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 0-28368

ATEL Cash Distribution Fund VI, L.P.
(Exact name of registrant as specified in its charter)

California	**94-3207229**
(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 CASH DISTRIBUTION FUND VI, L.P.

BALANCE SHEETS

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

ASSETS

	2002	2001
Cash and cash equivalents	$ 909,095	$ 701,012
Accounts receivable, net of allowance for doubtful accounts of $881,254 in 2002 and $861,254 in 2001	4,314,609	7,200,988
Investments in leases	35,492,874	57,939,842
Total assets	$ 40,716,578	$ 65,841,842

LIABILITIES AND PARTNERS' CAPITAL

	2002	2001
Non-recourse debt	$ 4,935,180	$ 21,712,993
Line of credit	4,500,000	4,500,000
Accounts payable:		
General Partner	81,591	208,687
Other	629,059	585,993
Accrued interest payable	264,963	762,476
Unearned operating lease income	73,604	63,013
Total liabilities	10,484,397	27,833,162
Partners' capital	30,232,181	38,008,680
Total liabilities and partners' capital	$ 40,716,578	$ 65,841,842

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENTS OF OPERATIONS

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
Revenues:				
Leasing activities:				
Operating leases	$ 9,167,662	$ 13,073,075	$ 2,358,251	$ 4,169,938
Direct financing leases	108,728	137,175	19,095	44,512
Gain (loss) on sales of assets	1,627,349	(199,824)	1,985,088	5,076
Interest	5,238	45,814	2,246	6,693
Other	55,477	9,929	23,300	972
	10,964,454	13,066,169	4,387,980	4,227,191
Expenses:				
Depreciation and amortization	5,659,155	6,778,965	2,082,102	1,988,925
Interest expense	1,165,528	1,697,518	239,831	521,831
Cost reimbursements to General Partner	609,801	733,052	212,115	328,132
Equipment and incentive management fees to General Partner	606,950	643,301	192,360	188,608
Other	394,122	383,795	126,161	91,110
Railcar maintenance	245,688	236,381	34,605	98,098
Professional fees	98,681	100,700	6,214	23,610
Provision for doubtful accounts	20,000	-	-	-
	8,799,925	10,573,712	2,893,388	3,240,314
Net income	$ 2,164,529	$ 2,492,457	$ 1,494,592	$ 986,877
Net income:				
General Partner	$ 98,626	$ 24,925	$ 32,785	$ 9,869
Limited Partners	2,065,903	2,467,532	1,461,807	977,008
	$ 2,164,529	$ 2,492,457	$ 1,494,592	$ 986,877
Net income per limited partnership unit	$ 0.17	$ 0.20	$ 0.12	$ 0.08
Weighted average number of Units outstanding	12,493,401	12,500,050	12,490,076	12,500,050

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENT OF CHANGES IN PARTNERS' CAPITAL

NINE MONTH PERIOD ENDED SEPTEMBER 30, 2002

(Unaudited)

	Limited Partners		General	
	Units	Amount	Partner	Total
Balance December 31, 2001	12,500,050	$ 38,008,680	$ -	$ 38,008,680
Repurchase of limited partnership units	(9,974)	(3,907)		(3,907)
Distributions to partners		(9,838,495)	(98,626)	(9,937,121)
Net income		2,065,903	98,626	2,164,529
Balance September 30, 2002	12,490,076	$ 30,232,181	$ -	$ 30,232,181

See accompanying notes.

STATEMENTS OF CASH FLOWS

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
Operating activities:				
Net income	$ 2,164,529	$ 2,492,457	$ 1,494,592	$ 986,877
Adjustment to reconcile net income to cash provided by operating activities:				
Depreciation and amortization	5,659,155	6,778,965	2,082,102	1,988,925
(Gain) loss on sales of assets	(1,627,349)	199,824	(1,985,088)	(5,076)
Provision for doubtful accounts	20,000	-	-	-
Changes in operating assets and liabilities:				
Accounts receivable	(1,933,621)	(4,204,342)	(378,125)	(1,935,448)
Accounts payable, General Partner	(127,096)	(128,431)	(315,561)	36,327
Accounts payable, other	43,066	18,650	177,505	(212,384)
Accrued interest payable	491,562	824,009	116,398	240,506
Unearned lease income	10,591	(58,778)	24,810	(14,416)
Net cash provided by operations	4,700,837	5,922,354	1,216,633	1,085,311

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENT OF CASH FLOWS
(CONTINUED)

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
Investing activities:				
Proceeds from sales of assets	18,180,818	2,183,842	17,710,782	240,759
Reduction in net investment in direct financing leases	234,344	225,273	60,813	72,225
Purchases of equipment on operating leases	-	(5,452)	-	-
Net cash provided by investing activities	18,415,162	2,403,663	17,771,595	312,984
Financing activities:				
Repayments of non-recourse debt	(12,966,888)	(3,207,705)	(11,773,451)	(667,139)
Distributions to Partners	(9,937,121)	(9,961,135)	(3,311,384)	(3,281,066)
Borrowings under line of credit	6,000,000	4,000,000	1,500,000	2,000,000
Repayments of borrowings under line of credit	(6,000,000)	(1,000,000)	(5,000,000)	-
Repurchase of limited partnership units	(3,907)	-	-	-
Net cash used in financing activities	(22,907,916)	(10,168,840)	(18,584,835)	(1,948,205)
Net increase (decrease) in cash and cash equivalents	208,083	(1,842,823)	403,393	(549,910)
Cash and cash equivalents at beginning of period	701,012	1,947,276	505,702	654,363
Cash and cash equivalents at end of period	$ 909,095	$ 104,453	$ 909,095	$ 104,453
Supplemental disclosures of cash flow information:				
Cash paid during the period for interest	$ 1,663,041	$ 2,277,844	$ 1,112,508	$ 1,685,660
Supplemental disclosure of non-cash transactions:				
Offset of accounts receivable and debt service per lease and debt agreement:				
Accrued interest payable	$ (989,075)	$ (1,404,335)	$ -	$ -
Non-recourse debt	(3,810,925)	(3,395,665)	-	-
Accounts receivable	$ (4,800,000)	$ (4,800,000)	$ -	$ -

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

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 general partners, 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 partnership matters:

ATEL Cash Distribution Fund VI, L.P. (the Fund), 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. Contributions in the amount of $600 were received as of July 21, 1994, $100 of which represented the General Partner's (ATEL Financial Corporation's) continuing interest, and $500 of which represented the Initial Limited Partners' capital investment.

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 Partnership 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 Partnership's investment in leases consists of the following:

	Balance December 31, 2001	Depreciation Expense or Amortization of Leases	Reclass- ifications & Dispositions	Balance September 30, 2002
Net investment in operating leases	$ 55,447,510	$ (5,182,187)	$ (18,592,894)	$ 31,672,429
Equipment held for sale or lease	1,134,488	-	2,054,925	3,189,413
Net investment in direct financing leases	921,543	(234,344)	(15,500)	671,699
Initial direct costs, net of accumulated amortization	590,149	(476,968)	-	113,181
Residual interests	34,161	-	-	34,161
Reserve for losses	(188,009)	-	-	(188,009)
	$ 57,939,842	$ (5,893,499)	$ (16,553,469)	$ 35,492,874

ATEL CASH DISTRIBUTION FUND VI, L.P.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2002
(Unaudited)

3. Investment in leases (continued):

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
Transportation	$ 82,924,093	$ (1,174,264)	$ (2,942,406)	$ (17,435,545)	$ 61,371,878
Construction	19,955,096	-	-	(8,228,090)	11,727,006
Materials handling	10,062,364	(586,841)	(501,012)	(218,564)	8,755,947
Office automation	1,503,725	-	-	-	1,503,725
Other	1,330,971	(489,233)	(5,500)	5,500	841,738
	115,776,249	(2,250,338)	(3,448,918)	(25,876,699)	84,200,294
Less accumulated depreciation	(60,328,739)	(184,861)	(590,641)	8,576,376	(52,527,865)
	$ 55,447,510	$ (2,435,199)	$ (4,039,559)	$ (17,300,323)	$ 31,672,429

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

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	$ 1,142,121	$ 76,617	$ 1,218,738
Year ending December 31, 2003	7,351,951	184,227	7,536,178
2004	1,700,544	110,823	1,811,367
2005	1,434,165	98,760	1,532,925
2006	357,193	98,760	455,953
Thereafter	-	98,760	98,760
	$ 11,985,974	$ 667,947	$ 12,653,921

ATEL CASH DISTRIBUTION FUND VI, L.P.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2002
(Unaudited)

4. Non-recourse debt:

Notes payable to financial institutions are due in varying monthly, quarterly and semi-annual installments of principal and interest. The notes are secured by assignments of lease payments and pledges of the assets which were purchased with the proceeds of the particular notes. Interest rates on the notes vary from 6.37% to 15.54%.

Future minimum principal payments of non-recourse debt as of September 30, 2002 are as follows:

	Principal	Interest	Total
Three months ending December 31, 2002	$ 125,803	$ 12,771	$ 138,574
Year ending December 31, 2003	4,439,115	560,641	4,999,756
2004	109,054	26,870	135,924
2005	79,916	18,844	98,760
2006	86,868	11,892	98,760
Thereafter	94,424	4,336	98,760
	$ 4,935,180	$ 635,354	$ 5,570,534

5. Related party transactions:

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

The General Partner and/or Affiliates earned fees, commissions and reimbursements, pursuant to the Limited Partnership Agreement as follows:

	2002	2001
Cost reimbursements to General Partner	$ 609,801	$ 733,052
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).	606,950	643,301
	$ 1,216,751	$ 1,376,353

5. Related party transactions (continued):

The Limited Partnership Agreement allows for the reimbursement of costs incurred by the General Partner in providing administrative services to the Partnership. Administrative services provided include Partnership accounting, investor relations, legal counsel and lease and equipment documentation. The General Partner 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 General Partner 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 the General Partner record time incurred in performing administrative services on behalf of all of the Partnerships serviced by the General Partner. The General Partner believes that the costs reimbursed are the lower of actual costs incurred on behalf of the Partnership or 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.

6. Partner's capital:

As of September 30, 2000, 12,490,076 Units ($124,900,760) were issued and outstanding. The Fund is authorized to issue up to 12,500,050 Units, including the 50 Units issued to the initial limited partners.

The Partnership Net Profits, Net Losses, and Tax Credits are to be allocated 99% to the Limited Partners and 1% to the General Partner.

Available Cash from Operations and Cash from Sales and Refinancing, as defined in the Limited Partnership Agreement, shall 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 the General Partner and 3.25% to an affiliate of the General Partner as Incentive Management Compensation, 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 the General Partner will receive as Incentive Management Compensation, 3.25% of remaining Cash from Sales or Refinancing.

Fourth, the balance to the Limited Partners.

ATEL CASH DISTRIBUTION FUND VI, L.P.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2002
(Unaudited)

7. Line of credit:

The Partnership participates with the General Partner 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 Partnership under the acquisition facility	$ 4,500,000
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	17,400,000
Total borrowings under the acquisition facility	21,900,000
Amounts borrowed by the General Partner 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 Partnership and the General Partner.

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

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

Capital Resources and Liquidity

In 2002 and 2001, our primary activity was equipment leasing and sales activities.

Our primary source of liquidity during the first nine months of 2001 was lease rents. Our primary source of liquidity during the first nine months of 2002 was lease rents and proceeds from the sales of lease assets. 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 limited partners 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 which consist primarily of 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 our 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 $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 Partnership under the acquisition facility	$ 4,500,000
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	17,400,000
Total borrowings under the acquisition facility	21,900,000
Amounts borrowed by the General Partner 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 Partnership and the General Partner.

We anticipate reinvesting a portion of lease payments from assets owned in new leasing transactions. This reinvestment will occur only after the payment of all obligations, including debt service (both principal and interest), the payment of management fees to the General Partner and providing for cash distributions to the Limited Partners.

We currently have available adequate reserves to meet contingencies, but in the event 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.

As of September 30, 2002, we had borrowed $100,521,405 with a remaining unpaid balance of $4,935,180. We expect that aggregate borrowings in the future will not exceed 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.

We do not expect to make commitments of capital other than for the acquisition of additional equipment. As of September 30, 2002, we had made no commitments of this type .

If inflation in the general economy becomes significant, it may affect the 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 such 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.

2002 vs. 2001:

In 2002 and 2001, lease rents were our primary source of cash from operating activities. Our lease rents have declined as a result of lease terminations and asset sales over the last year.

Our only sources of cash from investing sources was proceeds from the sales of assets and direct financing lease rents. Proceeds from sales of such assets increased by $15,996,976 compared to 2001. Most of the proceeds from sales in 2002 resulted from the sales of assets on lease to Mobil Corporation and Tarmac America. Our only investing use of cash in 2001 was payments on the purchase of assets on operating leases. There were none in 2002.

In 2001, our only financing source of cash was borrowings on the line of credit. Proceeds from sales of assets of approximately $11,680,000 were used to repay non-recourse debt. The debt had been used to finance the original acquisition of a portion of the assets sold in the third quarter. Other repayments of non-recourse debt have decreased as a result of scheduled debt payments.

Results of operations

For the nine month periods, our operations resulted in net income of $2,164,529 in 2002 and $2,492,457 in 2001. For the three month periods, operations resulted in net income of $1,494,592 in 2002 and $986,877 in 2001. Our primary source of revenues is from operating leases.

Over the last year, we have sold some of our operating lease assets. Some other leases have been terminated. These lease terminations and asset sales have caused operating lease revenues to decrease for both the nine and three month periods when compared to 2001.

Our depreciation expense has declined by $1,402,954 compared to 2001. The decreases were the result of asset sales over the last year.

Non-recourse debt balances were reduced in 2002 compared to 2001 as a result of scheduled and unscheduled (see above) debt payments. This led to the reduction of interest expense of $531,990 in 2002 compared to 2001 for the nine month period and $282,000 for the three month period.

Internal Controls

As of September 30, 2002, an evaluation was performed under the supervision and with the participation of the Partnership's management, including the CEO and CFO of the General Partner, of the effectiveness of the design and operation of the Partnership's disclosure controls and procedures. Based on that evaluation, the Partnership's management, including the CEO and CFO of the General Partner, concluded that the Partnership's disclosure controls and procedures were effective as of September 30, 2002. There have been no significant changes in the Partnership's internal controls or in other factors that could significantly affect internal controls subsequent to September 30, 2002.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

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

Quaker Coal Company:

On December 31, 1997, Quaker Coal Company (the Debtor), 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 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 I, Item 1 of this report.

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 upon securing the return of its equipment, which has been liquidated. The Court issued a ruling on March 4, 2001, denying the Partnership's claim for damages. The Debtor 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 Debtor filed a plan of reorganization, which was objected to by several large creditors, including the General Partner. These creditors were also seeking a formal role on the creditors committee or formation of their own committee.

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, another of the creditor's, 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 Debtor's liquidating trustee in the amount of $1.2 million in partial satisfaction of the Partnership's claim, 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 uncertain.

Elkay Mining Company:

On December 17, 1999, Elkay Mining Company, a subsidiary of The Pittston Company (the Guarantor) , 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 decision from the Court was adverse to the Partnership as to the very narrow issue whether an Event of Default existed as declared by the Partnership (for the failure of the lessee to notify the Partnership of the material defect of in the equipment.) Notwithstanding the adverse ruling, the Partnership has two additional bases for default: (i) the failure by the lessee to satisfy the maintenance and return conditions of the lease, and (ii) the relocation by the lessee of the equipment without the lessor's consent..

The General Partner has filed a suit and 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 claims.

Applied Magnetics Corporation:

In January 2000, Applied Magnetics Corporation (the Debtor) 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, receives 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.

On February 13, 2002, the reorganized Debtor filed a notice of objection to the Funds claim due to duplication and an improper liquidated damages provision. The Fund disputed this and, as of July 26, 2002, agreement has been reached between the Fund and Debtor as to the amount of the Fund’s claim, and the Debtor’s objection to the Fund’s claim was withdrawn.

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 2. Changes In Securities.

Inapplicable.

Item 3. Defaults Upon Senior Securities.

Inapplicable.

Item 4. Submission Of Matters To A Vote Of Security Holders.

Inapplicable.

Item 5. Other Information.

Inapplicable.

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.
   Statement of changes in partners' capital for the nine month period ended September 30, 2002.
   Statements of operations for the nine and three month periods ended September 30, 2002 and 2001.
   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 CASH DISTRIBUTION FUND VI, L.P.
(Registrant)

By: ATEL Financial Corporation
General Partner of Registrant

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

By: /s/ PARITOSH K. CHOKSI
Paritosh K. Choksi
Executive Vice President of
Managing Member and 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 Cash Distribution Fund VI, LP;

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 General Partner

CERTIFICATIONS

I, Dean L. Cash, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ATEL Cash Distribution Fund VI, LP;

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 General Partner

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 Cash Distribution Fund VI, LP, (the "Partnership") for the period ended June 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, general partner of the Partnership, 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 Partnership.

Date: November 7, 2002

/s/ DEAN L. CASH
Dean L. Cash
President and Chief Executive
Officer of General Partner

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 Cash Distribution Fund VI, LP, (the "Partnership") for the period ended June 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, general partner of the Partnership, 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 Partnership.

Date: November 7, 2002

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