Form 10-QSB

UNITED STATES
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, 2004

☐ 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 000-28368

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.)

600 California Street, 6th Floor, San Francisco, California 94108-2733
(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 ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

State issuer's revenues for its most recent fiscal year: $7,642,647

The number of Limited Partnership Units outstanding as of September 30, 2004 was 12,490,076.

DOCUMENTS INCORPORATED BY REFERENCE

None

ATEL CASH DISTRIBUTION FUND VI, L.P.

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited).

ATEL CASH DISTRIBUTION FUND VI, L.P.

BALANCE SHEET

SEPTEMBER 30, 2004
(Unaudited)

ASSETS

Cash and cash equivalents	$ 4,976,058
Accounts receivable, net of allowance for doubtful accounts of $328,000	510,986
Investments in leases	15,050,122
Total assets	$20,537,166

LIABILITIES AND PARTNERS' CAPITAL

Non-recourse debt	$ 300,270
Accounts payable:	
General Partner	79,712
Other	277,553
Accrued interest payable	3,200
Unearned operating lease income	108,584
Total liabilities	769,319
Partners' capital:	
General Partner	-
Limited Partners	19,767,847
Total partners' capital	19,767,847
Total liabilities and partners' capital	$20,537,166

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENTS OF OPERATIONS

NINE AND THREE MONTH PERIODS ENDED SEPTEMBER 30, 2004 AND 2003 (Unaudited)

	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003
Revenues:				
Leasing activities:				
Operating leases	$ 3,324,957	$ 5,129,917	$ 951,597	$ 1,183,771
Direct financing leases	921,307	615,619	294,620	200,534
(Loss) gain on sales of assets	(466,048)	179,398	(181,344)	(377,301)
Interest	11,944	3,767	5,747	1,677
Other	226,969	34,983	126,809	12,232
	4,019,129	5,963,684	1,197,429	1,020,913
Expenses:				
Depreciation of operating leases	1,858,088	2,768,796	369,689	861,614
Impairment losses	1,238,137	-	-	-
Cost reimbursements to General Partner	447,888	510,921	165,719	124,251
Railcar maintenance	296,308	339,499	91,334	148,744
Equipment and incentive management fees to General partner	212,798	291,961	132,065	29,631
Other management fees	135,452	114,454	34,860	53,104
Professional fees	63,527	76,156	6,683	17,464
Interest expense	41,609	252,353	6,484	25,645
Outside services	40,876	66,712	25,531	19,671
Provision for (recovery of) doubtful accounts	30,076	(357,099)	28,000	60,000
Amortization of initial direct costs	22,489	27,689	7,496	7,756
Franchise fees and state taxes	22,390	258,961	-	-
Other	155,645	189,242	71,347	80,738
	4,565,283	4,539,645	939,208	1,428,618
Net (loss) income	$ (546,154)	$ 1,424,039	$ 258,221	$ (407,705)
Net (loss) income:				
General Partner	$ 33,993	$ 46,866	$ 28,138	$ -
Limited Partners	(580,147)	1,377,173	230,083	(407,705)
	$ (546,154)	$ 1,424,039	$ 258,221	$ (407,705)
Net (loss) income per Limited Partnership Unit	$ (0.05)	$ 0.11	$ 0.02	$ (0.03)
Weighted average number of Units outstanding	12,490,076	12,490,076	12,490,076	12,490,076

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENT OF CHANGES IN PARTNERS' CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2003
AND FOR THE NINE MONTH PERIOD
ENDED SEPTEMBER 30, 2004
(Unaudited)

	Limited Partners		General	
	Units	Amount	Partner	Total
Balance December 31, 2002	12,490,076	$ 23,607,548	$ -	$23,607,548
Distributions to Limited Partners	-	(1,363,253)	-	(1,363,253)
Distributions to General Partner	-	-	(46,866)	(46,866)
Net income	-	1,538,968	46,866	1,585,834
Balance December 31, 2003	12,490,076	23,783,263	-	23,783,263
Distributions to Limited Partners	-	(3,435,269)	-	(3,435,269)
Distributions to General Partner		-	(33,993)	(33,993)
Net (loss) income	-	(580,147)	33,993	(546,154)
Balance September 30, 2004	12,490,076	$ 19,767,847	$ -	$19,767,847

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENTS OF CASH FLOWS

NINE AND THREE MONTH PERIODS ENDED
SEPTEMBER 30, 2004 AND 2003
(Unaudited)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2004	2003	2004	2003
Operating activities:				
Net (loss) income:	$ (546,154)	$ 1,424,039	$ 258,221	$ (407,705)
Adjustment to reconcile net (loss) income to cash provided by operating activities:				
Depreciation of operating leases	1,858,088	2,768,796	369,689	861,614
Impairment losses	1,238,137	-	-	-
Amortization of initial direct costs	22,489	27,689	7,496	7,756
Loss (gain) on sales of assets	466,048	(179,398)	181,344	377,301
Provision for (recovery of) doubtful accounts	30,076	(357,099)	28,000	60,001
Changes in operating assets and liabilities:				
Accounts receivable	163,408	(587,915)	(3,192)	34,254
Accounts payable, General Partner	12,274	(9,635)	79,712	(64,211)
Accounts payable, other	(345,980)	(202,224)	(56,504)	(28,269)
Accrued interest payable	(856)	132,447	45	2,028
Unearned lease income	(653)	2,135	12,453	(141,511)
Net cash provided by operating activities	2,896,877	3,018,835	877,264	701,258
Investing activities:				
Proceeds from sales of assets	1,007,076	1,924,184	203,747	837,384
Reduction of net investment in direct financing leases	3,399,211	485,737	3,213,450	328,006
Net cash provided by investing activities	4,406,287	2,409,921	3,417,197	1,165,390

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENTS OF CASH FLOWS

NINE AND THREE MONTH PERIODS ENDED
SEPTEMBER 30, 2004 AND 2003
(Unaudited)
(Continued)

	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003
Financing activities:				
Distributions to Limited Partners	(3,435,269)	(1,363,253)	(2,810,269)	-
Distributions to General Partner	(33,993)	(46,866)	(28,138)	-
Repayments of non-recourse debt	(522,807)	(133,020)	(27,542)	(25,338)
Borrowings of non-recourse debt	-	706,055	-	706,055
Repayments of borrowings under line of credit	-	(5,100,000)	-	(4,000,000)
Net cash used in financing activities	(3,992,069)	(5,937,084)	(2,865,949)	(3,319,283)
Net increase in cash and cash equivalents	3,311,095	(508,328)	1,428,512	(1,452,635)
Cash and cash equivalents at beginning of period	1,664,963	861,707	3,547,546	1,806,014
Cash and cash equivalents at end of period	$ 4,976,058	$ 353,379	$ 4,976,058	$ 353,379
Supplemental disclosures of cash flow information				
Cash paid during the period for interest	$ 42,465	$ 119,906	$ 6,439	$ 23,617
Supplemental disclosure of non-cash transactions:				
Offset of accounts receivable and debt service per lease and debt agreement:				
Accrued interest payable	$ -	$ (523,034)	$ -	$ -
Non-recourse debt	-	(4,276,966)	-	-
Accounts receivable	$ -	$ (4,800,000)	$ -	$ -

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2004
(Unaudited)

1. Summary of significant accounting policies:

Basis of presentation:

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) for interim financial information and with instructions to Form 10-QSB and Article 10 of Regulation S-X. The unaudited interim financial statements reflect all adjustments which are, in the opinion of the General Partner, 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. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that effect reported amounts in the financial statements and accompanying notes. Therefore, actual results could differ from those estimates. Operating results for the nine months ended September 30, 2004 are not necessarily indicative of the results for the year ending December 31, 2004.

These unaudited interim financial statements should be read in conjunction with the financial statements and notes thereto contained in the report on Form 10-K for the year ended December 31, 2003, filed with the Securities and Exchange Commission.

2. 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. The Partnership may continue until December 31, 2015.

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.

ATEL Financial Services, LLC (AFS), an affiliated entity, acts as the General Partner of the Partnership.

Certain prior year balances have been reclassified to conform to the current period presentation.

The Partnership is in its liquidation phase and is making distributions on an annual basis.

ATEL CASH DISTRIBUTION FUND VI, L.P.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2004
(Unaudited)

3. Investment in leases:

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

	Balance December 31, 2003	Impairment Losses	Depreciation / Amortization Expense or Amortization of Direct Financing Leases	Reclassi-fications and Dispositions	Balance September 30, 2004
Net investment in operating leases	$ 17,825,610	$ -	$ (1,858,088)	$ (1,774,116)	$14,193,406
Net investment in direct financing leases	3,747,575	-	(3,399,211)	312,501	660,865
Assets held for sale or lease, net of accumulated depreciation of $3,658,387 in 2004 and $4,893,039 in 2003	1,373,856	(1,238,137)	-	22,650	158,369
Residual interests	34,159	-	-	(34,159)	-
Initial direct costs, net of accumulated amortization of $403,536 in 2004 and $407,188 in 2003	59,971	-	(22,489)	-	37,482
	$ 23,041,171	$ (1,238,137)	$ (5,279,788)	$ (1,473,124)	$15,050,122

Management periodically reviews the carrying values of its assets on leases and assets held for lease or sale. As a result of that review, management determined that the value of a fleet of certain refuse and other vehicles and computer equipment had declined in value to the extent that the carrying values had become impaired. This decline is the result of decreased long-term demand for these types of assets and a corresponding reduction in the amounts of rental payments that these assets currently command. Management recorded a provision for the decline in value of those assets in the amount of $1,238,137 for the three months ended March 31, 2004.

Impairment losses are recorded as an addition to accumulated depreciation of the impaired assets. Depreciation expense and impairment losses on property subject to operating leases and assets held for lease or sale consist of the following for the three and nine month periods ended September 30:

	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003
Depreciation of operating lease assets	$ 1,858,088	$ 2,768,796	$ 369,689	$ 861,614
Impairment losses	1,238,137	-	-	-
	$ 3,096,225	$ 2,768,796	$ 369,689	$ 861,614

ATEL CASH DISTRIBUTION FUND VI, L.P.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2004
(Unaudited)

3. Investment in leases (continued):

Net investment in operating leases:

Property on operating leases consists of the following:

	Balance December 31, 2003	Depreciation Expense	Reclassi-fications and Dispositions	Balance September 30, 2004
Transportation	$ 39,768,030	$ -	$ (4,602,274)	$35,165,756
Materials handling	6,127,982	-	(538,957)	5,589,025
Office automation	828,914	-	(240,799)	588,115
Construction	11,328,744	-	(11,240,097)	88,647
Other	366,203	-	-	366,203
	58,419,873	-	(16,622,127)	41,797,746
Less accumulated depreciation	(40,594,263)	(1,858,088)	14,848,011	(27,604,340)
	$ 17,825,610	$ (1,858,088)	$ (1,774,116)	$14,193,406

Net investment in direct financing leases:

As of September 30, 2004, net investment in direct financing leases consists of ground support equipment and various vehicles. The following lists the components of the Company's net investment in direct financing leases as of September 30, 2004:

Total minimum lease payments receivable	$ 759,686
Estimated residual values of leased equipment (unguaranteed)	151,632
Investment in direct financing leases	911,318
Less unearned income	(250,453)
Net investment in direct financing leases	$ 660,865

At September 30, 2004, the aggregate amounts of future minimum lease payments are as follows:

	Operating Leases	Direct Financing Leases	Total
Three months ending December 31, 2004	$ 328,021	$ 175,405	$ 503,426
Year ending December 31, 2005	768,616	386,761	1,155,377
2006	448,320	98,760	547,080
2007	26,970	98,760	125,730
	$ 1,571,927	$ 759,686	$ 2,331,613

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

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 8.37% to 8.64%.

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

	Principal	Interest	Total
Three months ending December 31, 2004	$ 39,061	$ 5,859	$ 44,920
Year ending December 31, 2005	79,916	18,844	98,760
2006	86,868	11,892	98,760
2007	94,425	4,336	98,761
	$ 300,270	$ 40,931	$ 341,201

5. Related party transactions:

The terms of the Limited Partnership Agreement provide that AFS 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 AFS in providing services to the Partnership. Services provided include Partnership accounting, investor relations, legal counsel and lease and equipment documentation. AFS is not reimbursed for services where it is entitled to receive a separate fee as compensation for such services. Reimbursable costs incurred by AFS are allocated to the Partnership based upon an estimate of 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 AFS incurred time in performing services on behalf of all of the Partnerships serviced by AFS. AFS 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 services in the same geographic location and are reimbursable in accordance with the Limited Partnership Agreement.

AFS is entitled to receive 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).

ATEL CASH DISTRIBUTION FUND VI, L.P.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2004
(Unaudited)

5. Related party transactions (continued):

During the three and nine month periods ended September 30, 2004 and 2003, AFS and/or affiliates earned fees, commissions and reimbursements, pursuant to the Limited Partnership Agreement, as follows:

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2004	2003	2004	2003
Cost reimbursements to AFS	$ 447,888	$ 510,921	$ 165,719	$ 124,251
Reimbursements of other costs initially paid by AFS on behalf of the Company	202,313	322,995	88,847	70,910
Incentive and equipment management fees to AFS	212,798	291,961	132,065	29,631
	$ 862,999	$ 1,125,877	$ 386,631	$ 224,792

6. Financing arrangement:

The Partnership participates with AFS and certain of its affiliates in a financing arrangement (comprised of a term loan to AFS, an acquisition facility and a warehouse facility) with a group of financial institutions that includes certain financial covenants. The available financing arrangement was amended during the current quarter and the overall financing arrangement was increased by $4,300,000 to $70,000,000 and expires in June 2006. The availability of borrowings available to the Partnership under this financing arrangement is reduced by the amount AFS has outstanding as a term loan. As of September 30, 2004 borrowings under the facility were as follows:

Total amount available under the financing arrangement	$70,000,000
Term loan to AFS as of September 30, 2004	(2,809,091)
Total available under the acquisition and warehouse facilities	67,190,909
Amount borrowed by the Partnership under the acquisition facility	-
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	(14,300,000)
Total remaining available under the acquisition and warehouse facilities	$52,890,909

Subsequent to quarter end the revolving line of credit was increased $5,000,000 to an overall available credit limit of $75,000,000.

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 AFS.

The credit agreement includes certain financial covenants applicable to each borrower. The Partnership was in compliance with its covenants as of September 30, 2004.

ATEL CASH DISTRIBUTION FUND VI, L.P.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2004
(Unaudited)

7. Partners' Capital:

As of September 30, 2004, 12,490,076 Units ($124,900,760) were issued and outstanding (including the 50 Units issued to the Initial Limited Partners).

The Partnership's Net Income, Net Losses, and Distributions, as defined, are to be allocated 99% to the Limited Partners and 1% to the General Partner.

Distributions to the Limited Partners were as follows:

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2004	2003	2004	2003
Distributions	$ 3,435,269	$ 1,363,253	$ 2,810,269	$ -
Weighted average number of Units outstanding	12,490,076	12,490,076	12,490,076	12,490,076
Weighted average distributions per Unit	$ 0.28	$ 0.11	$ 0.23	$ -

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

Statements contained in this Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this Form 10-Q, which are not historical facts, may be forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Investors are cautioned not to attribute undue certainty to these forward-looking statements, which speak only as of the date of this Form 10-Q. We undertake no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Form 10-Q or to reflect the occurrence of unanticipated events, other than as required by law.

Capital Resources and Liquidity

During the first nine months of 2004 and 2003, the Partnership's primary activity was engaging in equipment leasing activities. During this same period in 2004 and 2003, the Partnership's primary source of liquidity was rents from operating leases.

The liquidity of the Partnership 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, 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 the General Partner's success in re-leasing or selling the equipment as it comes off lease.

The Partnership participates with AFS and certain of its affiliates in a financing arrangement (comprised of a term loan to AFS, an acquisition facility and a warehouse facility) with a group of financial institutions that includes certain financial covenants. The available financing arrangement was amended during the current quarter and the overall financing arrangement was increased by $4,300,000 to $70,000,000 and expires in June 2006. The availability of borrowings available to the Partnership under this financing arrangement is reduced by the amount AFS has outstanding as a term loan. As of September 30, 2004 borrowings under the facility were as follows:

Total amount available under the financing arrangement	$70,000,000
Term loan to AFS as of September 30, 2004	(2,809,091)
Total available under the acquisition and warehouse facilities	67,190,909
Amount borrowed by the Partnership under the acquisition facility	-
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	(14,300,000)
Total remaining available under the acquisition and warehouse facilities	$52,890,909

Subsequent to quarter end the revolving line of credit was increased $5,000,000 to an overall available credit limit of $75,000,000.

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 currently has available adequate reserves to meet contingencies, 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. The General Partner envisions no such requirements for operating purposes.

Through September 30, 2004, the Partnership had cumulatively borrowed $101,227,460 on a non-recourse basis. As of that date, $300,270 remained outstanding. The General Partner expects 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.

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

During the nine and three month periods ending September 30 of 2004 and 2003, the Partnership's primary source of cash from operating activities was rents from operating leases. Cash from operating activities was almost entirely from operating lease rents in both periods in both years.

Proceeds from the sales of assets and direct financing lease rents accounted for as reductions of the Partnership's net investment in direct financing leases were the only investing sources of cash during the three and nine month periods ended September 30, 2004 and 2003. Proceeds from sales of lease assets decreased from $837,384 for the three months ended September 30, 2003 to $203,747 during the three months ended September 30, 2004, and from $1,924,184 for the nine months ending September 30, 2003 to $1,007,076 for the comparable period ending September 30, 2004. Proceeds from sales of lease assets are not expected to be consistent from one period to another. Asset sales are made as leases expire, as purchasers can be found and as the sales can be negotiated and completed. Assets sold in 2004 consisted primarily of construction and transportation equipment.

Cash flows from direct finance leases increased from $485,737 for the nine month period ended September 30, 2003 to $3,399,211 for the comparable period in 2004. This was due to the reclassification of certain operating lease assets to a direct finance lease and a direct finance lease with an agreed $2,860,000 end of lease purchase in September 2004.

During the three and nine month periods ended September 30, 2004 and 2003, the single largest financing use of cash was distributions to limited partners. The amount of such distributions increased during the three and nine months ended September 30, 2004 because of a change in the per Unit distribution rate. Distributions are determined annually by AFS based on amounts of cash available after taking into consideration the amounts that will be required for operations. At this stage of the Partnership's life, distributions are not expected to be consistent from one period to another.

In 2003 there was an additional non-recourse borrowing of $706,055. The increased debt has led to the noted increase in repayments during the nine month periods ended September 30, 2004 compared to the comparable periods in 2003.

Under the terms of a wrap lease and the related non-recourse debt agreement the annual lease payments are offset against the annual debt service payment. The agreement is structured so that the amounts of the two payments are equal to each other in each year of the agreement. A right of offset was established as a part of the agreement. The debt associated with the wrap lease was paid off in 2003.

The line of credit was paid off in 2003. There were no borrowings or repayments in 2004.

Results of operations

Operations resulted in net income of $258,221 during the three months ended September 30, 2004 compared to a net loss of $407,705 during the three months ended September 30, 2003 . Net loss for the nine months ended September 30, 2004 was $546,154 compared with net income of $1,424,039 for the comparable period in 2003. The Partnership's primary source of revenues was from operating leases in both years. Depreciation of operating lease assets decreased for the nine month periods from $2,768,796 in 2003 to $1,858,088 in 2004 and for the three month periods from $861,614 in 2003 to $369,689 in 2004. Operating lease revenues and depreciation have declined as a result of lease maturities and sales of the underlying lease assets over the last year.

During the first nine months of 2003, a portion of the accounts receivable which had been reserved as of December 31, 2002, were collected. As a result, a portion of the amounts previously recorded as an allowance for doubtful accounts was recorded as a recovery of provisions for doubtful accounts. There were no similar significant recoveries in 2004.

Sales of assets during the nine month period ended September 30, 2004 resulted in a loss of $466,048 compared to a gain of $179,398 during the comparable period in 2003. Sales of assets during the three month period ended September 30, 2004 resulted in a loss of $181,344 compared to a loss of $377,301 in the comparable period of 2003. The amounts of such gains and losses are not expected to be consistent from one period to another.

Interest expense has decreased from $252,353 during the nine months ended September 30, 2003 to $41,609 during the nine months ended September 30, 2004. Interest expense has decreased from $25,645 during the three months ended September 30, 2003 to $6,484 during the three months ended September 30, 2004. These decreases were due to scheduled payments on the Partnership's non-recourse debt and due to reductions of the amounts borrowed under the line of credit.

Equipment management fees are based on the gross rentals of the Partnership and decreased from $246,132 for the nine months ended September 30, 2003 to $120,949 for the comparable period in 2004. For the three month periods ended September 30, 2003 and 2004, respectively, equipment management fees decreased from $45,355 to $40,216. As lease revenue have decreased, equipment management fees have followed. As assets continue to be sold, revenues and equipment management fees are expected to decline.

Incentive management fees are based on the amounts of cash distributions to the Limited Partners from current year operations. In 2004, distribution to the Limited Partners was made in January 2004 based on 2003 operations and July 2004 based on 2004 operations. Incentive management fees increased from $45,829 in 2003 to $91,849 in 2004 (nine months) and increased from a credit of $15,724 in 2003 to $91,849 in 2004 (three months). The increase in the incentive fees is related to the increase in the amounts distributed to the partners in 2004 compared to 2003.

Management periodically reviews the carrying values of its assets on leases and assets held for lease or sale. As a result of the review during the three months ended March 31, 2004, management determined that the value of certain refuse and other vehicles and computer equipment had declined in value to the extent that the carrying values had become impaired. This decline is the result of decreased long-term demand for these types of assets and a corresponding reduction in the amounts of rental payments that these assets currently command. Management recorded a provision for the decline in value of those assets in the amount of $1,238,137 for the three months ended March 31, 2004.

Item 3. Quantitative and Qualitative Disclosures of 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 September 30, 2004, there was no balance outstanding on the floating rate line of credit.

To hedge its interest rate risk related to this variable rate debt, the Partnership may enter into interest rate swaps. As of September 30, 2004, 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 4. Controls and procedures.

Evaluation of disclosure controls and procedures

Under the supervision and with the participation of our management (ATEL Financial Services, LLC as General Partner of the registrant, including the chief executive officer and chief financial officer), an evaluation of the effectiveness of the design and operation of the Partnership’s disclosure controls and procedures [as defined in Rules 240.13a-14(c) under the Securities Exchange Act of 1934] was performed as of the date of this report. Based upon this evaluation, the chief executive officer and the chief financial officer concluded that, as of the evaluation date, except as noted below, our disclosure controls and procedures were effective for the purposes of recording, processing, summarizing, and timely reporting information required to be disclosed by us in the reports that we file under the Securities Exchange Act of 1934; and that such information is accumulated and communicated to our management in order to allow timely decisions regarding required disclosure.

As disclosed in the Form 10-K for the year ended December 31, 2003, the chief executive and chief financial officer of the General Partner of the Partnership had identified certain enhanced controls needed to facilitate a more effective closing of the Partnership’s financial statements. During the first quarter of 2004 and since the end of the quarter, the General Partner hired a new controller, added additional accounting staff personnel, and has instituted or revised existing procedures in order to ensure that the Partnership’s ability to execute internal controls in accounting and reconciliation in the closing process is adequate in all respects. The General Partner will continue to review its accounting procedures and practices to determine their effectiveness and adequacy and will take such steps as deemed necessary in the opinion of the General Partner’s chief executive and chief financial officers to ensure the adequacy of the Partnership’s accounting controls and procedures.

The General Partner’s chief executive officer and chief financial officer have determined that no weakness in financial and accounting controls and procedures had any material effect on the accuracy and completeness of the Partnership’s financial reporting and disclosure included in this report.

Changes in internal controls

There have been no significant changes in our internal controls or in other factors that could significantly affect our disclosure controls and procedures subsequent to the evaluation date nor were there any significant deficiencies or material weaknesses in our internal controls, except as described in the prior paragraphs.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

In the ordinary course of conducting business, there may be certain claims, suits, and complaints filed against the Partnership. In the opinion of management, the outcome of such matters, if any, will not have a material impact on the Partnership's financial position or results of operations. No material legal proceedings are currently pending against the Partnership or against any of its assets.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

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.

(a) Documents filed as a part of this report

1. 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.

2. Other Exhibits

   31.1 Certification of Paritosh K. Choksi
   31.2 Certification of Dean L. Cash
   32.1 Certification Pursuant to 18 U.S.C. section 1350 of Dean L. Cash
   32.2 Certification Pursuant to 18 U.S.C. section 1350 of Paritosh K. Choksi

(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 11, 2004

ATEL CASH DISTRIBUTION FUND VI, L.P.
(Registrant)

By: ATEL Financial Services, LLC
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
Principal Financial Officer
of Registrant

By: /s/ Donald E. Carpenter
Donald E. Carpenter
Principal Accounting
Officer of Registrant

Exhibit 31.1

CERTIFICATIONS

I, Paritosh K. Choksi, certify that:

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

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

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

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within the entity, particularly during the period in which this report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

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

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; 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 over financial reporting.

Date: November 11, 2004

/s/ Paritosh K. Choksi
Paritosh K. Choksi
Principal Financial Officer of Registrant, Executive
Vice President of General Partner

Exhibit 31.2

CERTIFICATIONS

I, Dean L. Cash, certify that:

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

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

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

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within the entity, particularly during the period in which this report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

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

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; 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 over financial reporting.

Date: November 11, 2004

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

Exhibit 32.1

CERTIFICATION

I, Dean L. Cash, Chief Executive Officer of ATEL Financial Services, LLC, General Partner of ATEL Cash Distribution Fund VI, L.P. (the "Partnership"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Quarterly Report on Form 10-QSB of the Partnership for the quarter ended September 30, 2004 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); 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 11, 2004

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

A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION

I, Paritosh K. Choksi, Executive Vice President of ATEL Financial Services, LLC, General Partner of ATEL Cash Distribution Fund VI, L.P. (the "Partnership"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Quarterly Report on Form 10-QSB of the Partnership for the quarter ended September 30, 2004 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); 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 11, 2004

/s/ Paritosh K. Choksi
Paritosh K. Choksi
Executive Vice President of General
Partner, Principal Financial Officer of Registrant

A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.