

STILLWATER LLC
Form SC 13D/A
December 30, 2008

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

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 11)***

eMagin Corporation
(Name of Issuer)

Common Stock, \$0.001 par value per share
(Title of Class of Securities)

29076N 20 6

(CUSIP Number)

Frank S. Vellucci, Esq.
Chadbourne & Parke LLP
30 Rockefeller Plaza
New York, NY 10112
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(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

December 22, 2008

(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 Rule 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).

CUSIP No. 29076N 20 6

NAMES OF REPORTING PERSONS

1

Stillwater LLC

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

WC

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 11,186,920¹

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY 8

0

SOLE DISPOSITIVE POWER

EACH REPORTING 9

PERSON 11,186,920¹

WITH SHARED DISPOSITIVE POWER

10

1,951,037²

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

13,137,957

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

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

52.2%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

OO

¹ Consists of Issuer's Common Stock and the aggregate number of shares of the Issuer's Common Stock issuable upon exercise of Stock Purchase Warrants dated March 3, 2004, April 9, 2007 (as amended on July 23, 2007), April 2, 2008 and December 22, 2008, and upon conversion of Series B Convertible Preferred Stock issued on December 22, 2008.

² The sole member of Stillwater LLC is the investment manager of a corporation that owns such reported securities.

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NAMES OF REPORTING PERSONS

1

Ginola Limited

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

WC

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

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Isle of Man

SOLE VOTING POWER

7

NUMBER OF 2,541,624³

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY 8

0

SOLE DISPOSITIVE POWER

EACH REPORTING 9

PERSON 2,541,624³

WITH SHARED DISPOSITIVE POWER

10

2,538,230⁴

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

5,079,854

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

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

27.0%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

CO

³ Consists of aggregate number of shares of the Issuer's Common Stock issuable upon exercise of Stock Purchase Warrants dated March 3, 2004, November 3, 2004, July 21, 2006 (as amended on July 23, 2007) and April 2, 2008, and upon conversion of Series B Convertible Preferred Stock issued on December 22, 2008.

⁴ Consists of shares of Issuer's Common Stock and warrants owned by trusts and holding companies with the same directors and/or controlling shareholders as Ginola Limited. This report shall not be deemed an admission that Ginola Limited is the beneficial owner of such securities for purposes of Section 13(d) or 13(g) of the Act.

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This Amendment No. 11 to Schedule 13D (Amendment No. 11) is being filed by Stillwater LLC, a Delaware limited liability company (Stillwater) and Ginola Limited, a company organized in Isle of Man (Ginola and, together with Stillwater, the Reporting Persons), to amend the Schedule 13D (the Schedule 13D) originally filed by the Reporting Persons on May 5, 2003, and as amended by Amendment No. 1 to the Schedule 13D filed March 8, 2004, Amendment No. 2 to the Schedule 13D filed April 19, 2004, Amendment No. 3 to the Schedule 13D filed April 30, 2004, Amendment No. 4 to the Schedule 13D filed November 5, 2004, Amendment No. 5 to the Schedule 13D filed March 1, 2005, Amendment No. 6 to the Schedule 13D filed October 28, 2005, Amendment No. 7 to the Schedule 13D filed July 26, 2006, Amendment No. 8 to the Schedule 13D filed April 18, 2007, Amendment No. 9 to the Schedule 13D filed August 2, 2007 and Amendment No. 10 to the Schedule 13D filed April 14, 2008 with respect to beneficial ownership of common stock, \$0.001 par value per share (the Common Stock), of eMagin Corporation (eMagin or Issuer), a corporation organized under the laws of the State of Delaware. The address of the principal executive offices of eMagin is 10500 N.E. 8th Street, Suite 1400, Bellevue, WA 98004.

In accordance with Exchange Act Rule 13d-2, this Amendment No. 11 amends and supplements only information that has materially changed since the April 14, 2008 filing of Amendment No. 10 to Schedule 13D.

Item 5. Interest in Securities of the Issuer.

| | | Common Stock Beneficially Owned | Percent of Class |
|-----|---|---------------------------------------|---------------------|
| (a) | Stillwater ¹ Ginola ^{3, 4} | 13,137,957 5,079,854 | 52.2% 27.0% |
|) | | | |
| (b) | Stillwater | Common Stock Beneficially Owned | Percent of Class |
| | Sole Voting Power | 11,186,920 | 47.6% |
| | Shared Voting Power | - 0 - | 0% |
| | Sole Dispositive Power | 11,186,920 | 47.6% |
| | Shared Dispositive Power ² | 1,951,037 | 11.7% |
|) | | | |
| | Ginola | Common Stock Beneficially Owned | Percent of Class |
| | Sole Voting Power | 2,541,624 | 15.0% |
| | Shared Voting Power | - 0 - | 0% |
| | Sole Dispositive Power | 2,541,624 | 15.0% |
| | Shared Dispositive Power ⁴ | 2,538,230 | 15.0% |

1 Consists of Issuer s Common Stock and the aggregate number of

shares of the Issuer's Common Stock issuable upon exercise of Stock Purchase Warrants dated March 3, 2004, November 3, 2004, October 26, 2005, July 21, 2006 (as amended on July 23, 2007), April 9, 2007 (as amended on July 23, 2007) and April 2, 2008, and upon conversion of Series B Convertible Preferred Stock issued on December 22, 2008.

- 2 The sole member of Stillwater is the investment manager of a corporation that owns such reported securities.
- 3 Consists of aggregate number of shares of the Issuer's Common Stock issuable upon exercise of Stock Purchase Warrants dated March 3, 2004, November 3, 2004,

October 26,
2005, July 21,
2006 (as
amended on
July 23, 2007)
and April 2,
2008, and upon
conversion of
Series B
Convertible
Preferred Stock
issued on
December 22,
2008.

- 4 Consists of shares of Common Stock and warrants owned by trusts and holding companies with the same directors and/or controlling shareholders as Ginola. This report shall not be deemed an admission that Ginola is the beneficial owner of such securities for purposes of Section 13(d) or 13(g) of the Act.

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(c) Since the filing of Amendment No. 10 to Schedule 13D on April 14, 2008 the following transactions were effected:

- (i) On September 25, 2008, Stillwater received 14,188 shares of the Issuer's Common Stock due to its waiver (consent) of the Issuer increasing their line of credit with Moriah Capital, L.P. and for extending the date that the loan be repaid contrary to terms in the (A) \$250,000 Amended and Restated 8% Secured Convertible Note (Stillwater Note) purchased pursuant to the Note Purchase Agreement, dated July 21, 2006, as amended on March 28, 2007 and further amended on July 23, 2007, as part of a private placement with the Issuer, and (B) Securities Purchase Agreement, dated April 2, 2008, between the Issuer and Stillwater.
- (ii) On September 25, 2008, Ginola received 19,863 shares of the Issuer's Common Stock due to its waiver (consent) of the Issuer increasing their line of credit with Moriah Capital, L.P. and for extending the date that the loan be repaid contrary to terms in, as applicable, the (A) \$800,000 Amended and Restated 8% Secured Convertible Note (Ginola Note) purchased pursuant to the Note Purchase Agreement, dated July 21, 2006, as amended on July 23, 2007, as part of a private placement with the Issuer, and (B) Securities Purchase Agreement, dated April 2, 2008, between the Issuer and Ginola.
- (iii) On September 25, 2008, Rainbow Gate Corporation, a corporation in which its investment manager is the sole member of Stillwater and its controlling shareholder is the same as Ginola (Rainbow Gate), received 13,242 shares of the Issuer's Common Stock due to its waiver (consent) of the Issuer increasing their line of credit with Moriah Capital, L.P. and for extending the date that the loan be repaid contrary to terms in the \$700,000 Amended and Restated 8% Secured Convertible Note (Rainbow Gate Note) purchased pursuant to the Note Purchase Agreement, dated July 21, 2006, as amended on July 23, 2007, as part of a private placement with the Issuer.
- (iv) On September 25, 2008, a corporation with substantially the same directors as Ginola received 4,729 shares of the Issuer's Common Stock due to its waiver (consent) of the Issuer increasing their line of credit with Moriah Capital, L.P. and for extending the date that the loan be repaid contrary to terms in the Securities Purchase Agreement entered into with the Issuer on April 2, 2008.
- (v) On December 22, 2008, Stillwater converted \$251,166.67 of its outstanding Stillwater Note, representing \$250,000 of principal and \$1,166.67 of accrued and unpaid interest, and received 717,620 shares of Issuer's Common Stock with a conversion price of \$0.35 per share, pursuant to the terms of the Stillwater Note.
- (vi) On December 22, 2008, Stillwater purchased 4,033 shares of Issuer's Series B Convertible Preferred Stock, with a stated value of \$1,000 per share, conversion price of \$0.75 per share and rights and preferences set forth on the Certificate of Designations of Series B Convertible Preferred Stock filed with the Secretary of State for the State of Delaware on December 19, 2008 (Series B Convertible Preferred Stock), and received 1,875,467 warrants for the purchase of shares of Issuer's Common Stock with an exercise price of \$1.03 per share, which expire on December 22, 2013, for \$4,033,000 pursuant to the Securities Purchase Agreement between Stillwater and the Issuer dated December 18, 2008, as such transaction is described further in the Issuer's Form 8-K filed on December 23, 2008.
- (vii) On December 22, 2008, Ginola converted \$803,000 of its outstanding Ginola Note, representing \$800,000 of principal and \$3,000 of accrued and unpaid interest, and received 803 shares of Series B Convertible Preferred Stock pursuant to the Exchange Agreement dated December 22, 2008 between the Issuer and Ginola, as such transaction is described further in the Issuer's Form 8-K filed on December 23, 2008.
- (viii) On December 22, 2008, Rainbow Gate converted \$703,000 of its outstanding Rainbow Gate Note, representing \$700,000 of principal and \$3,000 of accrued and unpaid interest, and received 703 shares of Series B Convertible Preferred Stock pursuant to the Exchange Agreement dated December 22, 2008 between the Issuer and Rainbow Gate, as such transaction is described further in the Issuer's Form 8-K filed on December 23, 2008.

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(d) Not applicable.

(e) Not applicable.

Item 7. To Be Filed as Exhibits.

| Exhibit No. | Description | Page |
|--------------------|--|-------------|
| 1 | Agreement of Reporting Persons to file joint statement on Schedule 13D | 9 |

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Signatures

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

Date: December 30, 2008

STILLWATER LLC

By: /s/ Mortimer D. A. Sackler
Name: Mortimer D.A. Sackler
Title: President

GINOLA LIMITED

By: /s/ Jonathan White
Name: Jonathan White
Title: Director

Exhibit Index

| Exhibit No. | Description | Page |
|--------------------|--|-------------|
| 1 | Agreement of Reporting Persons to file joint statement on Schedule 13D | 9 |