

**Emerald Management Advisory Services  
Client Brochure 2007 / 2008**

**Business Name:** Knapp, Kirk, Owen dba Emerald Management

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**Business Form:** Sole Proprietorship

**Business Activity:** Investment Advisory Services Provided

- Financial Advisory: client financial situation assessment, goal definition, analysis of when/how goals can be reached, recommendations, and on-going advice, investment decision-making, portfolio monitoring & management, and client investment education. Can be split into two separately selectable services – a) develop/recommend/implement initial proposal and b) on-going management – or can be combined into one service.
  - review needs/goals, investable assets, income, tax situation
  - review current status of investments, pensions, Social Security, home equity & mortgage, etc.
  - assess risk tolerance
  - assess investment knowledge level
  - search out, analyze, recommend, implement, and monitor money managers encompassing any or all of the following:
    - Mutual funds
    - ETFs
    - Separately managed accounts
    - Partnerships
    - Direct investments in specific securities
  - determine specific concerns & issues affecting investment choices
  - project income and expenses through retirement
  - generate / discuss / implement specific investment proposals
    - changes/adjustments that improve chance of achieving goals
    - investment portfolio asset allocation
    - individual security recommendations
  - provide tax and portfolio performance reporting
  - provide introduction to and assist working with professionals in tax, insurance, & estate planning
- Any portion or all of the above services can be provided under any of three arrangements: percentage of assets under management, hourly-based project fees, fees for achieving specified portfolio performance levels.

**Qualifications:**

*Education:*

- CFA Program, 2005 to 2007
- CFP Exam Preparation Course, 2004
- MBA Finance, UC Berkeley 1984
- BSEE U. of Illinois, 1975

*Professional Financial Designations:*

- CFA Charterholder, September 2007 [www.cfainstitute.org]
- CFP® Professional, July 2006 [www.cfp.net]

#### *Financial Services Experience:*

- Advised high net worth family office portfolios since 2003
- Worked at investment advisor firm managing high net worth portfolios
- Managed personal portfolio since 1979
- Provided financial analysis to high technology firms

#### *Employment:*

2003 to present: Investment advisory work within own firm Emerald Management and within Harris myCFO.

1985 – 2005: Strategic investment / product management / business development marketing for high-technology companies in Silicon Valley: GRiD Systems, Hewlett-Packard, SGI, Oracle, Network Appliance, and Omneon Video Networks.

1975 – 1982 Engineering services work within General Dynamics, Schlumberger Ltd., and Ircon Inc.

#### **Investment Philosophy:**

Emerald Management's investment philosophy is to focus on preservation of capital as well as growth in order to maintain and increase the portfolio's inflation-adjusted purchasing power and/or production of any required income. The capital preservation and growth goals are matched with each client's specific needs, desires, experience/knowledge level, willingness and ability to take risk, investable assets, and income in order to plan, construct, and manage each client's portfolio to best achieve agreed-upon goals while maintaining high comfort level that there is satisfactory progress toward achieving the goals.

Development and management of each client's portfolio draws upon many years of formal investment education via MBA, CFP, and CFA Programs as well as several decades of successfully managing private investment portfolios.

#### **Information Sources**

Emerald Management uses many information sources to continually monitor market trends, develop usable investment forecasts, and generate specific investment ideas. Information sources include but are not limited to:

- Internet sources including real-time quotes on market indices and individual securities
- Yahoo Finance
- Investment Newsletters
  - Louis Navellier's Blue Chip Growth Newsletter
  - Hulbert Financial Digest Newsletter
  - Motley Fool Newsletter(s)
  - Morningstar Newsletter(s) & Online Information
  - American Institute for Individual Investors Newsletter & Online Information
  - Bob Brinker's Marketimer
- Investment Advisor Magazines
  - Financial Analysts Journal
  - Worth
  - Financial Planning
  - Financial Advisor
  - Wealth Manager
  - Investment Advisor
  - On Wall Street
  - Investment News
- General Investment / Business Magazines
  - Wall Street Journal
  - Money
  - Kiplinger's
  - Fortune

**Fee Structure(s):**

Three fee structures are available. Clients can select one or a combination of fee structures applied to all of or portions of the portfolio, as mutually agreed to in advance. All fee arrangements are negotiable. Contracts typically cover one year at a time. Emerald Management fees are in addition to any fees paid directly to money managers including mutual funds, ETFs, separately managed accounts, partnerships, and broker commissions.

***[1] Percent of Assets Under Management:***

This is a percentage applied to all assets identified as a single portfolio. Asset allocation, reporting (positions, performance, assistance for tax planning & preparation, ...), on-going recommendations including adjustments based on expected market / sector / individual security performance, tax management, risk management, etc. are all included. Fees are annual totals, with ¼ of the annual fee paid at the end of each quarter. Both fees and services to be provided are negotiable per client. Fees & services rendered are cancellable going forward at the end of any desired month with fees owed for services completed.

- .35% [35 basis points = .35 percent] applied to investable assets, total per annum, ¼ of annual fee to be paid in arrears at the end of each quarter of service multiplied by quantity of assets under management measured at the end of the quarter.

For example, for a:

- \$1M portfolio, the annual fee would be  $.35\% \times \$1M = \$3,500$

***[2] Project-based / Hourly Fee***

This would be used for mutually agreed-to projects where the number of work hours required to complete it is relatively predictable. This can be a one-time project or a recurring project such as once per quarter or once per year.

- \$175 per work hour
- Can be negotiated as single fee per defined, mutually agreed-to project

***[3] Performance-Based Fee***

Advisor fee is calculated using a mutually agreed-to formula correlating the fee amount to the performance of the portfolio vs. a specified benchmark. Typically, a higher fee amount would be paid for performance greater than benchmark over a specific timeframe, while a lower fee amount would be paid if portfolio performance falls below the agreed-to benchmark. Client must qualify as an accredited investor and meet other terms in order to consider a performance-based fee structure.

**Verifying Emerald Management as a Registered Investment Adviser - CRD #: 137858**

To see Registered Investment Advisor documentation for Emerald Management, use the following procedure:

[1] go to URL/website [www.adviserinfo.sec.gov/IAPD/Content/Search/iapd\\_OrgSearch.aspx](http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_OrgSearch.aspx)

[2] Select 'Investment Adviser Search' from left-side menu

[3a] Enter Emerald Management under 'Firm Name' and select 'Go'

OR

[3b] Enter CRD #137858 under 'Firm IARD/CRD Number' and select 'Go'