 for identification of the Managing Members

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2 (a)

(b)

3 SEC USE ONLY:

4 SOURCE OF FUNDS (SEE INSTRUCTIONS):

AF, OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION:

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 2,304,257 SHARES OF COMMON STOCK(A)

SHARES SHARED VOTING POWER:  
BENEFICIALLY 8

OWNED BY -0- SHARES OF COMMON STOCK



EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
2,304,257 SHARES OF COMMON STOCK(A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

2,304,257 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

21.1%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

OO

(A) Please see Item 5. This includes shares of Series B Preferred Stock immediately convertible into 1,558,189 shares of Common Stock.

---

NAMES OF REPORTING PERSONS:

TCV III (GP)

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

See item 2 for identification of the General Partner

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 3,657 SHARES OF COMMON STOCK (A)

SHARES SHARED VOTING POWER:  
BENEFICIALLY 8

OWNED BY -0- SHARES OF COMMON STOCK

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
3,657 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
3,657 SHARES OF COMMON STOCK(A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
less than 0.1%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):  
PN

(A) Please see Item 5. This includes shares of Series B Preferred Stock immediately convertible into 2,285 shares of Common Stock.

---

NAMES OF REPORTING PERSONS:

TCV III, L.P.

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

See item 2 for identification of the General Partner

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 17,376 SHARES OF COMMON STOCK (A)

SHARES SHARED VOTING POWER:

BENEFICIALLY 8

OWNED BY -0- SHARES OF COMMON STOCK

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
17,376 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
17,376 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
Less than 1%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):  
PN

(A) Please see Item 5. This includes shares of Series B Preferred Stock immediately convertible into 10,852 shares of Common Stock.

---

NAMES OF REPORTING PERSONS:

TCV III (Q), L.P.

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

See item 2 for identification of the General Partner

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 461,840 SHARES OF COMMON STOCK (A)

SHARES SHARED VOTING POWER:  
BENEFICIALLY 8

OWNED BY -0- SHARES OF COMMON STOCK

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
461,840 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

461,840 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

4.8%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

(A) Please see Item 5. This includes shares of Series B Preferred Stock immediately convertible into 288,422 shares of Common Stock.

---

NAMES OF REPORTING PERSONS:

TCV III STRATEGIC PARTNERS, L.P.

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

See item 2 for identification of the General Partner

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 20,908 SHARES OF COMMON STOCK (A)

SHARES SHARED VOTING POWER:  
BENEFICIALLY 8

OWNED BY -0- SHARES OF COMMON STOCK



EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
20,908 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
20,908 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
Less than 1%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):  
PN

(A) Please see Item 5. This includes shares of Series B Preferred Stock immediately convertible into 13,057 shares of Common Stock.

---

NAMES OF REPORTING PERSONS:

TECHNOLOGY CROSSOVER MANAGEMENT III, L.L.C.

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

See item 2 for identification of the Managing Members

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 503,781 SHARES OF COMMON STOCK(A)

SHARES SHARED VOTING POWER:  
BENEFICIALLY 8

OWNED BY -0- SHARES OF COMMON STOCK

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
503,781 SHARES OF COMMON STOCK(A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0- SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
503,781 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):  
o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):  
5.2%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):  
OO

(A) Please see Item 5. This includes shares of Series B Preferred Stock immediately convertible into 314,616 shares of Common Stock.

---

NAMES OF REPORTING PERSONS:

JAY C. HOAG

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF,OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF -0- SHARES OF COMMON STOCK

SHARED VOTING POWER:

SHARES  
BENEFICIALLY 8

OWNED BY 2,808,038 SHARES OF COMMON STOCK(A)

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
2,808,038 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0-SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

2,808,038 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

25.0%

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

IN

(A) Please see Item 5. This includes shares of Series B Preferred Stock immediately convertible into 1,872,805 shares of Common Stock.

---

NAMES OF REPORTING PERSONS:

RICHARD H. KIMBALL

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2

(a)

(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

DELAWARE

SOLE VOTING POWER:

7

NUMBER OF -0- SHARES OF COMMON STOCK

SHARES SHARED VOTING POWER:  
BENEFICIALLY 8

OWNED BY 2,808,038 SHARES OF COMMON STOCK (A)

EACH REPORTING PERSON **9** SOLE DISPOSITIVE POWER:  
2,808,038 SHARES OF COMMON STOCK (A)

WITH **10** SHARED DISPOSITIVE POWER:  
-0-SHARES OF COMMON STOCK

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

2,808,038 SHARES OF COMMON STOCK (A)

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

25.0%