Form 10-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

☒ **Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 (no fee required)**
For the Year Ended December 31, 2001

OR

☐ **Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 (no fee required)**
For the transition period from ____ to ____

Commission File number 000-28368

ATEL Cash Distribution Fund VI, L.P.

California (State or other jurisdiction of incorporation or organization)	94-3207229 (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
Securities registered pursuant to section 12(b) of the Act: None
Securities registered pursuant to section 12(g) of the Act: Limited Partnership Units

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 ☐

State the aggregate market value of voting stock held by non-affiliates of the registrant. Inapplicable

DOCUMENTS INCORPORATED BY REFERENCE

Prospectus dated November 23, 1994, filed pursuant to Rule 424(b) (Commission File No. 33-81952) is hereby incorporated by reference into Part IV hereof.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

PART I

Item 1: BUSINESS

General Development of Business

ATEL Cash Distribution Fund VI, L.P. (the Partnership) was formed under the laws of the state of California in June 1994. The Partnership was formed for the purpose of acquiring equipment to engage in equipment leasing and sales activities. The General Partner of the Partnership is ATEL Financial Services LLC (ATEL). Prior to converting to a limited liability company structure, the General Partner was formerly known as ATEL Financial Corporation.

The Partnership conducted a public offering of 12,500,000 units of Limited Partnership Interest (Units) at a price of $10 per Unit. On January 3, 1995, the Partnership commenced operations in its primary business (leasing activities). As of November 23, 1996, the Partnership had received subscriptions for 12,500,000 ($125,000,000) Limited Partnership Units in addition to the Initial Limited Partners' Units and terminated its offering.

The Partnership's principal objectives are to invest in a diversified portfolio of equipment which will (i) preserve, protect and return the Partnership's invested capital; (ii) generate substantial distributions to the partners of cash from operations and cash from sales or refinancing, with any balance remaining after certain minimum distributions to be used to purchase additional equipment during the reinvestment period, ending December 31, 2002 and (iii) provide significant distributions following the reinvestment period and until all equipment has been sold. The Partnership is governed by its Limited Partnership Agreement.

Narrative Description of Business

The Partnership has acquired and intends to acquire various types of equipment and to lease such equipment pursuant to "Operating" leases and "Full Payout" leases, where "Operating" leases are defined as being leases in which the minimum lease payments during the initial lease term do not recover the full cost of the equipment and "Full Payout" leases recover such cost. It is the intention of ATEL that no more than 50% of the aggregate purchase price of equipment will be subject to "Operating" leases upon final investment of the net proceeds of the offering and that no more than 20% of the aggregate purchase price of equipment will be invested in equipment acquired from a single manufacturer.

The Partnership only purchases equipment for which a lease exists or for which a lease will be entered into at the time of the purchase. During early 1997, the Partnership completed its initial acquisition stage with the investment of the net proceeds from the public offering of Units. As noted above, however, it intends to continue to invest any cash flow in excess of certain amounts required to be distributed to the Limited Partners in additional items of leased equipment through December 31, 2002.

As of December 31, 2001, the Partnership had purchased equipment with a total acquisition price of $208,275,158.

The Partnership's objective is to lease a minimum of 75% of the equipment acquired with the net proceeds of the offering to lessees which (i) have an aggregate credit rating by Moody's Investor Service, Inc. of Baa or better, or the credit equivalent as determined by ATEL, with the aggregate rating weighted to account for the original equipment cost for each item leased or (ii) are established hospitals with histories of profitability or municipalities. The balance of the original equipment portfolio may include equipment leased to lessees which, although deemed creditworthy by ATEL, would not satisfy the general credit rating criteria for the portfolio. In excess of 75% of the equipment acquired with the net proceeds of the offering (based on original purchase cost) had been leased to lessees with an aggregate credit rating of Baa or better or to such hospitals or municipalities.

ATEL will seek to limit the amount invested in equipment to any single lessee to not more than 20% of the aggregate purchase price of equipment owned at any time during the reinvestment period.

During 2001, 2000 and 1999, certain lessees generated significant portions of the Partnership's total lease revenues as follows:

Lessee	Type of Equipment	2001	2000	1999
Consolidated Rail Corporation	Locomotives & intermodal containers	13%	*	11%
National Steel Corporation	Steel manufacturing	12%	*	*
Daimler Chrysler Corporation	Automobile manufacturing	11%	*	*
Tarmac America	Construction	10%	*	*
NEC Electronics	Semiconductor manufacturing	*	18%	13%

* Less than 10%

The equipment leasing industry is highly competitive. Equipment manufacturers, corporations, partnerships and others offer users an alternative to the purchase of most types of equipment with payment terms which vary widely depending on the lease term and type of equipment. The ability of the Partnership to keep the equipment leased and/or operating and the terms of the acquisitions, leases and dispositions of equipment depends on various factors (many of which are not in the control of ATEL or the Partnership), such as general economic conditions, including the effects of inflation or recession, and fluctuations in supply and demand for various types of equipment resulting from, among other things, technological and economic obsolescence.

The business of the Partnership is not seasonal.

The Partnership has no full time employees.

Equipment Leasing Activities

Through December 31, 2001, the Partnership has disposed of certain leased assets as set forth below:

Type of Equipment	Original Equipment Cost, Excluding Acquisition Fees	Sales Price	Excess of Rents Over Expenses *
Manufacturing	$ 32,373,226	$ 7,856,010	$ 26,807,581
Office automation	13,845,760	1,671,685	13,780,943
Railcars and locomotives	13,388,161	11,269,814	7,919,319
Transportation	11,425,260	4,660,983	9,911,722
Mining	6,388,907	1,455,712	6,489,993
Materials handling	4,614,716	761,648	5,021,539
Construction	2,256,495	485,592	2,523,010
Other	2,151,474	404,813	1,746,679
Containers	375,471	334,853	212,271
	$ 86,819,470	$ 28,901,110	$ 74,413,057

* Includes only those expenses directly related to the production of the related rents.

The Partnership has acquired a diversified portfolio of equipment. The equipment has been leased to lessees in various industries. The following tables set forth the types of equipment acquired by the Partnership through December 31, 2001 and the industries to which the assets have been leased.

Asset Types	Purchase Price Excluding Acquisition Fees	Percentage of Total Acquisitions
Transportation, rail cars	$ 39,275,195	18.86%
Manufacturing	30,469,834	14.63%
Transportation, other	24,476,511	11.75%
Materials handling	24,043,881	11.54%
Railroad locomotives	22,353,332	10.73%
Transportation, intermodal containers	21,694,688	10.42%
Mining equipment	18,557,225	8.91%
Office automation	13,824,024	6.64%
Construction	9,259,221	4.45%
Other	4,321,247	2.07%
	$208,275,158	100.00%

Industry of Lessee	Purchase Price Excluding Acquisition Fees	Percentage of Total Acquisitions
Transportation, rail	$ 55,950,904	26.86%
Electronics manufacturing	29,030,626	13.94%
Business services	28,360,969	13.62%
Mining	24,793,242	11.90%
Transportation, other	23,217,066	11.15%
Manufacturing, other	18,922,229	9.09%
Oil & gas	16,535,633	7.94%
Communications	5,282,291	2.54%
Other	6,182,198	2.96%
	$208,275,158	100.00%

For further information regarding the Partnership's equipment lease portfolio as of December 31, 2001, see Note 3 to the financial statements, Investments in equipment and leases, set forth in Item 8, Financial Statements and Supplementary Data.

Item 2. PROPERTIES

The Partnership does not own or lease any real property, plant or material physical properties other than the equipment held for lease as set forth in Item 1.

Item 3. LEGAL PROCEEDINGS

No material legal proceedings are currently pending against the Partnership or against any of its assets. The following is a discussion of legal matters involving the Partnership but which do not represent claims against the Partnership or its assets.

Quaker Coal Company:

On December 31, 1997, Quaker Coal Company, one of the Partnership's lessees, requested a moratorium on lease payments from January through March 1998. No lease payments were made by the lessee through June of 1998, and as a result, the General Partner declared the lease in default. Subsequently, the lessee cured the outstanding payments and eventually satisfied substantially all lease payments due under the lease; however, the General Partner refused to waive the default and insisted on contractual damages. The General Partner filed a suit against the lessee for its contractual damages in the U.S. District Court of Northern California (the "Court"). On June 16, 2000, the lessee filed for protection under Chapter 11 of the U.S. Bankruptcy Code. The amounts of these damages have not been included in the financial statements included in Part II, Item 8.

The Partnership obtained a stipulation for relief from the automatic bankruptcy stay to allow the Court to issue its ruling, and filed a request to participate on the Official Committee of Unsecured Creditors in the bankruptcy proceedings. The Partnership succeeded in securing the return of its equipment, which has been liquidated, netting approximately 17% of the original equipment cost. The Court issued a ruling on March 4, 2001, denying the Partnership's claim for damages. The lessee subsequently filed a claim against the Partnership, for reimbursement of its legal expenses. The General Partner believes the Court's decision is erroneous, as a matter law, and has filed an appeal of the decision in the U.S. District Court of Appeals.

The lessee filed a plan of reorganization, which has been objected to by several large creditors, including the General Partner.

Upon the termination of the debtor's exclusivity period, competing plans were filed by other creditors to the plan, and voting on the competing plans occurred October 8, 2001. The results of the vote were that American Electric Power's ("AEP") Plan of Reorganization ("AEP Plan") was successful. Under the AEP Plan, the claim of the Partnership has been assigned to a liquidating trustee for resolution and satisfaction from the debtor's estate.

In January 2002, ATEL attended an appellate settlement conference seeking to resolve the outstanding disputed claim. A reserve has been set aside by the liquidating trustee in the amount of $1.2 million in satisfaction of the Partnership's claims and those of its affiliates, although this claim amount remains in dispute. Currently, the likelihood of recovery of amounts above the payment of the lease rent and the liquidation of the equipment already received remains speculative and highly

Elkay Mining Company:

On December 17, 1999, Elkay Mining Company, a subsidiary of The Pittston Company, filed a suit for declaratory relief in response to a notice of event of default sent by the Partnership. The dispute surrounds the treatment by the lessee of a defect in the leased equipment, and the lessee's failure to notify that lessor of the defect in the equipment. All lease payments under that lease were made in a timely manner, and the equipment was returned and liquidated by the Partnership for $112,501.04, which is approximately 6% of the original equipment cost. The Partnership believes that it has suffered damages and loss as a result of actions of the lessee, in the amount of $773,402, which represents the difference in the proceeds netted from the sale of the equipment and the liquidated damages due under the lease. This matter has been litigated and the parties are awaiting decision from the Court.

The General Partner has filed for arbitration against the guarantor in San Francisco, as mandated by the lease. The General Partner believes that it has a reasonable basis for prevailing with respect to this matter, and will aggressively assert its defense.

Applied Magnetics Corporation:

In January 2000, Applied Magnetics Corporation filed for protection from creditors under Chapter 11 of the U. S. Bankruptcy Code. The Partnership had assets with a total net book value of $5,113,290 leased to Applied Magnetics Corporation at the bankruptcy filing date. On January 31, 2000, the General Partner was appointed to the Official Committee of Unsecured Creditors and served as the Chairperson of the Committee. Procedures were quickly undertaken for the liquidation of the Partnership's leased equipment, which proceeds resulted in the satisfaction of a portion of the non-recourse debt secured by the equipment. As of November 1, 2000, liquidation of the assets was completed.

The debtor filed a Plan of Reorganization (the "Plan"), which was approved by a vote of the creditors of the debtor in October 2001. The Plan provided that the debtor change its name to “Integrated Micro-Technology”, and enter into a new line of business, the manufacture and production of “micro-machines”. As part of the Plan the Partnership, along with the other unsecured creditors, receive a proportionate share of their unsecured claims, in the form of ownership shares and warrants in the newly formed business. The success of this new business plan is highly uncertain.

The Partnership anticipates additional amounts may be recoverable through its equity interests in the reorganized lessee's business, however, any recoveries above the amounts received upon liquidation of the Partnership's equipment are highly uncertain and speculative.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

Item 5. MARKET FOR REGISTRANT'S LIMITED PARTNERSHIP UNITS AND RELATED MATTERS

Market Information

The Units are transferable subject to restrictions on transfers which have been imposed under the securities laws of certain states. However, as a result of such restrictions, the size of the Partnership and its investment objectives, to the General Partner's knowledge, no established public secondary trading market has developed and it is unlikely that a public trading market will develop in the future.

Holders

As of December 31, 2001, a total of 6,553 investors were record holders of Units in the Partnership.

Dividends

The Partnership does not make dividend distributions. However, the Limited Partners of the Partnership are entitled to certain distributions as provided under the Limited Partnership Agreement.

The rate for monthly distributions from 2001 operations was $0.0875 per Unit. The distributions were paid in February 2001 through December 2001 and in January 2002. For each quarterly distribution (paid in April, July and October 2001 and in January 2002) the rate was $0.2625 per Unit. Distributions were from 2001 cash flows from operations. The amounts paid to holders of Units were adjusted based on the length of time within the previous calendar month or quarter that the Units were outstanding.

The rate for monthly distributions from 2000 operations was $0.0875 per Unit. The distributions were paid in February 2000 through December 2000 and in January 2001. For each quarterly distribution (paid in April, July and October 2000 and in January 2001) the rate was $0.2625 per Unit. Distributions were from 2000 cash flows from operations. The amounts paid to holders of Units were adjusted based on the length of time within the previous calendar month or quarter that the Units were outstanding.

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ATEL has sole discretion in determining the amount of distributions; provided, however, that the General Partner will not reinvest in equipment, but will distribute, subject to payment of any obligations of the Partnership, such available cash from operations and cash from sales or refinancing as may be necessary to cause total distributions to the Limited Partners for each year during the reinvestment period to equal the following amounts per unit: $1.00 in 1997 and 1998; $1.05 in 1999 and 2000; and $1.10 in 2001 and 2002.

Holders of Units may make the election without charge to receive distributions on a monthly basis rather than on a quarterly basis.

The following table presents summarized information regarding distributions to Limited Partners:

	2001	2000	1999	1998	1997
Distributions of net income (loss)	$ 0.17	$ 0.76	$ (0.07)	$ 0.06	$ (0.18)
Return of investment	0.88	0.30	1.11	0.94	1.18
Distributions per unit	1.05	1.06	1.04	1.00	1.00
Differences due to timing of distributions	-	(0.01)	0.01	-	-
Nominal distribution rates from above	$ 1.05	$ 1.05	$ 1.05	$ 1.00	$ 1.00

Item 6. SELECTED FINANCIAL DATA

The following table presents selected financial data of the Partnership at December 31, 2001, 2000, 1999, 1998 and 1997. This financial data should be read in conjunction with the financial statements and related notes included under Part II Item 8.

	2001	2000	1999	1998	1997
Gross revenues	$ 16,549,229	$ 27,796,597	$ 34,400,228	$ 36,149,061	$ 36,485,165
Net income (loss)	$ 2,838,363	$ 9,533,716	$ (906,676)	$ 710,923	$ (2,297,964)
Weighted average Units	12,500,050	12,500,050	12,500,050	12,500,050	12,500,050
Net income (loss) allocated to Limited Partners	$ 2,123,116	$ 9,438,379	$ (897,609)	$ 703,814	$ (2,274,984)
Net income (loss) per Unit, based on weighted average Units outstanding	$ 0.17	$ 0.76	$ (0.07)	$ 0.06	$ (0.18)
Distributions per Unit, based on weighted average Units outstanding	$ 1.05	$ 1.06	$ 1.04	$ 1.00	$ 1.00
Total Assets	$ 65,841,842	$ 79,350,099	$110,704,998	$140,096,180	$170,290,581
Non-recourse Debt	$ 21,712,993	$ 28,971,912	$ 46,490,585	$ 65,164,309	$ 77,647,591
Total Partners' Capital	$ 38,008,680	$ 48,537,398	$ 52,207,752	$ 66,322,437	$ 78,274,435

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Capital Resources and Liquidity

The Partnership's public offering provided for a total maximum capitalization of $125,000,000 and was completed as of November 23, 1996. As of that date, subscriptions had been received and accepted for $125,000,000.

The liquidity of the Partnership will vary in the future, increasing to the extent cash flows from leases and proceeds of asset sales exceed expenses, and decreasing as lease assets are acquired, as distributions are made to the limited partners and to the extent expenses exceed cash flows from leases and proceeds from asset sales.

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

The Partnership participates with the General Partner and certain of its affiliates in a $62,000,000 revolving line of credit with a financial institution that includes certain financial covenants. The line of credit expires on April 12, 2002. The General Partner is currently negotiating a new line of credit and anticipates that the current line of credit will either be replaced upon its expiration or that the current line of credit will be extended until the new one is finalized. As of December 31, 2001, borrowings under the facility were as follows:

Amount borrowed by the Partnership under the acquisition facility	$ 4,500,000
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	13,100,000
Total borrowings under the acquisition facility	17,600,000
Amounts borrowed by the General Partner and its sister corporation under the warehouse facility *	10,999,501
Total outstanding balance	$ 28,599,501
Total available under the line of credit	$ 62,000,000
Total outstanding balance	(28,599,501)
Remaining availability	$ 33,400,499

* (Unaudited) The carrying value of the assets pledged as collateral and financed at December 31, 2001 was $17,955,014.

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 Partnership and the General Partner.

The Partnership anticipates reinvesting a portion of lease payments from assets owned in new leasing transactions. Such reinvestment will occur only after the payment of all obligations, including debt service (both principal and interest), the payment of management and acquisition fees to ATEL and providing for cash distributions to the Limited Partners. At December 31, 2001, the Partnership had no commitments to purchase lease assets.

As of December 31, 2001, cash balances consisted of working capital and amounts reserved for distributions in January 2002, generated from operations in 2001.

The Partnership currently has available adequate reserves to meet its immediate cash requirements, but in the event those reserves were found to be inadequate, the Partnership would likely be in a position to borrow against its current portfolio to meet such requirements. ATEL envisions no such requirements for operating purposes.

As of December 31, 2001, the Partnership had borrowed $100,521,405 of non-recourse debt. The remaining unpaid balance as of that date was $21,712,993.

The Partnership's long-term borrowings are generally non-recourse to the Partnership, that is, the only recourse of the lender is to the equipment or corresponding lease acquired with the loan proceeds. ATEL expects that aggregate borrowings in the future will be approximately 40%-50% of aggregate equipment cost. In any event, the Agreement of Limited Partnership limits such borrowings to 50% of the total cost of equipment, in aggregate. The Partnership may only incur additional debt to the extent that the then outstanding balance of all such debt, including the additional debt, does not exceed 50% of the original cost of the lease assets then owned by the Partnership, including any such assets purchased with the proceeds of such additional debt.

See Note 4 to the financial statements for additional information regarding non-recourse debt.

The Partnership commenced regular distributions, based on cash flows from operations, beginning with the month of January 1995. See Items 5 and 6 of this report for additional information regarding the distributions.

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

If interest rates increase significantly, the lease rates that the Partnership 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. Leases already in place, for the most part, would not be affected by changes in interest rates.

Cash Flows

2001 vs. 2000:

In 2001 and 2000, the Partnership's primary source of cash was the rents from operating leases. Cash flows from operations decreased from $15,929,861 in 2000 to $8,520,901 in 2001, a decrease of $7,408,960. The decrease resulted from decreased operating lease rents.

In 2001 and 2000, sources of cash from investing activities consisted of proceeds from sales of lease assets and cash flows from direct financing leases. The cash flows from direct financing leases decreased slightly from $269,437 in 2000 to $259,277 in 2001. Proceeds from asset sales decreased from $18,083,829 in 2000 to $2,709,345 in 2001. Proceeds from sales of lease assets are not expected to be consistent from one year to another.

In 2001, the only source of cash from financing activities was funds borrowed under the line of credit. In 2000, there were no financing sources of cash. In 1999, the only source of cash from financing activities was borrowings under the line of credit. Repayments of non-recourse debt decreased (from $11,172,244 in 2000 to $3,863,254 in 2001) as a result of scheduled debt payments.

2000 vs. 1999:

In 2000 and 1999, the Partnership's primary source of cash was the rents from operating leases. Cash flows from operations decreased from $23,773,594 in 1999 to $15,929,861 in 2000, a decrease of $7,843,733. The decrease resulted from decreased operating lease rents.

In 2000, sources of cash from investing activities consisted of proceeds from sales of lease assets and cash flows from direct financing leases. The cash flows from direct financing leases increased slightly from $255,610 in 1999 to $269,437 in 2000. Proceeds from asset sales increased from $1,802,696 in 1999 to $18,083,829 in 2000. Proceeds from sales of lease assets are not expected to be consistent from one year to another.

In 2000, there were no financing sources of cash. In 1999, the only source of cash from financing activities was borrowings under the line of credit. Distributions to the Limited Partners increased as a result of an increase in the per Unit distribution rate effective with distributions made starting in February 1999 (see Item 5 of this report). Repayments of non-recourse debt decreased (from $15,977,760 in 1999 to $11,172,244 in 2000) as a result of scheduled debt payments.

Results of Operations

As of January 3, 1995, subscriptions for the minimum amount of the offering ($1,200,000) had been received and accepted by the Partnership. As of that date, the Partnership commenced operations in its primary business (leasing activities).

2001 vs. 2000:

Revenues in 2001 decreased to $16,549,229 compared to $27,796,597 in 2000. Most of the Partnership's revenues are generated from operating leases. These rents have decreased as a result of 2000 and 2001 asset sales.

Depreciation and interest are the most significant ongoing Partnership expenses. Depreciation expense is directly related to the Partnership's investment in operating leases and is, therefore, also directly related to the revenues generated by those assets. The 2000 and 2001 sales which led to 2001 revenue decreases also gave rise to the decrease in depreciation expense from $15,540,231 in 2000 to $8,401,319 in 2001.

Interest expense has decreased as a result of scheduled debt payments.

Equipment management fees are related to lease revenues. In 2001, revenues decreased as noted above and, as a result, the management fees also decreased from $569,141 in 2000 to $371,281 in 2001, a decrease of $197,860.

Cost reimbursements to the general Partner increased as a result of a revised analysis of the costs incurred by the General Partners and allocated to the Partnership.

2000 vs. 1999:

Revenues in 2000 decreased to $27,796,597 compared to $34,400,228 in 1999. Most of the Partnership's revenues are generated from operating leases. These rents have decreased as a result of 1999 and 2000 asset sales.

Depreciation and interest are the most significant ongoing Partnership expenses. Depreciation expense is directly related to the Partnership's investment in operating leases and is, therefore, also directly related to the revenues generated by those assets. The 1999 and 2000 sales which led to 2000 revenue decreases also gave rise to the decrease in depreciation expense from $22,002,111 in 1999 to $15,540,231 in 2000.

In 1999, Applied Magnetics, one of the Partnership's lessees, defaulted on its lease obligations to the Partnership. In 1999, a provision for lease losses of $5,113,290 was provided in relation to this lessee. The assets under the operating leases with Applied Magnetics were financed primarily with non-recourse debt. The balance of the debt was $3,320,774 at December 31, 1999. Upon the foreclosure by the lender in 2000, the Partnership recognized an extraordinary gain on extinguishment of debt in the amount of the unpaid debt.

Interest expense has decreased as a result of scheduled debt payments.

Equipment management fees are related to lease revenues. In 2000, revenues decreased as noted above and, as a result, the management fees also decreased from $959,511 in 1999 to $569,141 in 2000, a decrease of $390,370.

Recent accounting pronouncement:

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS 144), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, and the accounting and reporting provisions of APB Opinion No. 30, Reporting the Results of Operations for a disposal of a segment of a business. SFAS 144 is effective for fiscal years beginning after December 15, 2001, with earlier application encouraged. The Partnership expects to adopt SFAS 144 as of January 1, 2002 and it does not expect that the adoption of the Statement will have a significant impact on the Partnership's financial position and results of operations.

Item 7a. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

The Partnership, like most other companies, is exposed to certain market risks, including primarily changes in interest rates. The Partnership believes its exposure to other market risks including foreign currency exchange rate risk, commodity risk and equity price risk are insignificant to both its financial position and results of operations.

In general, the Partnership manages its exposure to interest rate risk by obtaining fixed rate debt. The fixed rate debt is structured so as to match the cash flows required to service the debt to the payment streams under fixed rate lease receivables. The payments under the leases are assigned to the lenders in satisfaction of the debt. Furthermore, the Partnership has historically been able to maintain a stable spread between its cost of funds and lease yields in both periods of rising and falling rates. Nevertheless, the Partnership frequently funds leases with its floating rate line of credit and is, therefore, exposed to interest rate risk until fixed rate financing is arranged, or the floating rate line of credit is repaid. As of December 31, 2001, there was $4,500,000 outstanding on the floating rate line of credit and the effective interest rates of the borrowings ranged from 3.92% to 3.93%.

To hedge its interest rate risk related to this variable rate debt, the Partnership may enter into interest rate swaps. As of December 31, 2001, no swaps or other derivative financial instruments were held by the Partnership. The Partnership does not hold or issue derivative financial instruments for speculative purposes.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See the Report of Independent Auditors, Financial Statements and Notes to Financial Statements attached hereto at pages 13 through 27.

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

The Partners
ATEL Cash Distribution Fund VI, L.P.

We have audited the accompanying balance sheets of ATEL Cash Distribution Fund VI, L.P. (Partnership) as of December 31, 2001 and 2000, and the related statements of operations, changes in partners' capital, and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ATEL Cash Distribution Fund VI, L.P. at December 31, 2001 and 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

/s/ ERNST & YOUNG LLP

San Francisco, California
February 1, 2002

ATEL CASH DISTRIBUTION FUND VI, L.P.

BALANCE SHEETS

DECEMBER 31, 2001 AND 2000

ASSETS

	2001	2000
Cash and cash equivalents	$ 701,012	$ 1,947,276
Accounts receivable, net of allowance for doubtful accounts of $861,253 in 2001 and $585,186 in 2000	7,200,988	7,595,825
Investments in equipment and leases	57,939,842	69,806,998
Total assets	$ 65,841,842	$ 79,350,099

LIABILITIES AND PARTNERS' CAPITAL

	2001	2000
Non-recourse debt	$ 21,712,993	$ 28,971,912
Line of credit	4,500,000	-
Accounts payable and accruals:		
General Partner	208,687	264,395
Equipment purchases	-	5,452
Other	585,993	331,385
Accrued interest payable	762,476	1,102,361
Unearned lease income	63,013	137,196
	27,833,162	30,812,701
Partners' capital (deficit):		
General Partner	-	(472,607)
Limited Partners	38,008,680	49,010,005
Total partners' capital	38,008,680	48,537,398
Total liabilities and partners' capital	$ 65,841,842	$ 79,350,099

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENTS OF OPERATIONS

YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999

	2001	2000	1999
Revenues:			
Leasing activities:			
Operating leases	$ 16,849,677	$ 23,443,137	$ 33,987,395
Direct financing leases	197,224	86,858	111,799
(Loss) gain on sales of assets	(559,525)	4,039,545	262,067
Interest income	50,520	196,627	10,231
Other	11,333	30,430	28,736
	16,549,229	27,796,597	34,400,228
Expenses:			
Depreciation and amortization	8,641,204	16,127,857	22,710,097
Interest	2,217,411	3,151,691	4,783,105
Cost reimbursements to General Partner	866,915	508,653	397,125
Other	816,703	750,309	776,273
Equipment and incentive management fees to affiliates	771,498	963,332	1,178,105
Provision for doubtful accounts	276,067	-	282,991
Professional fees	121,068	81,813	65,918
Provision for losses and impairments	-	-	5,113,290
	13,710,866	21,583,655	35,306,904
Income (loss) before extraordinary item	2,838,363	6,212,942	(906,676)
Extraordinary gain on early extinguishment of debt	-	3,320,774	-
Net income (loss)	$ 2,838,363	$ 9,533,716	$ (906,676)
Net income (loss):			
General Partner	$ 715,247	$ 95,337	$ (9,067)
Limited Partners	2,123,116	9,438,379	(897,609)
	$ 2,838,363	$ 9,533,716	$ (906,676)
Income (loss) before extraordinary item per Limited Partnership unit	$ 0.17	$ 0.50	$ (0.07)
Extraordinary gain on early extinguishment of debt per Limited Partnership unit	-	0.26	-
Net income (loss) per Limited Partnership unit	$ 0.17	$ 0.76	$ (0.07)
Weighted average number of units outstanding	12,500,050	12,500,050	12,500,050

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENT OF CHANGES IN PARTNERS' CAPITAL

YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999

	Limited Partners		General	
	Units	Amount	Partner	Total
Balance December 31, 1998	12,500,050	$ 66,731,619	$ (409,182)	$ 66,322,437
Distributions to limited partners ($1.04 per Unit)		(13,058,314)	-	(13,058,314)
Distributions to General Partner		-	(149,695)	(149,695)
Net income		(897,609)	(9,067)	(906,676)
Balance December 31, 1999	12,500,050	52,775,696	(567,944)	52,207,752
Distributions to limited partners ($1.06 per Unit)		(13,204,070)	-	(13,204,070)
Net loss		9,438,379	95,337	9,533,716
Balance December 31, 2000	12,500,050	49,010,005	(472,607)	48,537,398
Distributions to limited partners ($1.05 per Unit)		(13,124,441)	-	(13,124,441)
Distributions to General Partner		-	(242,640)	(242,640)
Net income		2,123,116	715,247	2,838,363
Balance December 31, 2001	12,500,050	$ 38,008,680	$ -	$ 38,008,680

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999

	2001	2000	1999
Operating activities:			
Net income (loss)	$ 2,838,363	$ 9,533,716	$ (906,676)
Adjustment to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	8,641,204	16,127,857	22,710,097
Provision for doubtful accounts	276,067	-	282,991
Provision for losses and impairments	-	-	5,113,290
Loss (gain) on sales of assets	559,525	(4,039,545)	(262,067)
Extraordinary gain on early extinguishment of debt	-	(3,320,774)	-
Changes in operating assets and liabilities:			
Accounts receivable	(4,785,126)	(2,329,866)	(5,665,104)
Accounts payable, General Partner	(55,708)	(812,362)	905,707
Accounts payable, other	254,608	(262,477)	(10,906)
Accrued interest payable	1,064,450	1,325,602	1,379,696
Unearned lease income	(74,183)	(292,290)	226,566
Net cash provided by operating activities	8,719,200	15,929,861	23,773,594
Investing activities:			
Proceeds from sales of assets	2,511,046	18,083,829	1,802,696
Reduction of net investment in direct financing leases	259,277	269,437	255,610
Purchases of equipment on operating leases	(5,452)	-	(249,800)
Net cash provided by investing activities	2,764,871	18,353,266	1,808,506
Financing activities:			
Repayments of non-recourse debt	(3,863,254)	(11,172,244)	(15,977,760)
Distributions to Limited Partners	(13,124,441)	(13,204,070)	(13,058,314)
Repayments of borrowings under line of credit	(1,000,000)	(8,350,000)	-
Borrowings under line of credit	5,500,000	-	3,250,000
Distributions to General Partner	(242,640)	-	(149,695)
Net cash used in financing activities	(12,730,335)	(32,726,314)	(25,935,769)
Net (decrease) increase in cash and cash equivalents	(1,246,264)	1,556,813	(353,669)
Cash and cash equivalents at beginning of year	1,947,276	390,463	744,132
Cash and cash equivalents at end of year	$ 701,012	$ 1,947,276	$ 390,463

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENTS OF CASH FLOWS
(Continued)

YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999

	2001	2000	1999
Supplemental disclosures of cash flow information:			
Cash paid during the year for interest	$ 1,152,961	$ 1,826,089	$ 3,403,409
Schedule of non-cash transactions:			
Offset of accounts receivable and debt service per lease and debt agreement:			
Accrued interest payable	$ (1,404,335)	$ (1,774,345)	$ (2,104,036)
Non-recourse debt	(3,395,665)	(3,025,655)	(2,695,964)
Accounts receivable	$ (4,800,000)	$ (4,800,000)	$ (4,800,000)
Extraordinary gain on early extinguishment of debt	$ -	$ 3,320,774	$ -

See accompanying notes.

1. Organization and Partnership matters:

ATEL Cash Distribution Fund VI, L.P. (the Partnership) was formed under the laws of the state of California on June 29, 1994 for the purpose of acquiring equipment to engage in equipment leasing and sales activities.

Upon the sale of the minimum amount of Units of Limited Partnership interest (Units) of $1,200,000 and the receipt of the proceeds thereof on January 3, 1995, the Partnership commenced operations.

The General Partner of the Partnership is ATEL Financial Services LLC (ATEL). Prior to converting to a limited liability company structure, the General Partner was formerly known as ATEL Financial Corporation.

The Partnership's business consists of leasing various types of equipment. As of December 31, 2001, the original terms of the leases ranged from one month to twenty years.

Pursuant to the Limited Partnership Agreement, ATEL receives compensation and reimbursements for services rendered on behalf of the Partnership (Note 5). ATEL is required to maintain in the Partnership reasonable cash reserves for working capital, the repurchase of Units and contingencies.

2. Summary of significant accounting policies:

Equipment on operating leases:

Equipment on operating leases is stated at cost. Depreciation is being provided by use of the straight-line method over the terms of the related leases to the estimated residual values of the equipment at the end of the leases.

Revenues from operating leases are recognized evenly over the lives of the related leases.

Direct financing leases:

Income from direct financing lease transactions is reported using the financing method of accounting, in which the Partnership's investment in the leased property is reported as a receivable from the lessee to be recovered through future rentals. The income portion of each rental payment is calculated so as to generate a constant rate of return on the net receivable outstanding.

Statements of cash flows:

For purposes of the Statements of Cash Flows, cash and cash equivalents include cash in banks and cash equivalent investments with original maturities of ninety days or less.

2. Summary of significant accounting policies (continued):

Income taxes:

The Partnership does not provide for income taxes since all income and losses are the liability of the individual partners and are allocated to the partners for inclusion in their individual tax returns.

The tax basis of the Partnership's net assets and liabilities varies from the amounts presented in these financial statements (unaudited):

	2001	2000
Financial statement basis of net assets	$ 38,008,680	$ 48,537,398
Tax basis of net assets	6,482,117	15,493,667
Difference	$ 31,526,563	$ 33,043,731

The primary differences between the tax basis of net assets and the amounts recorded in the financial statements are the result of differences in accounting for syndication costs and differences between the depreciation methods used in the financial statements and the Partnership's tax returns.

The following reconciles the net income (loss) reported in these financial statements to the loss reported on the Partnership's federal tax return (unaudited):

	2001	2000	1999
Net income (loss) per financial statements	$ 2,838,363	$ 9,533,716	$ (906,676)
Adjustment to depreciation expense	429,207	(701,135)	(1,309,581)
Other adjustments to revenues and expenses	811,895	6,359,698	371,417
Provision for losses and impairments	-	-	5,113,290
Provision for doubtful accounts	276,067	-	282,991
Net income (loss) per federal tax return	$ 4,355,532	$ 15,192,279	$ 3,551,441

Per unit data:

Net income and distributions per unit are based upon the weighted average number of units outstanding during the period.

Credit risk:

Financial instruments which potentially subject the Partnership to concentrations of credit risk include cash and cash equivalents and accounts receivable. The Partnership places its cash deposits and temporary cash investments with creditworthy, high quality financial institutions. The concentration of such deposits and temporary cash investments is not deemed to create a significant risk to the Partnership. Accounts receivable represent amounts due from lessees in various industries, related to equipment on operating and direct financing leases. See Note 7 for a description of lessees by industry as of December 31, 2001, 2000 and 1999.

2. Summary of significant accounting policies (continued):

Basis of presentation:

The accompanying financial statements as of December 31, 2001 and 2000 and for the three years ended December 31, 2001 have been prepared in accordance with accounting principles generally accepted in the United States. Certain prior year amounts have been reclassified to conform to the current year presentation.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Such estimates primarily relate to the determination of residual values at the end of the lease term.

Reserve for losses and impairments:

The Partnership maintains a reserve on its investments in equipment and leases for losses and impairments which are inherent in the portfolio as of the balance sheet dates. The General Partner's evaluation of the adequacy of the allowance is a judgmental estimate that is based on a review of individual leases, past loss experience and other factors. While the General Partner believes the allowance is adequate to cover known losses, it is reasonably possible that the allowance may change in the near term. However, such change is not expected to have a material effect on the financial position or future operating results of the Partnership. It is the Partnership's policy to charge off amounts which, in the opinion of the General Partner, are not recoverable from lessees or the disposition of the collateral. See Note 10.

Recent accounting pronouncement:

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS 144), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, and the accounting and reporting provisions of APB Opinion No. 30, Reporting the Results of Operations for a disposal of a segment of a business. SFAS 144 is effective for fiscal years beginning after December 15, 2001, with earlier application encouraged. The Partnership expects to adopt SFAS 144 as of January 1, 2002 and it does not expect that the adoption of the Statement will have a significant impact on the Partnership’s financial position and results of operations.

3. Investments in equipment and leases:

The Partnership's investments in equipment and leases consist of the following:

	December 31, 2000	Depreciation Expense or Amortization of Leases	Reclass-ifications or Dispositions	December 31, 2001
Net investment in operating leases	$ 66,838,736	$ (8,401,319)	$ (2,989,907)	$ 55,447,510
Net investment in direct financing leases	1,019,935	(259,277)	160,885	921,543
Assets held for sale or lease	953,554	-	180,934	1,134,488
Residual value interests	379,551	-	(345,390)	34,161
Reserve for losses and impairments	(291,905)	-	103,896	(188,009)
Initial direct costs, net of accumulated amortization of $1,535,327 in 2001 and $2,046,198 in 2000	907,127	(239,885)	(77,093)	590,149
	$ 69,806,998	$ (8,900,481)	$ (2,966,675)	$ 57,939,842

Operating leases:

Property on operating leases consists of the following:

	December 31, 2000	Additions	Reclass-ifications or Dispositions	December 31, 2001
Transportation	$ 85,622,871	$ -	$ (2,698,778)	$ 82,924,093
Construction	21,133,558	-	(1,178,462)	19,955,096
Materials handling	16,923,148	-	(6,860,784)	10,062,364
Office automation	2,658,730	-	(1,155,005)	1,503,725
Miscellaneous	1,088,706	-	(46,503)	1,042,203
Manufacturing	409,385	-	(120,617)	288,768
	127,836,398	-	(12,060,149)	115,776,249
Less accumulated depreciation	(60,997,662)	(8,401,319)	9,070,242	(60,328,739)
	$ 66,838,736	$ (8,401,319)	$ (2,989,907)	$ 55,447,510

3. Investments in equipment and leases (continued):

Direct financing leases:

As of December 31, 2001 and 2000, investment in direct financing leases consists of railroad tank cars and various office automation equipment. The following lists the components of the Partnership's investment in direct financing leases as of December 31, 2001 and 2000:

	2001	2000
Total minimum lease payments receivable	$ 1,015,735	$ 1,157,825
Estimated residual values of leased equipment (unguaranteed)	200,683	187,832
Investment in direct financing leases	1,216,418	1,345,657
Less unearned income	(294,875)	(325,722)
Net investment in direct financing leases	$ 921,543	$ 1,019,935

All of the property on leases was acquired in 1997, 1996 and 1995.

At December 31, 2001, the aggregate amounts of future minimum lease payments under operating and direct financing leases are as follows:

Year ending December 31,	Operating Leases	Direct Financing Leases	Total
2002	$ 8,557,470	$ 426,745	$8,984,215
2003	3,616,340	182,355	3,798,695
2004	2,905,622	110,355	3,015,977
2005	2,702,747	98,760	2,801,507
2006	1,624,797	98,760	1,723,557
Thereafter	10,520,601	98,760	10,619,361
	$29,927,577	$1,015,735	$30,943,312

Reserves for losses and impairments and allowance for doubtful accounts:

Activity in the reserve for losses and impairments and allowances for doubtful accounts consists of the following:

	Allowance for reserves and impairments	Allowance for doubtful accounts
Balance December 31,1998	$ 785,086	$ -
Provision	5,113,290	282,991
Balance December 31,1999	5,898,376	282,991
Reclassifications	(302,195)	302,195
Charge offs	(5,304,276)	-
Balance December 31,2000	291,905	585,186
Provision	-	276,067
Charge offs	(103,896)	-
Balance December 31,2001	$ 188,009	$ 861,253

4. Non-recourse debt:

At December 31, 2001, non-recourse debt consists of notes payable to financial institutions. The notes are due in varying monthly, quarterly and semi-annual payments. Interest on the notes is at fixed rates from 6.37% to 12.22%. The notes are secured by assignments of lease payments and pledges of assets. At December 31, 2001, the carrying value of the pledged assets is $26,931,167. The notes mature from 2002 through 2016.

Future minimum payments of non-recourse debt are as follows:

Year ending December 31,	Principal	Interest	Total
2002	$ 5,743,147	$ 1,826,594	$ 7,569,741
2003	5,486,383	1,237,053	6,723,436
2004	821,505	633,381	1,454,886
2005	476,034	591,844	1,067,878
2006	679,762	548,359	1,228,121
Thereafter	8,506,162	2,493,684	10,999,846
	$ 21,712,993	$ 7,330,915	$ 29,043,908

5. Related party transactions:

The terms of the Limited Partnership Agreement provide that ATEL and/or affiliates are entitled to receive certain fees for equipment acquisition, management and resale and for management of the Partnership.

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

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

5. Related party transactions (continued):

ATEL and/or affiliates earned fees, commissions and reimbursements, pursuant to the Limited Partnership Agreement as follows during 2001, 2000 and 1999:

	2001	2000	1999
Cost reimbursements to ATEL	$ 866,915	$ 508,653	$ 397,125
Incentive management fees (computed as 3.25% of distributions of cash from operations, as defined in the Limited Partnership Agreement) and equipment management fees (computed as 3.5% of gross revenues from operating leases, as defined in the Limited Partnership Agreement plus 2% of gross revenues from full payout leases, as defined in the Limited Partnership Agreement)	771,498	963,332	1,178,105
	$ 1,638,413	$ 1,471,985	$ 1,575,230

6. Partners' capital:

As of December 31, 2001 and 2000, 12,500,050 Units were issued and outstanding, including the 50 Units issued to the Initial Limited Partners. The Partnership's registration statement with the Securities and Exchange Commission became effective November 23, 1994. The Partnership is authorized to issue up to 12,500,000 Units, in addition to those issued to the Initial Limited Partners.

The Partnership's Net Profits, Net Losses, and Tax Credits are to be allocated 99% to the Limited Partners and 1% to the General Partner. In accordance with the terms of the of Limited Partnership Agreement, an additional allocation of income was made to the General Partner in 2001. The amount allocated was determined so as to bring the General Partner's ending capital account balance to zero.

Available Cash from Operations and Cash from Sales and Refinancing, as defined in the Limited Partnership Agreement, are to be distributed as follows:

First, 95.75% of Distributions of Cash from Operations to the Limited Partners, 1% of Distributions of Cash from Operations to ATEL and 3.25% to an affiliate of ATEL as an Incentive Management Fee, 99% of Distributions of Cash from Sales or Refinancing to the Limited Partners and 1% of Cash from Sales or Refinancing to the General Partner.

Second, the balance to the Limited Partners until the Limited Partners have received Aggregate Distributions in an amount equal to their Original Invested Capital, as defined, plus a 10% per annum cumulative (compounded daily) return on their Adjusted Invested Capital.

Third, an affiliate of ATEL will receive as an Incentive Management Fee, 4% of remaining Cash from Sales or Refinancing.

Fourth, the balance to the Limited Partners.

7. Concentration of credit risk and major customers:

The Partnership leases equipment to lessees in diversified industries. Leases are subject to ATEL's credit committee review. The leases provide for the return of the equipment upon default.

As of December 31, 2001, 2000 and 1999 there were concentrations (greater than 10%) of equipment leased to lessees in certain industries (as a percentage of total equipment cost) as follows:

	2001	2000	1999
Other manufacturing	30%	33%	*
Rail transportation	33%	31%	30%
Municipalities	13%	*	*
Other transportation services	*	*	14%

* Less than 10%.

During 2001, four customer comprised 13%, 12%, 11% and 10% of the Partnership's revenues from leases. During 2000, one customer comprised 18% of the Partnership's revenues from leases. During 1999, two customers comprised 13% and 11% of the Partnership's revenues from leases.

8. Lines of credit:

The Partnership participates with the General Partner and certain of its affiliates in a $62,000,000 revolving line of credit with a financial institution that includes certain financial covenants. The line of credit expires on April 12, 2002. The General Partner is currently negotiating a new line of credit and anticipates that the current line of credit will either be replaced upon its expiration or that the current line of credit will be extended until the new one is finalized. As of December 31, 2001, borrowings under the facility were as follows:

Amount borrowed by the Partnership under the acquisition facility	$ 4,500,000
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	13,100,000
Total borrowings under the acquisition facility	17,600,000
Amounts borrowed by the General Partner and its sister corporation under the warehouse facility *	10,999,501
Total outstanding balance	$ 28,599,501
Total available under the line of credit	$ 62,000,000
Total outstanding balance	(28,599,501)
Remaining availability	$ 33,400,499

* (Unaudited) The carrying value of the assets pledged as collateral and financed at December 31, 2001 was $17,955,014.

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 Partnership and the General Partner.

8. Lines of credit (continued):

The credit agreement includes certain financial covenants applicable to each borrower. The Partnership was in compliance with its covenants as of December 31, 2001. The effective interest rate on borrowings at December 31, 2001 ranged from 3.92% to 3.93%.

9. Fair value of financial instruments:

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value.

Cash and cash equivalents:

The carrying amount of cash and cash equivalents approximates fair value because of the short-term maturity of these instruments.

Non-recourse debt:

The fair value of the Partnership's non-recourse debt is estimated using discounted cash flow analyses, based on the Partnership's current incremental borrowing rates for similar types of borrowing arrangements. The estimated fair value of the Partnership's non-recourse debt at December 31, 2001 is $22,032,785.

Line of credit:

The carrying amounts of the Partnership's variable rate lines of credit approximate fair value.

10. Extraordinary gain on extinguishment:

In January 2000, one of the Partnership's lessees filed for reorganization under Chapter 11 of the United States Bankruptcy Code. The Partnership determined that the assets under operating lease with a net book value of $5,113,290 at December 31, 1999 leased to this particular lessee were impaired as of December 31, 1999. The Partnership estimated that the proceeds from the sales of the assets would not be sufficient to satisfy the non-recourse lender. The debt balance was $3,320,774 at December 31, 1999. As a result, the Partnership fully reserved for these assets as of December 31, 1999.

Upon foreclosure by the lender and upon sale of the financed assets in 2000, the Partnership recognized an extraordinary gain on the extinguishment of the debt of $3,320,774 during the year ended December 31, 2000.

Item 9. CHANGES IN AND DISAGREEMENTS WITH AUDITORS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS

The registrant is a Limited Partnership and, therefore, has no officers or directors.

All of the outstanding capital stock of ATEL Financial Services LLC (the General Partner) is held by ATEL Capital Group ("ACG"), a holding company formed to control ATEL and affiliated companies. The outstanding voting capital stock of ATEL Capital Group is owned 5% by A. J. Batt and 95% by Dean Cash.

Each of ATEL Leasing Corporation ("ALC"), ATEL Equipment Corporation ("AEC"), ATEL Investor Services ("AIS") and ATEL Financial Services LLC ("AFS") is a wholly-owned subsidiary of ATEL Capital Group and performs services for the Partnership. Acquisition services are performed for the Partnership by ALC, equipment management, lease administration and asset disposition services are performed by AEC, investor relations and communications services are performed by AIS and general administrative services for the Partnership are performed by AFS. ATEL Securities Corporation ("ASC") is a wholly-owned subsidiary of ATEL Financial Services LLC.

The officers and directors of ATEL Capital Group and its affiliates are as follows:

Dean L. Cash	Chairman of the Board of Directors of ACG, AFS, ALC, AEC, AIS and ASC; President and Chief Executive Officer of ACG, AFS and AEC
Paritosh K. Choksi	Director, Executive Vice President, Chief Operating Officer and Chief Financial Officer of ACG, AFS, ALC, AEC and AIS
Donald E. Carpenter	Vice President and Controller of ACG, AFS, ALC, AEC and AIS; Chief Financial Officer of ASC
Vasco H. Morais	Senior Vice President, Secretary and General Counsel for ACG, AFS, ALC, AIS and AEC

Dean L. Cash, age 51, joined ATEL as director of marketing in 1980 and has been a vice president since 1981, executive vice president since 1983 and a director since 1984. He has been President and CEO since April 2001. Prior to joining ATEL, Mr. Cash was a senior marketing representative for Martin Marietta Corporation, data systems division, from 1979 to 1980. From 1977 to 1979, he was employed by General Electric Corporation, where he was an applications specialist in the medical systems division and a marketing representative in the information services division. Mr. Cash was a systems engineer with Electronic Data Systems from 1975 to 1977, and was involved in maintaining and developing software for commercial applications. Mr. Cash received a B.S. degree in psychology and mathematics in 1972 and an M.B.A. degree with a concentration in finance in 1975 from Florida State University. Mr. Cash is an arbitrator with the American Arbitration Association.

Paritosh K. Choksi, age 48, joined ATEL in 1999 as a director, senior vice president and its chief financial officer. He became its executive vice president and COO in April 2001. Prior to joining ATEL, Mr. Choksi was chief financial officer at Wink Communications, Inc. from 1997 to 1999. From 1977 to 1997, Mr. Choksi was with Phoenix American Incorporated, a financial services and management company, where he held various positions during his tenure, and was senior vice president, chief financial officer and director when he left the company. Mr. Choksi was involved in all corporate matters at Phoenix and was responsible for Phoenix's capital market needs. He also served on the credit committee overseeing all corporate investments, including its venture lease portfolio. Mr. Choksi was a part of the executive management team which caused Phoenix's portfolio to increase from $50 million in assets to over $2 billion. Mr. Choksi received a bachelor of technology degree in mechanical engineering from the Indian Institute of Technology, Bombay; and an M.B.A. degree from the University of California, Berkeley.

Donald E. Carpenter, age 53, joined ATEL in 1986 as controller. Prior to joining ATEL, Mr. Carpenter was an audit supervisor with Laventhol & Horwath, certified public accountants in San Francisco, California, from 1983 to 1986. From 1979 to 1983, Mr. Carpenter was an audit senior with Deloitte, Haskins & Sells, certified public accountants, in San Jose, California. From 1971 to 1975, Mr. Carpenter was a Supply Corp officer in the U. S. Navy. Mr. Carpenter received a B.S. degree in mathematics (magna cum laude) from California State University, Fresno in 1971 and completed a second major in accounting in 1978. Mr. Carpenter has been a California certified public accountant since 1981.

Vasco H. Morais, age 43, joined ATEL in 1989 as general counsel to provide legal support in the drafting and reviewing of lease documentation, advising on general corporate law matters, and assisting on securities law issues. From 1986 to 1989, Mr. Morais was employed by the BankAmeriLease Companies, Bank of America's equipment leasing subsidiaries, providing in-house legal support on the documentation of tax-oriented and non-tax oriented direct and leveraged lease transactions, vendor leasing programs and general corporate matters. Prior to the BankAmeriLease Companies, Mr. Morais was with the Consolidated Capital Companies in the corporate and securities legal department involved in drafting and reviewing contracts, advising on corporate law matters and securities law issues. Mr. Morais received a B.A. degree in 1982 from the University of California in Berkeley, a J.D. degree in 1986 from Golden Gate University Law School and an M.B.A. (Finance) in 1997 from Golden Gate University. Mr. Morais has been an active member of the State Bar of California since 1986.

Item 11. EXECUTIVE COMPENSATION

The registrant is a Limited Partnership and, therefore, has no officers or directors.

Set forth hereinafter is a description of the nature of remuneration paid and to be paid to ATEL and its Affiliates. The amount of such remuneration paid for the years ended December 31, 2001, 2000 and 1999 is set forth in Item 8 of this report under the caption "Financial Statements and Supplementary Data - Notes to the Financial Statements - Related party transactions," at Note 5 thereof, which information is hereby incorporated by reference.

Selling Commissions

The Partnership will pay selling commissions in the amount of 9.5% of Gross Proceeds, as defined, to ATEL Securities Corporation, an affiliate of ATEL. Of this amount, the majority is expected to be reallowed to other broker/dealers.

Through December 31, 1996, $11,875,000 of such commissions (the maximum allowable) had been paid to ATEL or its affiliates. Of that amount, $10,163,554 was reallowed to other broker/dealers. None have been paid since 1996, nor will any additional amounts be paid in future periods.

Acquisition Fees

Acquisition fees were paid to ATEL for services rendered in finding, reviewing and evaluating equipment to be purchased by the Partnership and rejecting equipment not to be purchased by the Partnership. The total amount of acquisition fees paid to ATEL or their affiliates was not to exceed 3% of the aggregate purchase price of equipment acquired with the net proceeds of the offering and was not to exceed 4.5% of the Gross Proceeds of the Offering.

Through December 31, 1996, $5,625,000 of such fees (the maximum allowable amount) had been paid to ATEL or its affiliates. No such fees have been paid subsequent to that date.

Equipment Management Fees

As compensation for its services rendered generally in managing or supervising the management of the Partnership's equipment and in supervising other ongoing services and activities including, among others, arranging for necessary maintenance and repair of equipment, collecting revenue, paying operating expenses, determining the equipment is being used in accordance with all operative contractual arrangements, property and sales tax monitoring and preparation of financial data, ATEL or its affiliates are entitled to receive management fees which are payable for each fiscal quarter and are to be in an amount equal to (i) 3.5% of the gross lease revenues from "operating" leases, as defined, and (ii) 2% of gross lease revenues from "full payout" leases, as defined, which contain net lease provisions.

See Notes to the financial statements included at Item 8 of this report for amounts paid.

Incentive Management Fees

As compensation for its services rendered in establishing and maintaining the composition of the Partnership's equipment portfolio and its acquisition and debt strategies and supervising fund administration including supervising the preparation of reports and maintenance of financial and operating data of the Partnership, Securities and Exchange Commission and Internal Revenue Service filings, returns and reports, ATEL is entitled to receive the Incentive management fee which shall be payable for each fiscal quarter and shall be an amount equal to 1% of cash distributions from operations, sales or refinancing and 3.25% (4% prior to July 1, 1995) of cash distributions from operations to an affiliate of ATEL until such time as the Limited Partners have received aggregate distributions of cash from operations in an amount equal to their original invested capital plus a 10% per annum return on their average adjusted invested capital (as defined in the Limited Partnership Agreement). Thereafter, the incentive management fee paid to the affiliate of ATEL shall be 4% of all distributions of cash from operations, sales or refinancing.

See Notes to the financial statements included at Item 8 of this report for amounts paid.

Equipment Resale Fees

As compensation for services rendered in connection with the sale of equipment, ATEL is entitled to receive an amount equal to the lesser of (i) 3% of the sales price of the equipment, or (ii) one-half the normal competitive equipment sales commission charged by unaffiliated parties for such services. Such fee is payable only after the Limited Partners have received a return of their adjusted invested capital (as defined in the Limited Partnership Agreement) plus 10% of their adjusted invested capital per annum calculated on a cumulative basis, compounded daily, commencing the last day of the quarter in which the limited partner was admitted to the Partnership. To date, none have been accrued or paid.

Equipment Re-lease Fee

As compensation for providing re-leasing services, ATEL is entitled to receive fees equal to 2% of the gross rentals or the comparable competitive rate for such services relating to comparable equipment, whichever is less, derived from the re-lease provided that (i) ATEL or their affiliates have and will maintain adequate staff to render such services to the Partnership, (ii) no such re-lease fee is payable in connection with the re-lease of equipment to a previous lessee or its affiliates, (iii) ATEL or its affiliates have rendered substantial re-leasing services in connection with such re-lease and (iv) ATEL or its affiliates are compensated for rendering equipment management services. To date, none have been accrued or paid.

General Partner's Interest in Operating Proceeds

Net income, net loss and investment tax credits are allocated 99% to the Limited Partners and 1% to ATEL. In accordance with the terms of the of Limited Partnership Agreement, an additional allocation of income was made to the General Partner in 2001. The amount allocated was determined so as to bring the General Partner's ending capital account balance to zero. See financial statements included in Item 8, Part I of this report for amounts allocated to ATEL in 2001, 2000 and 1999.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners

At December 31, 2001 no investor is known to the Partnership to hold beneficially more than 5% of the issued and outstanding Units.

Security Ownership of Management

The shareholders of ATEL are beneficial owners of Limited Partnership Units as follows:

(1) Title of Class	(2) Name and Address of Beneficial Owner	(3) Amount and Nature of Beneficial Ownership	(4) Percent of Class
Limited Partnership Units	A. J. Batt 235 Pine Street, 6th Floor San Francisco, CA 94104	Initial Limited Partner Units 25 Units ($250) (owned by wife)	0.0002%
Limited Partnership Units	Dean Cash 235 Pine Street, 6th Floor San Francisco, CA 94104	Initial Limited Partner Units 25 Units ($250) (owned by wife)	0.0002%

Changes in Control

The Limited Partners have the right, by vote of the Limited Partners owning more than 50% of the outstanding limited Partnership units, to remove a General Partner.

ATEL may at any time call a meeting of the Limited Partners or a vote of the Limited Partners without a meeting, on matters on which they are entitled to vote, and shall call such meeting or for vote without a meeting following receipt of a written request therefore of Limited Partners holding 10% or more of the total outstanding Limited Partnership units.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The responses to Item 1 of this report under the caption "Equipment Leasing Activities," Item 8 of this report under the caption "Financial Statements and Supplemental Data - Notes to the Financial Statements - Related party transactions" at Note 5 thereof, and Item 11 of this report under the caption "Executive Compensation," are hereby incorporated by reference.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Financial Statements and Schedules

1. Financial Statements
   Included in Part II of this report:
   Report of Independent Auditors

   Balance Sheets at December 31, 2001 and 2000

   Statements of Operations for the years ended December 31, 2001, 2000 and 1999

   Statements of Changes in Partners' Capital for the years ended December 31, 2001, 2000 and 1999

   Statements of Cash Flows for the years ended December 31, 2001, 2000 and 1999

   Notes to Financial Statements

2. Financial Statement Schedules
   All 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) Reports on Form 8-K for the fourth quarter of 2001
None

(c) Exhibits
(3) and (4) Agreement of Limited Partnership, included as Exhibit B to Prospectus (Exhibit 28.1), is incorporated herein by reference to the report on Form 10K for the period ended December 31, 1994 (File No. 33-81952).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: 3/25/2002

ATEL Cash Distribution Fund VI, L.P.
(Registrant)

By: ATEL Financial Services, LLC,
General Partner of Registrant

By: /s/ Dean Cash
Dean Cash,
President and Chief Executive Officer of ATEL Financial Services, LLC (General Partner)

By: /s/ Paritosh K. Choksi
Paritosh K. Choksi,
Executive Vice President of ATEL Financial Services, LLC (General Partner)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the persons in the capacities and on the dates indicated.

SIGNATURE	CAPACITIES	DATE
/s/ Dean Cash Dean Cash	President, Chairman and Chief Executive Officer of ATEL Financial Services, LLC	3/25/2002
/s/ Paritosh K. Choksi Paritosh K. Choksi	Executive Vice President and director of ATEL Financial Services LLC, Principal financial officer of registrant; principal financial officer and director of ATEL Financial Services, LLC	3/25/2002
/s/ Donald E. Carpenter Donald E. Carpenter	Principal accounting officer of registrant; principal accounting offic	3/25/2002

Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Act by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Act:

No proxy materials have been or will be sent to security holders. An annual report will be furnished to security holders subsequent to the filing of this report on Form 10-K, and copies thereof will be furnished supplementary to the Commission when forwarded to the security holders.