

Disclosure Brochure

March 15, 2011

Emancipation Capital, LLC

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Emancipation Capital, LLC (hereinafter "Emancipation Capital"). If you have any questions about the contents of this brochure, please contact Charles I. Frumberg at (212) 605-0661. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Emancipation Capital, LLC is available on the SEC's website at www.adviserinfo.sec.gov

Emancipation Capital, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This item discusses only the material changes that have occurred since Emancipation Capital, LLC's last annual update dated March 31, 2010. This is Emancipation Capital's first disclosure brochure and, as such, Emancipation Capital does not have any material changes to disclose in response to this item.

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Item 4. Advisory Business

Emancipation Capital LLC (the “*Registrant*”) is an investment adviser providing investment management services to investment limited partnerships. The Registrant offers its services for fees based on the performance of the client’s portfolio. The Registrant’s clients are generally limited to investment partnerships. Interests in the *Fund* are privately offered pursuant to Regulation D under the Securities Act of 1933, as amended. The *Fund* currently relies on an exemption from registration under the Investment Company Act of 1940, as amended, that is available to investment partnerships that do not have more than 100 investors. Participation as a limited partner of the *Fund* shall be restricted to investors that are “accredited investors”, and “qualified clients” pursuant to the requirements under Rule 205-3 under the Advisers Act (“*qualified clients*”).

Investment in the *Fund* involves a significant degree of risk. All relevant information, terms and conditions relative to the *Fund*, including withdrawal provisions, expenses, fees, suitability, risk factors, and potential conflicts of interest, are set forth in the Confidential Private Placement Memorandum, Limited Partnership Agreement, and Subscription Agreement (collectively the “*Fund Documents*”), which each limited partner is required to receive and/or execute prior to being accepted as a limited partner of the *Fund*. Neither Emancipation Capital nor the partner may assign the *Agreement* without the consent of the other party.

The Registrant is the General Partner of Emancipation Capital, LP (the “*Fund*”), a Delaware limited partnership formed in June 2003 to engage primarily in the business of investing and trading in securities within the technology sector. Charles I. Frumberg is the sole shareholder of Emancipation Management and the managing member of Emancipation Capital, LLC. Emancipation Management has \$94,500,000 of total assets under management as of February 1, 2011, of which \$77,700,000 is held in Emancipation Capital, LLC. All assets are managed on a discretionary basis.

This disclosure brochure describes the business of Emancipation Capital, LLC. Certain sections will also describe activities of *Supervised Persons*. *Supervised Persons* are any of Emancipation Capital’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who invests on Emancipation Capital, LLC’s behalf and is subject to Emancipation Capital Management’s supervision or control.

Investment Management Services

Emancipation Capital, LLC (referred to as “Emancipation Capital”) manages all of its partner’s assets on a discretionary basis, and invests substantially all of its assets in publicly traded technology sector securities. The fund is deep value orientated and typically long biased in nature with long term investment horizons. Short equity positions are regularly taken to manage risk and seek out performance. Emancipation Capital also invests in public company debt investments. In an effort to achieve a sufficient mix of capital preservation and growth potential, Emancipation Capital primarily targets out-of-favor and undervalued companies with strong fundamentals and attractive valuations.

Additions and Withdrawals to Accounts

Partners may make additions and withdrawals from their account in accordance with their assigned *agreement*. This agreement typically requires a one-year lock-up period with monthly liquidity provisions with 60-day notice.

Item 5. Fees and Compensation

Emancipation Capital offers its investment services on a fee basis, based upon assets under management and the performance of the partner's investment.

Investment Management Fee

Emancipation Capital provides investment management services for an annual fee of (2.0%) of the market value of the assets being managed. Emancipation Capital's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which are incurred through the Fund's normal course of investing activities. Emancipation Capital's annual fee is prorated and charged quarterly, in arrears, based upon the market value of the assets being managed by Emancipation Capital on the last day of the previous quarter.

Performance Fee

Emancipation Capital, in addition to the management fee, collects a performance-based fee in accordance with the requirements set forth in applicable laws, rules, and regulations.

Emancipation Capital charges a *performance fee* of twenty percent (20%) of the net performance of the client's account, subject to a high water mark.

Fee Discretion

Emancipation Capital, in its sole discretion, may negotiate to charge a different fee from what is stated above.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, fees are calculated on a *pro rata* basis.

The *Agreement* between Emancipation Capital and the client continues in effect until terminated by either party pursuant to the terms of the *Agreement*. Emancipation Capital's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate. A 10% holdback is applied to all full redemptions made throughout the year. The holdback is returned in full, upon the completion of that year's financial audit. This measure is in place to protect the assets of all partners in the event that an end-of-year adjustment is made to any prior quarter.

Item 6. Performance-Based Fees and Side-by-Side Management

As discussed in response to Item 5, above, Emancipation Capital renders investment management services to *qualified clients* for a performance-based fee. This fee arrangement raises conflicts of interest. The *performance fee* may be an incentive for Emancipation Capital to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. Emancipation Capital has strict procedures in place to ensure that all investments are made in the best interest of all partners.

Item 7. Types of Clients

Emancipation Capital provides its services only to *accredited investors*. These include high net worth individuals, fund-of-funds, trusts, estates, insurance companies, corporations and other business entities. All investors must meet the minimum *accredited investor* requirements as defined by the SEC. Those minimums currently require a net worth of at least \$1,000,000 for individuals and \$5,000,000 for institutions. As an additional requirement, the net income of an individual must exceed \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year. Emancipation Capital strictly enforces SEC set minimum levels of investor assets and liquidity. As a 3C1 fund, Emancipation Capital is required to have 99 or fewer investors in total.

Minimum Account Size

As a condition for starting and maintaining a relationship, Emancipation Capital imposes a minimum initial investment of \$1,000,000, subject to waiver by the Registrant in its sole discretion.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Primary Method of Analysis

Emancipation Capital relies primarily on a fundamental based method of analysis, targeting undervalued and out-of-favor technology companies with demonstrably solid business and financial characteristics. Although we target businesses that are already trading at depressed valuation levels, a broad revaluation of the technology sector to the downside could adversely affect Emancipation Capital depending on the Fund's exposure at that moment.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. Emancipation Capital will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to analyze investments. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Investment Strategy

Emancipation Capital's investment process focuses first on assessing risk, followed by measurement of upside opportunity. Emancipation Capital believes that this value-oriented approach allows them to focus on capital preservation, while still maintaining significant growth potential. It is in the spirit of capital preservation that Emancipation Capital strictly follows valuation guidelines rooted in the comparison of business *enterprise values* to recurring or contractually set future revenue streams or other reasonably steady forms of business cash flows.

Emancipation Capital views itself as a low turnover fund with a long-term investment horizon; however, if investment turnover were to increase in the future, partners could face the risk of paying higher commission amounts.

Market Risks

The profitability of a significant portion of Emancipation Capital's investments may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Emancipation Capital will be able to predict those price movements accurately.

Risk of Loss

Investing in securities involves the risk of loss. Investors should be prepared to bear such loss.

Item 9. Disciplinary Information

Emancipation Capital is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its business or the integrity of management. Emancipation Capital does not currently have any required disclosures to this item.

Item 10. Other Financial Industry Activities and Affiliations

Emancipation Capital is required to disclose any relationship or arrangement that is material to its business or to its investors with certain related persons. Emancipation Capital does not have any such relationships to describe at the time of this filing.

Item 11. Code of Ethics

Persons associated with Emancipation Capital (“Associated Persons”) are permitted to buy or sell securities that the fund invests in.

Emancipation Capital has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“Code of Ethics”). In accordance with Section 204A of the Investment Advisers Act of 1940 (the “Advisers Act”), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Emancipation Capital or any of its associated persons. The *Code of Ethics* also requires that certain of Emancipation Capital’s personnel (called “*Access Persons*”) report their personal securities holdings and transactions and obtain written pre-approval in all investments and sales of investments, including initial public offerings and limited offerings.

Investors and prospective investors may contact Emancipation Capital to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

Broker Dealer Relationships

Emancipation Capital maintains several broker dealer relationships through its regular course of business. Factors that Emancipation Capital considers in establishing these relationships include respective financial strength, reputation, execution, pricing, research and service. The commissions paid by Emancipation Capital comply with Emancipation Capital's duty to obtain "best execution." Emancipation Capital may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Emancipation Capital determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Emancipation Capital seeks competitive rates but may not necessarily obtain the lowest possible commission rates for transactions.

Emancipation Capital periodically and systematically reviews its policies and procedures regarding its use of *Financial Institutions* in light of its duty to obtain best execution.

These relationships are maintained for the purposes of providing market liquidity, payment for investment research and/or access to industry conferences. Liquidity is extremely important, it allows for Emancipation Capital to enter and exit positions with as little market disruption as possible. Investment research includes both bottom-up and top-down industry and company specific research, as well as general economic data. Industry conferences provide valuable company and management access, and are an important aspect to idea generation and portfolio maintenance. The receipt of investment research products and/or services poses a conflict of interest because Emancipation Capital does not have to produce or directly pay for the products or services.

Soft Dollar Relationships

Emancipation Capital does maintain soft dollar accounts. These accounts are used to pay for services that are directly related to the performance of the Fund. These added commissions may cause the Fund to pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits. Service providers that have been funded by our soft dollar accounts over the past year include Thomson Reuters and Bloomberg for news and pricing, as well as industry research provider Gartner and Internet data compiler FirstRain Inc.

Software and Support Provided by Financial Institutions

Emancipation Capital receives from BTIG and Goldman Sachs, without cost to Emancipation Capital, computer software and related systems support, which allow the Fund to better monitor portfolio accounts maintained at Goldman Sachs. Emancipation Capital may receive the software and related support without cost because Emancipation Capital uses Goldman Sachs for prime brokerage services and as a custody agent, and BTIG as an introducing broker into Goldman Sachs. The software and related systems support

may benefit Emancipation Capital, but not its investors directly. Investors should be aware that Emancipation Capital's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Emancipation Capital's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Item 13. Review of Accounts

Emancipation Capital monitors its portfolio on a daily basis. This review includes in depth analysis of equity valuations, company managements, changes to business environments, and various other aspects of the security, as well as overall portfolio exposures.

Investor communication and visibility is extremely important to Emancipation Capital and taken very seriously. To this respect, all investors receive comprehensive monthly statements from our third-party administrator, IFM, Inc. These statements include current and historical performance, account asset value, tax liability analysis, and all management and performance fees that have been paid and/or accrued. All investors have the option to receive statements directly from IFM, Inc. through their secure online investor portal system. All historical statements are available to investors either through IFM, Inc.'s secure online investor portal or by requesting it directly from Emancipation Capital.

In addition to monthly administrator statements, Emancipation Capital distributes a monthly investor letter to both current and potential *accredited investors*. This letter discusses portfolio performance, attributions, exposures, holdings, concentration levels and general industry and market trends. A second letter is distributed to partners later in the month, typically by the 10th business day upon completion of our administrator's monthly NAV analysis, that contains final monthly performance and a comprehensive comparative analysis against various benchmarks.

Item 14. Client Referrals and Other Compensation

Emancipation Capital is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, Emancipation Capital is required to disclose any direct or indirect compensation that it provides for client referrals. Emancipation Capital does not have any required disclosures to this item.

Item 15. Custody

Emancipation Capital's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Emancipation Capital through such *Financial Institution* to debit the partner's account for the amount of Emancipation Capital's fee and to directly remit that management fee to Emancipation Capital in accordance with applicable custody rules. Goldman Sachs is Emancipation Capital's custody agent and provides all prime brokerage services alongside BTIG, Inc. that acts as an introducing broker.

As discussed in Item 13, Emancipation Capital sends statements that are prepared on a monthly basis by a third-party administrator directly to partners. These statements are reviewed internally upon receipt, reviewed by our accountants, Anchin, Block & Anchin, on a quarterly basis and then formally audited by them on an annual basis. Copies of our financial audit completed by Anchin, Block & Anchin are distributed to all partners within 120 days of our fiscal yearend. Additionally, K-1 statements are sent to all partners immediately upon completion of Emancipation Capital's audit. Partners should carefully review all statements from Emancipation Capital or from any *Financial Institution* on their behalf.

Item 16. Investment Discretion

Emancipation Capital does have *discretionary authority* to manage all investments made into Emancipation Capital. Emancipation Capital is given this authority through a power-of-attorney included in the agreement between Emancipation Capital and the partner. We are limited, however, to invest only in publicly traded securities. Emancipation Capital takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Financial Institutions* to be utilized.

Item 17. Voting Client Securities

Emancipation Capital has authority to vote shares owned in the Fund as it deems appropriate, and will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully described in Emancipation Capital's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Emancipation Capital's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Partners may contact Emancipation Capital to request information about how Emancipation Capital voted proxies or to get a copy of Emancipation Capital's Proxy Voting Policies and Procedures. A brief summary of Emancipation Capital's Proxy Voting Policies and Procedures is as follows:

- Emancipation Capital has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of the partners, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to Emancipation Capital's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, Emancipation Capital devotes an appropriate amount of time and resources to monitor these changes.
- Limited partners cannot direct Emancipation Capital to vote on a particular solicitation.

Item 18. Financial Information

Emancipation Capital does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Emancipation Capital is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Emancipation Capital does not have anything to report at this time.