

EMAGIN CORP  
Form 4  
July 25, 2007

**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

(Last) (First) (Middle)  
15 EAST 62ND STREET  
(Street)  
NEW YORK, NY 10021  
(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
07/23/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

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

**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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	07/23/2007		C	V	720,476	A	\$ 0.35
Common Stock					1,481,158	D	
					262,842	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 Underlying (Instr. 3 and 4)
					V	(A)	(D)	Date Exercisable	
Stock Purchase Warrants (right to buy)	\$ 4.26	07/20/2007		H		30,000	<u>(2)</u>	07/20/2007	Common Stock
6% Secured Convertible Note	\$ 0.35	07/23/2007		C	720,476		04/09/2007	07/23/2007	Common Stock
6% Secured Convertible Note	\$ 0.35	07/23/2007		H <sup>(3)</sup>		714,286	04/09/2007	01/21/2008 <sup>(3)</sup>	Common Stock
Amended and Restated 8% Secured Convertible Note	\$ 0.35	07/23/2007		P <sup>(3)</sup>	714,286		07/23/2007	12/21/2008	Common Stock
6% Secured Convertible Note	\$ 2.6	07/23/2007		H <sup>(4)</sup>		269,231	07/21/2006	01/21/2008 <sup>(4)</sup>	Common Stock
Amended and Restated 8% Secured Convertible Note	\$ 0.75	07/23/2007		P <sup>(4)</sup>	933,333		07/23/2007	12/21/2008	Common Stock
Stock Purchase Warrants (right to buy)	\$ 3.6	07/23/2007		H <sup>(5)</sup>		188,462	07/21/2006	07/21/2011	Common Stock
Amended Stock Purchase Warrants (right to	\$ 1.03	07/23/2007		P <sup>(5)</sup>	653,333		07/23/2007	07/21/2011	Common Stock

buy)

Stock

Purchase

Warrants (6)  
(right to buy)

(6) (6)

Common Stock

Stock

Purchase

Warrants (7)  
(right to buy)

(7) (7)

Common Stock

Stock

Purchase

Warrants (8)  
(right to buy)

(8) (8)

Common Stock

Stock

Purchase

Warrants (9)  
(right to buy)

(9) (9)

Common Stock

## 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

07/25/2007

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).

These securities are owned solely by Rainbow Gate Corporation. The sole member of Stillwater LLC is the investment manager of

- (1) 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 outstanding 6% Secured Convertible Note that was purchased pursuant to a Note Purchase Agreement dated on July 21, 2006, as amended on March 28, 2007, as part of a private placement by the Issuer, in which 50% of the principal amount matured on July 23, 2007 and 50% would have matured on January, 21, 2008, was amended pursuant to an Amendment Agreement with the Issuer, effective July 23, 2006 (the "Amendment Agreement"), which extended the maturity date for the entire note to December 21, 2008. This amendment is

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reported above as the cancellation of the "old" note and the acquisition of a new one.

The outstanding 6% Secured Convertible Note purchased on July 21, 2006, as part of a private placement by the Issuer, in which 50% of the principal amount matured on July 23, 2007 and 50% would have matured on January, 21, 2008, was amended pursuant to the

- (4) Amendment Agreement, which extended the maturity date for the entire note to December 21, 2008, reduced the conversion price from \$2.60 to \$0.75 and increased the interest rate from 6% to 8%. This amendment is reported above as the cancellation of the "old" note and the acquisition of a new one.

The Stock Purchase Warrants acquired on July 21, 2006 as part of a private placement by the Issuer was amended pursuant to the

- (5) Amendment Agreement, which decreased the warrant purchase price from \$3.60 to \$1.03. This amendment is reported above as the cancellation of the "old" warrant and the acquisition of a new one.
- (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 \$27.60 per share, are exercisable immediately, and will expire on June 10, 2008.
- The warrants to purchase Issuer's Common Stock are exercisable immediately, will expire on April 25, 2010, and had an exercise price of
- (8) \$7.12 per share prior to the execution of the Amendment Agreement but are subject to re-pricing due to the execution of the Amendment 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

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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