

Emerald Management
Investment Advisory
ADV Part 2

Name of Firm: Emerald Management

Business Address: 30 Handley Trail, Emerald Hills, CA, 94062

Contact Information: Chief Investment Officer – Kirk O. Knapp, CFA cell 650-245-4547, email kirkknapp@yahoo.com

Origination Date of This Document: February 26, 2011

1] Disclaimers

A] This brochure has not been approved by the Securities and Exchange Commission or any state securities authority.

B] Emerald Management is a “Registered Investment Adviser,” but this registration does not imply any particular level of skill or training.

2] Material Changes

Material Changes Since Last ADV Part 2 Filing: None

3] Table of Contents

Page 1:

- [1] Disclaimers
- [2] Material Changes

Page 3:

- [4] Advisory Business
- [5] Fees and Compensation
- [6] Performance-Based Fees
- [7] Types of Clients

Page 4:

- [8] Methods of Analysis, Investment Strategies, and Risk of Loss
- [9] Disciplinary Information
- [10] Other Financial Industry Activities and Affiliations
- [11] Code of Ethics, Participation in Client Transactions, and Personal Trading
- [12] Brokerage Practices

Page 5:

- [13] Review of Accounts
- [14] Client Referrals and Other Compensation
- [15] Custody
- [16] Discretion
- [17] Voting Client Securities
- [18] Financial Information

4] Advisory Business

Advisory Services Offered:

- a. Financial Planning
- b. Wealth Management: Assessing client needs, determining Asset Allocation, finding and selecting Money Managers, performance reporting, minimization of investment expenses and taxes

Amount of Client Assets Managed: > \$ 10M

5] Fees and Compensation

Fees and Compensation are negotiable per client and per project. Fees are billed after services are rendered; there are no advance fees.

Standard Fees: Project Work / Per Hour Work: \$125 Per Hour. Continuous Assets Under Management Fees, Annual Basis: .25% of Assets Under Management 'AUM', Negotiable/Optional Performance Fees

Billing: Clients are billed directly per line-item invoices

Other investment costs including brokerage, custody fees, and fund expenses are not passed through Emerald Management, rather they are billed directly from the service provider to the client.

Product Commissions: Emerald Management is an advice-only investment advisory business and does not sell investment products so there are no Product Commissions earned or earnable by Emerald Management. If Emerald Management advises a client to purchase a given security or investment , Emerald Management will disclose if any employee of Emerald Management holds, is intending to buy and hold, or can receive any direct monetary benefit from the same security or investment.

6] Performance-Based Fees

Performance-Based Fees, if applicable, are negotiated directly with Clients who wish to have such an arrangement and Emerald Management is in agreement. Clients with no Performance-Based Fee agreement with Emerald Management will be informed of any potential conflicts of interest if Emerald Management has any Performance-Based Fee arrangements with other Emerald Management Clients.

7] Types of Clients

Emerald Management advises high net worth clients with total investable assets of at least \$250,000.

8] Methods of Analysis, Investment Strategies, and Risk of Loss

Emerald Management uses experience and value-based analysis of capital markets combined with a thorough understanding of client parameters including risk tolerance, return objectives, investment assets, income, and current and expected expenses. Emerald Management helps clients determine whether to use a passive, index-based strategy, active management strategy, or a combination. Emerald Management assists client decisions regarding how to allocate the client portfolio and how to implement the portfolio via selection of passive index-based investments or active managers using vehicles in any of the categories: mutual funds, ETFs, individual securities, Separately Managed Accounts, Master-Limited Partnerships, and unregistered securities. The overall goal is to best match client risk tolerance, portfolio, income, and expense attributes, and capital market expectations combined with a focus on low expenses and highest after-tax returns. Clients will incur standard risks of any asset class [i.e. stocks, bonds, alternative investments] invested in, along with tracking risk [i.e. difference between actual return and benchmark return] if using active management investments. There is risk of loss of principal, loss of income, and/or loss of purchasing power due to inflation in any asset class.

9] Disciplinary Information

Emerald Management and its officers and representatives are not now nor ever have been the subject of disciplinary procedures.

10] Other Financial Industry Activities and Affiliations

Emerald Management operates on its own and does not have any compensated or contractual business relationships or affiliations with other financial industry participants. Emerald Management may make recommendations to clients to work with one or more brokers for holding investment assets but clients are not required to use any specific broker(s).

11] Code of Ethics, Participation in Client Transactions, and Personal Trading

Emerald Management follows the CFA Institute Code of Ethics and Standards of Professional Conduct [full Code available at www.cfainstitute.org / an abbreviated version is available upon request]. Emerald Management places client interests above Emerald Management officers' interests in making investment recommendations; Emerald Management works to avoid any conflicts of interest that could benefit Emerald Management while adversely impacting client portfolio(s). Emerald Management may sometimes make recommendations to buy or sell a security that Emerald Management officers may hold or intend to buy or sell. Emerald Management will always inform clients in these cases prior to any trading action by Emerald Management and in addition the position sizes, if applicable and held by Emerald Management officers, are unlikely to have any material impact on Emerald Management client portfolios due to the small position size vs. typical market trading volumes.

12] Brokerage Practices

Emerald Management recommends broker(s) to clients based on the following factors a) particular investments available only at certain broker(s), b) willingness of broker(s) to work in ways that best suit the client, and c) reasonable cost of broker services such as expense ratios and trading costs. Clients are free to work with any broker(s) they choose and Emerald Management receives no compensation from brokers so conflicts of interest do not exist for Emerald Management regarding selection or use of brokers.

13] Review of Accounts

Emerald Management will review accounts with Client(s) at least once per year. In addition, Emerald Management will review accounts or other relevant portfolio or Client factors whenever a) request by Client(s), or b) when significant events or changes would have a material impact on Client portfolio(s) or would cause important portfolio decision(s) to be required. The primary Emerald Management representative working with the Client(s) will perform review(s) with Client(s).

14] Client Referrals and Other Compensation

Emerald Management receives compensation only and directly from Client(s) and does not receive compensation of any other kind or from any other source, eliminating any potential for conflicts of interest between Emerald Management and Client(s). Emerald Management may receive referrals of Client(s) from outside sources, however, there are no contractual or compensated sources of such referrals.

15] Custody

Emerald Management does not hold or take Custody of any Client(s)' assets. All Client assets are held directly by Client(s) and Client(s)' accounts at broker(s) or other financial institutions or locations selected wholly by Client(s).

16] Discretion

Emerald Management does not request, recommend, or normally have discretionary authority over any Client(s)' assets. However, where mutually agreed upon and written in a contract between Client(s) and Emerald Management, Emerald Management will provide discretionary authority over investment assets designated by Client(s) upon request for such services by Client(s).

17] Voting Client Securities

Emerald Management does not vote Client(s) securities in proxy voting situations although Emerald Management may make recommendations regarding such voting if requested by Client(s).

18] Financial Information

Emerald Management does not require advance payment from Client(s) for services rendered. Emerald Management will disclose any financial condition that could negatively affect Emerald Management's ability to deliver agreed-upon services to Client(s) should such condition(s) occur.