

Item 1- Cover Page

ACON SAGA MANAGER, L.L.C.

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This brochure provides information about the qualifications and business practices of ACON SAGA Manager, L.L.C. If you have any questions about the contents of this brochure, please contact us at 202-454-1100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about ACON SAGA Manager, L.L.C. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2- Material Changes

There have been no material changes to this brochure from the initial version of this brochure, which was dated February 24, 2012.

Item 3- Table of Contents

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FORM ADV, PART 2A
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Item 4- Advisory Business

- A. ACON SAGA Manager, L.L.C. (“ACON SAGA” or the “Adviser”) was formed in 2011 as a Delaware limited liability company to provide investment supervisory services to pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”) and whose securities are not registered under the Securities Act of 1933, as amended.

The only advisory client of ACON SAGA Manager is ACON Alabama Energy Investors, L.L.C. (the “Fund”).

The owners of ACON SAGA Manager, L.L.C. are Bernard Aronson, Kenneth Brotman and Jonathan Ginns.

- B. As an investment adviser, ACON SAGA provides investment-related services to the Fund, including: identifying and recommending investment opportunities; analyzing and investigating potential investment opportunities; structuring investments; identifying sources of financing for proposed investments; monitoring, managing and evaluating investments; analyzing and investigating positional dispositions of investments; supervising the negotiation, preparation and review of agreements and other documents in connection with investments, dispositions and financings; and providing all administrative, clerical and financial support services related to the management of the Fund.
- C. The Fund has a set of specific guidelines which are set forth in its governing documents and its offering documents. These guidelines may provide for limits on the size, concentration, geography, type of security and/or terms of the Fund. The Fund is advised by the Adviser and managed in accordance with its investment guidelines and an investment in the Fund does not, in and of itself, create an advisory relationship between any investor in the Fund and the Adviser.
- D. The Adviser does not participate in wrap fee programs.
- E. As of December 31, 2012, ACON SAGA manages approximately \$45 million of client assets, all of which is managed on a discretionary basis.

Item 5- Fees and Compensation

- A. ACON SAGA does not receive any fee compensation from the Fund.
- B. N/A
- C. The Fund bears and is charged with the reasonable, customary documented costs and expenses of its organization, activities, and operations, including without limitation: (i) fees and expenses of accountants, attorneys and financial advisors and (ii) the costs of insurance.

D. N/A

E. Neither ACON SAGA nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6- Performance-Based Fees and Side-By-Side Management

As the Managing Member of the Fund, ACON SAGA charges a performance-based fee (referred to as “carried interest”). The carried interest may create an incentive for ACON SAGA to make riskier or more speculative investments on behalf of the Fund than it would otherwise make in the absence of such performance-based arrangements. However, the principals of ACON SAGA have invested personal capital indirectly in the Fund, which may serve to reduce this incentive.

Item 7- Types of Clients

ACON SAGA provides investment advice to the Fund. Investment advice is provided directly to the Fund, subject to the direction and control of ACON SAGA, and not individually to the members of such Fund.

The Fund is a pooled investment vehicle formed under domestic laws and operated as exempt investment pools under the Investment Company Act. The investors participating in the Fund include pension and profit-sharing plans, and, indirectly, principals or other employees of ACON SAGA and its affiliates.

Minimum investment commitments may be established for members in the Fund. ACON SAGA, in its sole discretion, may permit investments that are less than the required minimum investment commitment set forth in the applicable fund documents of the Fund.

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

A. The investment strategy of ACON SAGA is to seek to increase the value of, and to find desirable exit opportunities for, the investments made on behalf of the Fund. This strategy may involve the use of information generated by individuals or entities not affiliated with ACON SAGA or its affiliates. Sources of such information include, but are not limited to, research provided by institutions and the brokerage community, internally and externally generated analysis of potential opportunities, specialized consultants, industry experts, and industry and trade publications, as well as direct contact with management of potential portfolio companies and related due diligence.

ACON SAGA generally follows an investment process which seeks to: (i) subject potential transactions to a multi-stage screening process with certain hurdles at each stage; (ii) institute the appropriate controls and monitoring mechanisms to facilitate the ability of the ACON SAGA's professionals to add value to portfolio companies; and (iii) maximize the value of investments upon exit.

An investment in the Fund involves a high degree of risk and, therefore, should be undertaken only by investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in the Fund and for which the Fund does not represent a complete investment program. There can be no assurances the Fund will meet its investment objectives or otherwise be able to carry out its investment program successfully or that an investor will receive a return of its capital contributed to the Fund. In addition, there can be no assurance that the Fund will be able to generate returns for investors or that returns will be commensurate with the risks of the Fund's investments. An investment in the Fund should only be made by persons that can afford a loss of their entire investment.

- B. The Fund has a single investment in a company that operates within the United States. Certain of the risks related to this investment strategy are summarized below. However, prospective investors should carefully consider all of the risks related to investing in the Fund that are set forth in the offering documents for the Fund, including those discussed in Item 8.C. below.
- C. There are significant risks and potential conflicts of interest in investing in private securities issued by middle market companies. Certain of these risks and potential conflicts of interest are summarized below. However, prospective investors should carefully consider all of the risks related to investing in the Fund that are set forth in the offering documents for the Fund.

Investment Strategy Risks

Limited diversification. An investment in the Fund will not be a diversified investment. The Fund was established to invest in a single issuer and specific security. Such a concentration will magnify the effect of the risks associated with such an investment as compared to a more diversified portfolio. Similarly, a change in the underlying value of the Fund's asset will affect the value of the fund more than it would if the fund held a more diversified portfolio.

Issuer selection and issuer-specific risks. In implementing its investment strategy, the Adviser will focus on identifying investments in the securities of companies that have significant issuer-specific risks as a result of business, financial, market or legal uncertainties, including companies that require operational improvements or restructuring. Changes to the financial condition or outlook of these issuers may cause the value of these investments to be volatile.

Long-term nature of interests and the Fund's investments. While the Fund's investment may generate some current income, the return of capital and the realization of gains, if any, from the investment will occur only upon the partial or complete disposition of the investment. Investments typically will not be liquidated for a number of years after the initial investment, and it is unlikely that the Fund will realize substantial capital gains

during its early years. The Fund investment may unexpectedly not be able to be realized in an orderly fashion until after the date on which the Fund is scheduled to terminate. Although it is the expectation of the ACON SAGA that the investments will be disposed of prior to the end of the Fund's term, the Fund may have to sell or otherwise dispose the investment on disadvantageous terms as a result of the Fund's termination, or distribute the investment in kind.

Leverage. To the extent that the company has leveraged capital structure, the investment will be subject to increased exposure to adverse factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of the company or its industry. To the extent that a company is unable to generate sufficient cash flow to meet obligations under its indebtedness, the value of the Fund's investment could be significantly reduced or even eliminated.

Controlling interests. Although it is the intention of ACON SAGA to structure the investment to avoid liability for the Fund, because of its equity ownership, representation on the board of directors and/or contractual rights, the Fund may often be considered to control, participate in the management of or influence the conduct of portfolio companies. This could expose the assets of the Fund to claims by a portfolio company, its other security holders, its creditors or governmental agencies, which may exceed the value of the Fund's initial investment in that portfolio company.

Conflicts with portfolio companies. Officers and employees of ACON SAGA and its affiliates will serve as directors of certain portfolio companies and, in that capacity will be required to make decisions that consider the best interests of the portfolio company. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interest of that portfolio company may not be in the best interests of the Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interests between such individual's duties as an officer or employee of ACON SAGA or its affiliates and such individual's duties as a director of a portfolio company.

Material non-public information. By reason of their responsibilities in connection with their other activities, certain of the Fund's partners may acquire confidential or material non-public information or be otherwise restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Control rights of certain investors. As described in the Funds organizational documents, certain investors in the Fund maintain control rights over certain decisions related to the Fund's investment, including (i) limits over the costs to be incurred by the Fund; (ii) exercising certain rights with respect to the portfolio company investment; (iii) voting the shares held by the Fund in the portfolio company; and (iv) selling the securities held by the Fund, among others. As a result of the control rights of such

investors, the Adviser does not have total discretion over the investment decisions of the Fund and the options available to the Adviser with respect to the management of the Fund's investments may be limited. Such control rights may ultimately impact the value realized on the Fund's investments.

Item 9 - Disciplinary Information

ACON SAGA is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of ACON SAGA or the integrity of its management. ACON SAGA does not have any disclosure applicable to this item to report.

Item 10- Other Financial Industry Activities and Affiliations

- A. Neither ACON SAGA nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither ACON SAGA nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Some of the Principals, officers, chief compliance officer, employees and/or consultants of ACON SAGA serve in similar capacities for ACON Funds Management, L.L.C. or other affiliates.

ACON SAGA, ACON Funds Management, L.L.C ("AFM"), and ACON Investments Management, L.L.C ("AIM") are affiliates and each is an investment adviser. ACON SAGA, AFM, and AIM and other affiliates, share certain employees and officers, and ACON Investments, L.L.C., a service affiliate, provides certain administrative services under a services agreement to ACON SAGA, AFM and AIM, including the payment of payroll, benefits and overhead costs related to the shared employees and facilities.

- D. ACON SAGA does not recommend or select other investment advisors for the Fund. However, it may, as described in Item 10.C., sub-contract certain services to its affiliates.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. ACON SAGA and its affiliates have adopted a Code of Ethics (the "Code") to ensure that ACON SAGA fulfills its fiduciary requirements to the Funds and to address and avoid potential conflicts of interest which exist when providing advisory services to the Funds. The Code requires that personnel of ACON SAGA comply with all applicable provisions of federal securities laws. The Code includes policies and procedures related to the disclosure and pre-clearance of certain trading activity. The policy also addresses confidentiality and insider trading and expressly prohibits personnel from disseminating

material nonpublic information or using such information inappropriately for the benefit of any party. Personnel are required to provide written certification as to their compliance with the Code on an annual basis.

ACON SAGA will provide a copy of its Code of Ethics to any client or prospective client upon request by contacting the Chief Compliance Officer, Barry E. Johnson; 202-454-1100 x135.

- B. From time to time, consistent with the Fund's investment objectives and subject to satisfaction of the policies and procedures set forth in the Code, the Fund's governing documents and applicable law, ACON SAGA may recommend that the Fund acquire or sell securities in which an ACON SAGA related or affiliated person has a pre-existing direct or indirect interest, and an affiliate of ACON SAGA may cause the Fund to effect the recommended transaction. A potential conflict of interest could arise in that the interested ACON SAGA related person could benefit from such a purchase or sale of the applicable security by the Fund. However, the Code is designed to identify and manage conflicts of interest to the extent they arise in connection with such transactions, and to ensure that ACON SAGA fulfills its role as a fiduciary to the Funds. In particular, the Code requires that ACON SAGA act in the best interests of the Funds, in good faith and in an ethical manner. Certain terms of the Fund's governing documents and the equity participation of ACON SAGA related persons in the Fund further mitigate such conflicts, including the need for approval by the Fund's Member Committee in certain circumstances.
- C. From time to time, subject to satisfaction of the policies and procedures set forth in the Code, the Fund's governing documents and applicable laws, an ACON SAGA related person may acquire or sell securities that are recommended to the Fund or in which the Fund has a pre-existing direct or indirect interest. A potential conflict of interest could arise in that the interested ACON SAGA related person or affiliate could benefit from the Fund's ownership of, or subsequent sale of, the applicable security. However, the Code is designed to identify and manage conflicts of interest to the extent they arise in connection with the personal securities transactions and other investment activities of ACON SAGA related persons, and to ensure that the Firm fulfills its role as a fiduciary to the Fund. In particular, the Code requires that ACON SAGA related persons abide by policies in procedures in connection with their personal securities trading activities, and such activities are monitored under the Code to ensure compliance with such policies and procedures.
- D. From time to time, in appropriate circumstances and subject to satisfaction of the policies and procedures set forth in the Code and the Fund's governing documents, ACON SAGA personnel and other related persons or affiliates may co-invest in the Fund investments at the same time as and on a side-by-side basis with the Fund's members and other investors. ACON SAGA does not believe that this common industry practice gives rise to a material conflict of interest, and that any potential conflicts of interest are addressed by the Code and the Fund's governing documents.

Item 12 - Brokerage Practices

- A. ACON SAGA primarily invests in private securities and does not regularly engage in high volume trading of public securities. Accordingly, ACON SAGA is generally not in a position to select a broker-dealer for the Fund's transactions.

ACON SAGA may distribute securities to investors in the Fund or sell such securities, including through using a broker-dealer if a public trading market exists. ACON SAGA may also sell securities in the Fund through privately negotiated transactions with or without the use of brokers or dealers. If ACON SAGA sells publicly traded securities for the Fund, they are responsible for directing orders to broker-dealers to effect securities transactions for managed accounts. ACON SAGA will select brokers on the basis of best price and execution capability. ACON SAGA has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to minimize the expenses incurred for effecting client transaction to the extent consistent with the interests and policies of the accounts. Although ACON SAGA generally seeks competitive commission rates, they will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

1. ACON SAGA does not have any soft dollar arrangements.
2. ACON SAGA does not engage placement agents.
3. In the private equity context, aggregation of the purchase or sale of securities for multiple client accounts is generally not relevant.

Item 13 - Review of Accounts

- A. The investments made by the Fund are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short term decision to dispose of securities. However, ACON SAGA's personnel monitor and review companies in which the Fund invests including, for example, by participating in board meetings and management calls, reviewing annual and interim financial statements and making on-site visits to such companies. The Fund's financial statements are maintained and monitored by the finance staff of an affiliate of ACON SAGA under the supervision of the Controller and Chief Financial Officer. In addition, the Fund's financial statements are audited on an annual basis by an independent third-party accounting firm.
- B. ACON SAGA's investment committee regularly supervises and monitors the investment activities of the Funds.

- C. Audited financial statements are provided to investors in the Funds, generally within 120 days of the end of the Fund's fiscal year. Unaudited financial statements and investor-specific account statements are generally provided to investors in the Fund within 45-60 days of the end of the Fund's fiscal quarter, along with information about the financial performance of the companies in which the Fund has invested.

Certain investors in the Fund may request information relating to the Fund and, to the extent such information is readily available or may be obtained without unreasonable effort or expense, ACON SAGA generally will provide such investors with the information requested. Investors that request and receive such information will consequently possess information regarding the business and affairs of the Fund that may not be known to other investors. As a result, certain investors may be able to take actions on the basis of such information which, in the absence of such information, other investors do not take.

Item 14 - Client Referrals and Other Compensation

- A. N/A
- B. Neither ACON SAGA nor any of its related persons compensates any person who is not a supervised person for client referrals.

Item 15 - Custody

In connection with the management of investments for certain investors, ACON SAGA may have, or may be deemed to have, custody of certain funds or securities of the Funds. Rule 206(4)-2 (the "Custody Rule") of the Advisers Act defines custody as holding client securities or assets or having any authority to obtain possession of them, including the authority to withdraw funds or securities from a client's accounts or ownership of or access to client funds or securities (such as through fee deductions). With the exception of certain assets, which are defined as "privately offered securities" under the Custody Rule, all Funds' assets are held in custody by unaffiliated broker/dealers or banks acting in the capacity as "qualified custodians".

In accordance with the Custody Rule, ACON SAGA's Chief Financial Officer is responsible for ensuring that the Funds' securities, other than "privately offered securities," are held only with unaffiliated broker-dealers or banks acting as qualified custodians. ACON SAGA's Chief Financial Officer is also responsible for arranging for annual independent audits of the Funds by a major accounting firm within 120 days of the Fund's fiscal year end and for obtaining audited financial statements prepared in accordance with generally accepted accounting principles in the United States. ACON SAGA generally arranges for the delivery of such audited financial statements to investors within 120 days of the Fund's fiscal year end.

Item 16 - Investment Discretion

Typically, ACON SAGA provides investment advice to the Funds on a discretionary basis pursuant to the Fund's membership agreement and other governing documents, as applicable, and subject to the investment guidelines set forth therein. As described in Item 8.C. and detailed in the Fund's membership agreement, certain investors maintain control rights over certain decisions of the Fund that would otherwise be made by the Adviser.

Item 17- Voting Client Securities

- A. ACON SAGA accepts authority to vote the securities held by the Funds consistent with its governing documents.. In accordance with SEC rules, ACON SAGA and its affiliates have adopted Proxy Voting Policies and Procedures (the "Proxy Policy") to address how they votes proxies for the Funds' portfolio investments. The Proxy Policy seeks to ensure that ACON SAGA votes proxies (or similar instruments) in the best interest of the Funds, including when there may be material conflicts of interest in voting proxies. ACON SAGA and their affiliates generally believe their interests are aligned with the Funds through the ACON SAGA's ownership interest in the Funds. In the event, however, there is or may be a conflict of interest between an adviser and the Fund in voting proxies, the adviser may address the conflict using several alternatives, including by seeking the approval or concurrence of the Fund's Member Committee on the proposed proxy vote or through other alternatives set forth in the Policy. ACON SAGA does not consider its personnel's service on portfolio company boards or their receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Policy sets forth certain specific proxy voting guidelines ACON SAGA and its affiliates follow when voting proxies on behalf of the Funds. Upon request, an investor may obtain a copy of ACON SAGA's Proxy Voting Policy as well as information about how ACON SAGA voted any proxies on the Funds' behalves by contacting the Chief Compliance Officer, Barry E. Johnson; 202-454-1100 x135.
- B. See Item 17.A. above.

Item 18 - Financial Information

- A. ACON SAGA does not collect fees. Accordingly, ACON SAGA has no disclosures related to this item.
- B. ACON SAGA is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Funds.
- C. ACON SAGA has never been the subject of a bankruptcy petition.