Form 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
For the quarterly period ended September 30, 2002

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
For the transition period from _______ to _______

Commission File Number 333-47196

ATEL Capital Equipment Fund IX, LLC
(Exact name of registrant as specified in its charter)

California	**94-3375584**
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)

235 Pine Street, 6th Floor, San Francisco, California 94104
(Address of principal executive offices)

Registrant's telephone number, including area code: (415) 989-8800

Indicate by a check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☐
No ☒

DOCUMENTS INCORPORATED BY REFERENCE

None

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements.

ATEL CAPITAL EQUIPMENT FUND IX, LLC

BALANCE SHEETS

SEPTEMBER 30, 2002 AND DECEMBER 31, 2001
(Unaudited)

ASSETS

	2002	2001
Cash and cash equivalents	$ 24,036,121	$ 13,568,058
Accounts receivable	800,610	1,186,719
Investment securities available for sale	190,158	-
Notes receivable	1,204,135	982,262
Prepaid expenses	295,000	-
Investments in leases	44,399,597	21,091,372
Total assets	$ 70,925,621	$ 36,828,411

LIABILITIES AND MEMBERS' CAPITAL

	2002	2001
Accounts payable:		
Managing Member	$ 357,358	$ 157,719
Other	42,319	24,471
Unearned operating lease income	37,961	95,618
Total liabilities	437,638	277,808
Members' capital	70,487,983	36,550,603
Total liabilities and members' capital	$ 70,925,621	$ 36,828,411

See accompanying notes.

ATEL CAPITAL EQUIPMENT FUND IX, LLC

STATEMENTS OF OPERATIONS

NINE AND THREE MONTH PERIODS ENDED SEPTEMBER 30, 2002 AND 2001 (Unaudited)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2002	2001	2002	2001
Revenues:				
Leasing activities:				
Operating leases	$ 4,270,817	$ 2,424,777	$ 2,083,130	$ 1,231,350
Direct financing leases	84,945	39,494	31,549	17,497
Gain on sales of assets	107,353	-	-	-
Interest	412,256	138,036	140,755	64,844
Other	609	5,594	290	3,093
	4,875,980	2,607,901	2,255,724	1,316,784
Expenses:				
Depreciation and amortization	3,613,275	1,487,960	1,806,628	908,322
Cost reimbursements to Managing Member	216,783	348,285	98,197	118,734
Asset management fees to Managing Member	197,910	72,467	104,217	51,576
Interest expense	167,237	194,393	147,974	12,525
Professional fees	68,364	28,688	35,507	20,534
Other	224,638	15,531	91,075	11,471
	4,488,207	2,147,324	2,283,598	1,123,162
Net income (loss)	$ 387,773	$ 460,577	$ (27,874)	$ 193,622
Net income (loss):				
Managing member	$ 330,673	$ 44,658	$ 133,332	$ 31,451
Other members	57,100	415,919	(161,206)	453,100
	$ 387,773	$ 460,577	$ (27,874)	$ 193,622
Net income (loss) per Limited Liability Company Unit	$ 0.01	$ 0.26	$ (0.02)	$ 0.19
Weighted average number of Units outstanding	6,435,633	1,586,885	7,831,367	2,423,618

See accompanying notes.

ATEL CAPITAL EQUIPMENT FUND IX, LLC

STATEMENT OF CHANGES IN MEMBERS' CAPITAL

NINE MONTH PERIOD ENDED
SEPTEMBER 30, 2002
(Unaudited)

	Other Members Units	Other Members Amount	Managing Member	Total
Balance December 31, 2001	4,363,409	$ 36,550,603	$ -	$ 36,550,603
Capital contributions	4,350,305	43,503,050	-	43,503,050
Less selling commissions to affiliates		(4,132,790)	-	(4,132,790)
Other syndication costs to affiliates		(1,449,123)	-	(1,449,123)
Distributions to members		(4,040,857)	(330,673)	(4,371,530)
Net income		57,100	330,673	387,773
Balance September 30, 2002	8,713,714	$ 70,487,983	$ -	$ 70,487,983

See accompanying notes.

STATEMENT OF CASH FLOWS

NINE AND THREE MONTH PERIODS ENDED
SEPTEMBER 30, 2002 AND 2001
(Unaudited)

	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001	Three Months Ended September 30, 2002	Three Months Ended September 30, 2001
Operating activities:				
Net income (loss)	$ 387,773	$ 460,577	$ (27,874)	$ 193,622
Adjustments to reconcile net income to cash provided by operating activities:				
Gain on sales of assets	(107,353)	-	-	-
Depreciation and amortization	3,613,275	1,487,960	1,806,628	908,322
Residual value income	-	(6,593)	-	(3,039)
Changes in operating assets and liabilities:				
Prepaid expenses	(295,000)	-	(295,000)	-
Accounts receivable	386,109	(860,055)	548,065	(114,966)
Accounts payable, Managing Member	199,639	61,308	175,798	(98,038)
Accounts payable, other	17,848	26,340	16,451	13,983
Unearned operating lease income	(57,657)	31,142	(33,350)	(194,444)
Net cash provided by operations	4,144,634	1,200,679	2,190,718	705,440

ATEL CAPITAL EQUIPMENT FUND IX, LLC

STATEMENT OF CASH FLOWS
(Continued)
NINE AND THREE MONTH PERIODS ENDED
SEPTEMBER 30, 2001
(Unaudited)

	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001	Three Months Ended September 30, 2002	Three Months Ended September 30, 2001
Investing activities:				
Purchases of equipment on operating leases	(26,004,995)	(14,999,668)	(7,991,032)	(5,040,436)
Note receivable advances	(1,031,605)	(1,000,000)	-	-
Purchases of equipment on direct financing leases	(995,270)	(888,568)	(14,700)	(69,444)
Proceeds from sales of assets	753,263	-	3,855	-
Payments of initial direct costs to managing member	(724,535)	(175,300)	(371,726)	(84,004)
Payments received on notes receivable	619,574	141,245	200,195	(32,676)
Reduction of net investment in direct financing leases	157,390	52,253	62,744	25,523
Investment in residuals	-	(66,093)	66,995	(6,946)
Net cash used in investing activities	(27,226,178)	(16,936,131)	(8,043,669)	(5,207,983)
Financing activities:				
Capital contributions received	43,503,050	28,952,280	16,939,970	10,608,460
Payment of syndication costs to managing member	(5,581,913)	(4,231,835)	(2,215,225)	(1,480,262)
Distributions to members	(4,371,530)	(596,773)	(1,740,321)	(419,348)
Net cash provided by financing activities	33,549,607	24,123,672	12,984,424	8,708,850
Net increase in cash and cash equivalents	10,468,063	8,388,220	7,131,473	4,206,307
Cash and cash equivalents at beginning of period	13,568,058	600	16,904,648	4,182,513
Cash and cash equivalents at end of period	$ 24,036,121	$ 8,388,820	$ 24,036,121	$ 8,388,820
Supplemental disclosures of cash flow information:				
Cash paid during the period for interest	$ 167,237	$ 194,393	$ 147,974	$ 12,525
Supplemental schedule of non-cash transactions:				
Notes receivable exchanged for marketable securities	$ 190,158	$ -	$ 190,158	$ -

See accompanying notes.

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2002
(Unaudited)

1. Summary of significant accounting policies:

Interim financial statements:

The unaudited interim financial statements reflect all adjustments which are, in the opinion of the managing member, necessary to a fair statement of financial position and results of operations for the interim periods presented. All such adjustments are of a normal recurring nature. These unaudited interim financial statements should be read in conjunction with the most recent report on Form 10K.

2. Organization and Company matters:

ATEL Capital Equipment Fund IX, LLC (the Fund) was formed under the laws of the state of California on September 27, 2000 for the purpose of acquiring equipment to engage in equipment leasing and sales activities. The Fund may continue until December 31, 2019. Contributions in the amount of $600 were received as of December 31, 2000, $100 of which represented the Managing Member's continuing interest, and $500 of which represented the Initial Member's capital investment.

Upon the sale of the minimum amount of Units of Limited Liability Company interest (Units) of $1,200,000 and the receipt of the proceeds thereof on February 21, 2001, the Company commenced operations.

The Company does not make a provision for income taxes since all income and losses will be allocated to the Partners for inclusion in their individual tax returns.

3. Investment in leases:

The Company's investment in leases consists of the following:

	Balance December 31, 2001	Additions	Depreciation Expense or Amortization of Leases	Reclassi-fications or Dispositions	Balance September 30, 2002
Net investment in operating leases	$ 19,971,408	$ 26,004,995	$ (3,518,346)	$ (642,052)	$ 41,816,005
Net investment in direct financing leases	750,894	995,270	(157,390)	-	1,588,774
Initial direct costs	293,087	724,535	(94,929)	-	922,693
Residual values, other	75,983	-	-	(3,858)	72,125
	$ 21,091,372	$ 27,724,800	$ (3,770,665)	$ (645,910)	$ 44,399,597

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2002
(Unaudited)

3. Investment in leases (continued):

Operating leases:

Property on operating leases consists of the following:

	Balance December 31, 2001	Acquisitions, Dispositions & Reclassifications 1st Quarter	2nd Quarter	3rd Quarter	Balance September 30, 2002
Mining	$ 13,421,219	$ -	$ -	$ 7,412,084	$ 20,833,303
Manufacturing	989,709	4,052,809	9,217,711	(2,972,909)	11,287,320
Marine vessels	5,712,000	-	-	5,488,000	11,200,000
Materials handling	207,486	2,211,915	1,936,144	(1,936,143)	2,419,402
Natural gas compressors	696,451	-	-	-	696,451
Office furniture	998,540	325,719	(762,011)	-	562,248
Communications	-	269,153	-	-	269,153
	22,025,405	6,859,596	10,391,844	7,991,032	47,267,877
Less accumulated depreciation	(2,053,997)	(765,391)	(871,746)	(1,760,738)	(5,451,872)
	$ 19,971,408	$ 6,094,205	$ 9,520,098	$ 6,230,294	$ 41,816,005

Direct financing leases:

As of September 30, 2002, investment in direct financing leases consists office furniture. The following lists the components of the Company's investment in direct financing leases as of September 30, 2002:

Total minimum lease payments receivable	$ 1,715,125
Estimated residual values of leased equipment (unguaranteed)	211,527
Investment in direct financing leases	1,926,652
Less unearned income	(337,878)
Net investment in direct financing leases	$ 1,588,774

All of the property on leases was acquired in 2001 and 2002.

At September 30, 2002, the aggregate amounts of future minimum lease payments are as follows:

	Operating Leases	Direct Financing Leases	Total
Three months ending December 31, 2002	$ 1,480,069	$ 93,334	$ 1,573,403
Year ending December 31, 2003	7,626,877	373,338	8,000,215
2004	7,542,067	373,338	7,915,405
2005	7,491,288	373,338	7,864,626
2006	7,035,859	363,473	7,399,332
Thereafter	4,553,217	138,304	4,691,521
	$ 35,729,377	$ 1,715,125	$ 37,444,502

4. Notes receivable:

The Company has various notes receivable from parties who have financed the purchase of equipment through the Company. The terms of the notes receivable are 36 months and bear interest at rates from 11.12% to 14.97%. The notes are secured by the equipment financed. The minimum payments receivable are as follows:

Three months ending December 31, 2002	$	194,219
Year ending December 31, 2003		781,500
2004		208,019
2005		100,000
2006		75,000
		1,358,738
Less: Portion representing interest		(154,603)
	$	1,204,135

5. Related party transactions:

The terms of the Limited Company Operating Agreement provide that the Managing Member and/or Affiliates are entitled to receive certain fees for equipment acquisition, management and resale and for management of the Company.

The Limited Liability Company Operating Agreement allows for the reimbursement of costs incurred by the Managing Member in providing services to the Company. Services provided include Company accounting, investor relations, legal counsel and lease and equipment documentation. The Managing Member is not reimbursed for services where it is entitled to receive a separate fee as compensation for such services, such as acquisition and management of equipment. Reimbursable costs incurred by the Managing Member are allocated to the Company based upon actual time incurred by employees working on Company business and an allocation of rent and other costs based on utilization studies.

Substantially all employees of the Managing Member record time incurred in performing services on behalf of all of the Companies serviced by the Managing Member. The Managing Member believes that the costs reimbursed are the lower of (i) actual costs incurred on behalf of the Company or (ii) the amount the Company would be required to pay independent parties for comparable administrative services in the same geographic location and are reimbursable in accordance with the Limited Liability Company Operating Agreement.

The Managing Member and/or Affiliates earned fees, commissions and reimbursements, pursuant to the Limited Liability Company Agreement as follows:

		2002		2001
Selling commissions (equal to 9.5% of the selling price of the Limited Liability Company units, deducted from Other Members' capital)	$	4,132,790	$	2,750,467
Reimbursement of other syndication costs to Managing Member		1,449,123		1,481,368
Costs reimbursed to Managing Member		216,783		348,285
Asset management fees to Managing Member		197,910		72,467
	$	5,998,608	$	4,654,588

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2002
(Unaudited)

6. Member's capital:

As of September 30, 2001, 8,713,714 Units ($87,137,140) were issued and outstanding. The Company is authorized to issue up to 15,000,050 Units, including the 50 Units issued to the initial members.

The Company's Net Income, Net Losses, and Distributions are to be allocated 92.5% to the Members and 7.5% to the Managing Member.

7. Line of credit:

The Company participates with the Managing Member and certain of its affiliates in a $43,654,928 revolving line of credit with a financial institution that includes certain financial covenants. The line of credit expires on June 28, 2004. As of September 30, 2002, borrowings under the facility were as follows:

Amount borrowed by the fund under the acquisition facility	$ -
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	21,900,000
Total borrowings under the acquisition facility	21,900,000
Amounts borrowed by the Managing Member and its sister corporation under the warehouse facility	-
Total outstanding balance	$ 21,900,000
Total available under the line of credit	$ 43,654,928
Total outstanding balance	(21,900,000)
Remaining availability	$ 21,754,928

Draws on the acquisition facility by any individual borrower are secured only by that borrower's assets, including equipment and related leases. Borrowings on the warehouse facility are recourse jointly to certain of the affiliated partnerships and limited liability companies, the fund and the Managing Member.

The credit agreement includes certain financial covenants applicable to each borrower. The fund was in compliance with its covenants as of September 30, 2002.

8. Commitments:

As of September 30, 2002, the Company had outstanding commitments to purchase lease equipment totaling approximately $7,600,000.

9. Long-term debt:

In August 2002, the Company entered into a $100 million receivables funding program (the Program) with a receivables financing company that issues commercial paper rated A1 by Standard and Poors and P1 by Moody's Investor Services. Under the Program, the receivables financing company receives a general lien against all of the otherwise unencumbered assets of the Company. The Program provides for borrowing at a variable interest rate (2.12292% at September 30, 2002).

The Program requires the Managing Member to enter into various interest rate swaps with a financial institution (also rated A1/P1) to manage interest rate exposure associated with variable rate obligations under the Program by effectively converting the variable rate debt to fixed rates. As of September 30, 2002, the Company has not borrowed under the Program. The differential to be paid or received will be accrued as interest rates change and is recognized currently as an adjustment to interest expense related to the debt.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Capital Resources and Liquidity

During the first three quarters of 2002 and 2001, our primary activities were raising funds through our offering of Limited Liability Company Units (Units) and engaging in equipment leasing activities. Through September 30, 2002, we had received subscriptions for 8,713,714 Units ($87,137,140) all of which were issued and outstanding.

During the funding period, our primary source of liquidity is subscription proceeds from the public offering of Units. Our liquidity will vary in the future, increasing to the extent cash flows from leases exceed expenses, and decreasing as lease assets are acquired, as distributions are made to the members and to the extent expenses exceed cash flows from leases.

As another source of liquidity, we have contractual obligations with a diversified group of lessees for fixed lease terms at fixed rental amounts. As the initial lease terms expire we will re-lease or sell the equipment. Our future liquidity beyond the contractual minimum rentals will depend on the our success in re-leasing or selling the equipment as it comes off lease.

The Company participates with the Managing Member and certain of its affiliates in a $43,654,928 revolving line of credit with a financial institution that includes certain financial covenants. The line of credit expires on June 28, 2004. As of September 30, 2002, borrowings under the facility were as follows:

Amount borrowed by the fund under the acquisition facility	$ -
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	21,900,000
Total borrowings under the acquisition facility	21,900,000
Amounts borrowed by the Managing Member and its sister corporation under the warehouse facility	-
Total outstanding balance	$ 21,900,000
Total available under the line of credit	$ 43,654,928
Total outstanding balance	(21,900,000)
Remaining availability	$ 21,754,928

Draws on the acquisition facility by any individual borrower are secured only by that borrower's assets, including equipment and related leases. Borrowings on the warehouse facility are recourse jointly to certain of the affiliated partnerships and limited liability companies, the fund and the Managing Member.

We anticipate reinvesting a portion of lease payments from assets owned in new leasing transactions. These reinvestments will occur only after the payment of all obligations, including debt service (both principal and interest), the payment of management fees to the Managing Member and providing for cash distributions to the Other Members.

We currently have available adequate reserves to meet contingencies, but in the event that those reserves were found to be inadequate, we would likely be in a position to borrow against our current portfolio to meet such requirements. We envision no such requirements for operating purposes.

We do not expect to make commitments of capital, nor have we made any commitments of capital, except for the acquisition of additional equipment. As of September 30, 2002, we had made commitments totaling approximately $7,600,000.

If inflation in the general economy becomes significant, it may affect us in that the residual (resale) values and rates on re-leases of our leased assets may increase as the costs of similar assets increase. However, our revenues from existing leases would not increase, as these rates are generally fixed for the terms of the leases without adjustment for inflation.

If interest rates increase significantly, the lease rates that we can obtain on future leases will be expected to increase as the cost of capital is a significant factor in the pricing of lease financing. Our leases already in place, for the most part, would not be affected by changes in interest rates.

Cash Flows

During the first three quarters of 2002 and 2001, our primary source of liquidity was the proceeds of our offering of Units.

In 2002 and 2001, operating lease rents was our primary source of cash from operations.

In both 2002 and 2001, rents from direct financing leases and payments received on notes receivable were our primary sources of cash from investing activities. In 2002, we also had proceeds from sales of lease assets as a source of cash from investing activities. We used of cash in investing activities to purchase operating and direct financing lease assets, to pay of initial direct costs associated with the lease asset purchases and to make advances on notes receivable.

Our primary source of cash from financing activities was the proceeds of our public offering of Units of Limited Liability Company interest. We used cash in financing activities to pay syndication costs associated with the offering and to make distributions to our members.

Results of operations

On February 21, 2001, we commenced operations. In 2002, our operations resulted in net income of $387,773 for the nine month period and in a net loss of $27,874 for the three month period. In 2001, our operations resulted in net income of $460,577 for the nine month period and $193,622 for the three month period. Our primary source of revenues is rents from operating leases. Depreciation is related to operating lease assets and thus, to operating lease revenues. We expect these to increase in future periods as we continue to acquire lease assets.

Asset management fees are based on our gross lease rents plus proceeds from the sales of lease assets. They are limited to certain percentages of lease rents, distributions to members and certain other items. As we have acquired lease assets, lease rents are collected and distributions made to the members have increased. This has led to increases in management fees.

Interest expense in 2002 relates primarily to a credit facility which has been established (in the third quarter) to provide long-term financing for lease asset acquisitions. Interest expense for the first three quarters of 2001 related to the borrowings under the line of credit incurred by an affiliate of the Managing Member. It included all amounts related to those borrowings related transactions transferred to us. All of the revenues and related carrying costs for these transactions were attributed to us in the first nine months of 2001.

The results of our operations are expected to vary considerably in future periods from those of the first nine months of 2002 and 2001 as we continue to acquire significant amounts of lease assets.

PART II. OTHER INFORMATION

Item 1. <u>Legal Proceedings.</u>

No material legal proceedings are currently pending against the Partnership or against any of its assets.

Silicon Access Networks, Inc.:

Silicon Access Networks, Inc. (the Debtor) advised the Manager on July 8, 2002, that, due to a further decline in expectations of future demand for the Debtor's products by potential customers in its target markets, the Debtor's Board of Directors had directed management to close a branch office located in North Carolina, which occurred in July 2002. As Debtor was current on the Note payments, the Manager Company declared a technical default in early July on the basis of the termination of operations. As of September 30, 2002, the Debtor's account was current except for late charges. The Manager Company has filed suit, on the basis of the default, and moved for a Writ of Attachment, which was denied on the first attempt at an ex parte hearing. The Court has ordered a full hearing on the motion for Writ of Attachment, which is scheduled for November 2002. The Company will continue to pursue its claim against the Debtor. The Company's likelihood of success in recovery recovering the full amount of its claims remains uncertain as of the date hereof. As of October 30, 2002, the Debtor's account is current except for accrued late charges.

Photuris, Inc.:

Photuris was on the verge of ceasing operations as it was unable to secure new equity under favorable terms. The Company commenced negotiations with the debtor. As of this date, no legal action has been initiated against the debtor; however, the account has been restructured. In concert with several other lessors and lenders the Company concluded negotiations and executed a Settlement Agreement with the debtor. Under the terms of the Settlement Agreement, the Company received an initial $200,000 in cash in July 2002. The Company is carrying a promissory note for $300,000 that is payable interest only at prime plus 1.25% from August 1, 2002, to October 2003, at which time payments will convert to equal principal plus interest basis, spread over 36 months.

The Company has been granted $200,000 worth of new equity shares in the company as the final part of the settlement. The Company still retains its perfected first priority lien on the equipment financed by the Company. As of early October 2002, the Company became aware that Photuris had not yet closed on receiving some additional equity and was in danger of running out of operating capital in early November 2002. The Company has confirmed with the lead investor in Photuris' latest equity round that the latest investors have agreed to provide additional equity to allow Photuris to continue to operate. The Company expects that Photuris will receive at least $4 million, perhaps as much as and $11.5 million, on or about November 1, 2002, which would allow Photuris to continue operations for at least two to four months. The latest investors have also agreed to provide another $15 million in funding in stages to Photuris if certain milestones are met. Receipt of such funds would allow Photuris to operate an additional six to seven months.

Item 2. <u>Changes In Securities.</u>

Inapplicable.

Item 3. <u>Defaults Upon Senior Securities.</u>

Inapplicable.

Item 4. <u>Submission Of Matters To A Vote Of Security Holders.</u>

Inapplicable.

Item 5. Other Information.

Information provided pursuant to § 228.701 (Item 701(f))(formerly included in Form SR):

(1) Effective date of the offering: January 16, 2001; File Number: 333-47196
(2) Offering commenced: January 16, 2001
(3) The offering did not terminate before any securities were sold.
(4) The offering has not been terminated prior to the sale of all of the securities.
(5) The managing underwriter is ATEL Securities Corporation.
(6) The title of the registered class of securities is "Units of Limited Liability Company interest"
(7) Aggregate amount and offering price of securities registered and sold as of October 31, 2002

Title of Security	Amount Registered	Aggregate price of offering amount registered	Amount sold	Aggregate price of offering amount sold
Limited Company units	15,000,000	$ 150,000,000	9,332,327	$ 93,323,270

(8) Costs incurred for the issuers account in connection with the issuance and distribution of the securities registered for each category listed below:

	Direct or indirect payments to directors, officers, general partners of the issuer or their associates; to persons owning ten percent or more of any class of equity securities of the issuer; and to affiliates of the issuer	Direct or indirect payments to others	Total
Underwriting discounts and commissions	$ -	$ 8,865,711	$ 8,865,711
Other expenses		3,841,183	3,841,183
Total expenses	$ -	$ 12,706,894	$ 12,706,894

(9) Net offering proceeds to the issuer after the total expenses in item 8: $ 80,616,376

(10) The amount of net offering proceeds to the issuer used for each of the purposes listed below:

	Direct or indirect payments to directors, officers, general partners of the issuer or their associates; to persons owning ten percent or more of any class of equity securities of the issuer; and to affiliates of the issuer	Direct or indirect payments to others	Total
Purchase and installation of machinery and equipment	$ -	$ 80,149,760	$ 80,149,760
Working capital		466,616	466,616
	$ -	$ 80,616,376	$ 80,616,376

(11) The use of the proceeds in Item 10 does not represent a material change in the uses of proceeds described in the prospectus.

Item 6. Exhibits And Reports On Form 8-K.

(a) Documents filed as a part of this report

1. Financial Statements

Included in Part I of this report:

Balance Sheets, September 30, 2002 and December 31, 2001.
Statements of operations for the nine and three month periods ended September 30, 2002 and 2001.
Statement of changes in partners' capital for the nine month period ended September 30, 2002.
Statements of cash flows for the nine and three month periods ended September 30, 2002 and 2001.
Notes to the Financial Statements

2. Financial Statement Schedules

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

(b) Report on Form 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date:
November 7, 2002

ATEL CAPITAL EQUIPMENT FUND IX, LLC
(Registrant)

By: ATEL Financial Services, LLC
Managing Member of Registrant

By: /s/ DEAN L. CASH
Dean L. Cash
President and Chief Executive
Officer of Managing Member

By: /s/ PARITOSH K. CHOKSI
Paritosh K. Choksi
Executive Vice President of
Managing Member, Principal
financial officer of registrant

By: /s/ DONALD E. CARPENTER
Donald E. Carpenter
Principal accounting
officer of registrant

CERTIFICATIONS

I, Paritosh K. Choksi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ATEL Capital Equipment Fund IX, LLC;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

    a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

    c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 7, 2002

/s/ PARITOSH K. CHOKSI
Paritosh K. Choksi
Principal financial officer of registrant, Executive Vice President of
Managing Member

CERTIFICATIONS

I, Dean L. Cash, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ATEL Capital Equipment Fund IX, LLC;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 7, 2002

/s/ DEAN L. CASH
Dean L. Cash
President and Chief Executive Officer of
Managing Member

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly report on Form 10Q of ATEL Capital Equipment Fund IX, LLC, (the "Company") for the period ended September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), and pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, I, Dean L. Cash, Chief Executive Officer of ATEL Financial Services, LLC, managing member of the Company, hereby certify that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2002

/s/ DEAN L. CASH
Dean L. Cash
President and Chief Executive
Officer of Managing Member
November 7, 2002

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly report on Form 10Q of ATEL Capital Equipment Fund IX, LLC, (the "Company") for the period ended September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), and pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, I, Paritosh K. Choksi, Chief Financial Officer of ATEL Financial Services, LLC, managing member of the Company, hereby certify that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2002

/s/ PARITOSH K. CHOKSI
Paritosh K. Choksi
Executive Vice President of Managing
Member, Principal financial officer of registrant