

STILLWATER LLC
Form 4
September 29, 2008

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
STILLWATER LLC

2. Issuer Name and Ticker or Trading Symbol
EMAGIN CORP [EMAN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
15 EAST 62ND STREET
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
09/25/2008

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

NEW YORK, NY 10021

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

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	09/25/2008 ⁽¹⁰⁾		J ⁽¹⁰⁾	V Amount (A) or (D) Price 14,188 A \$ 0 (10)	1,976,115	D	
Common Stock	09/25/2008 ⁽¹⁰⁾		J ⁽¹⁰⁾	V Amount (A) or (D) Price 13,242 A \$ 0 (10)	276,084	I	By Rainbow Gate Corporation ⁽¹⁾

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

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Stock Purchase Warrants (right to buy)	\$ 27.6 <u>(2)</u>	06/10/2008 ⁽²⁾		H ⁽²⁾	51,776 <u>(2)</u>	<u>(2)</u>	06/10/2008	Common Stock	51,776
Amended and Restated 8% Secured Convertible Note	\$ 0.35 <u>(3)</u>					<u>(3)</u>	<u>(3)</u>	Common Stock	714,2
Stock Purchase Warrants (right to buy)	\$ 0.48 <u>(6)</u>					<u>(6)</u>	<u>(6)</u>	Common Stock	1,000,
Stock Purchase Warrants (right to buy)	\$ 1.3 <u>(7)</u>					<u>(7)</u>	<u>(7)</u>	Common Stock	240,3
Amended and Restated 8% Secured Convertible Note	\$ 0.75 <u>(4)</u>					<u>(4)</u>	<u>(4)</u>	Common Stock	933,3
Stock Purchase Warrants (right to buy)	\$ 1.03 <u>(5)</u>					<u>(5)</u>	<u>(5)</u>	Common Stock	653,3
Stock Purchase Warrants	\$ 3.45 <u>(8)</u>					<u>(8)</u>	<u>(8)</u>	Common Stock	29,74

(right to buy)

Stock Purchase Warrants (right to buy)

\$ 10 ⁽⁹⁾

(9)

(9)

Common Stock

54,5

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STILLWATER LLC 15 EAST 62ND STREET NEW YORK, NY 10021		X		

Signatures

/s/ Mortimer D.A. Sackler as President of Stillwater LLC

09/26/2008

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
 - (1) These securities are owned solely by Rainbow Gate Corporation. The sole member of Stillwater LLC is the investment manager of Rainbow Gate Corporation, and this report shall not be deemed an admission that Stillwater LLC is the beneficial owner of these securities except to the extent of its pecuniary interest therein.
 - (2) These warrants expired and were not exercised by the Reporting Person.
 - (3) The notes have an 8% interest rate, a conversion price of \$0.35, are convertible immediately and mature on December 21, 2008.
 - (4) The notes have an 8% interest rate, a conversion price of \$0.75, are convertible immediately and mature on December 21, 2008.
 - (5) The warrants to purchase Issuer's Common Stock have an exercise price of \$1.03, are exercisable immediately, and will expire on July 21, 2011.
 - (6) The warrants to purchase Issuer's Common Stock have an exercise price of \$0.48 per share, are exercisable immediately, and will expire on July 21, 2011.
 - (7) The warrants to purchase Issuer's Common Stock have an exercise price of \$1.30 per share, are exercisable immediately, and will expire on April 2, 2013.
 - (8) The warrants to purchase Issuer's Common Stock are exercisable immediately, will expire on April 25, 2010, and had an exercise price of \$3.45 per share prior to the Issuer's execution of Amendment No. 3 to the Loan and Security Agreement with Moriah Capital, LP but are subject to re-pricing due to the execution of such agreement in accordance with the terms of the original warrant.
 - (9) The warrants to purchase Issuer's Common Stock have an exercise price of \$10.00 per share, are exercisable immediately, and will expire on October 20, 2010.
 - (10) These Common Stock shares were issued due to its waiver (consent), dated August 20, 2008, of the Issuer increasing their line of credit with Moriah Capital, LP and for extending the date that the loan be repaid contrary to terms in the 8% Senior Secured Convertible Notes and April 2008 Securities Purchase Agreement (as applicable). The Reporting Person received such shares from the Issuer on September 25, 2008.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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