
Form 10-Q
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 March 31, 2007

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 000-50210

ATEL Capital Equipment Fund IX, LLC

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
Incorporation or organization)

94-3375584
(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 Liability Company 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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The number of Limited Liability Company Units outstanding as of May 31, 2007 was 12,055,016.

DOCUMENTS INCORPORATED BY REFERENCE

None

ATEL CAPITAL EQUIPMENT FUND IX, LLC

Index

	<u>Page</u>
<u>Part I. Financial Information</u>	3
Item 1. <u>Financial Statements (unaudited)</u>	3
<u>Balance Sheets, March 31, 2007 and December 31, 2006.</u>	3
<u>Statements of Operations for the three months ended March 31, 2007 and 2006.</u>	4
<u>Statement of Changes in Members' Capital for the year ended December 31, 2006 and for the three months ended March 31, 2007.</u>	5
<u>Statements of Cash Flows for the three months ended March 31, 2007 and 2006.</u>	6
<u>Notes to the Financial Statements</u>	7
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	19
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	23
Item 4. <u>Controls and Procedures</u>	23
<u>Part II. Other Information</u>	24
Item 1. <u>Legal Proceedings</u>	24
Item 1A. <u>Risk Factors</u>	24
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	24
Item 3. <u>Defaults Upon Senior Securities</u>	24
Item 4. <u>Submission of Matters to a Vote of Security Holders</u>	24
Item 5. <u>Other Information</u>	24
Item 6. <u>Exhibits</u>	24

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

**ATEL CAPITAL EQUIPMENT FUND IX, LLC
BALANCE SHEETS
MARCH 31, 2007 AND DECEMBER 31, 2006
(in thousands)**

	<u>March 31, 2007</u> (Unaudited)	<u>December 31, 2006</u>
ASSETS		
Cash and cash equivalents	\$ 3,230	\$ 3,194
Accounts receivable, net of allowance for doubtful accounts of \$56 at March 31, 2007 and \$28 at December 31, 2006	1,280	982
Notes receivable, net of unearned interest income of \$1,317 at March 31, 2007 and \$1,439 at December 31, 2006	4,689	4,902
Prepays and other assets	80	133
Interest rate swap contracts	192	273
Investment in securities	70	70
Investments in equipment and leases, net of accumulated depreciation of \$49,124 at March 31, 2007 and \$45,624 at December 31, 2006	<u>75,291</u>	<u>80,825</u>
Total assets	<u>\$ 84,832</u>	<u>\$ 90,379</u>
LIABILITIES AND MEMBERS' CAPITAL		
Accounts payable and accrued liabilities:		
Managing Member	\$ 428	\$ 561
Accrued distributions to Other Members	1,208	1,208
Other	532	603
Deposits due lessees	100	100
Non-recourse debt	8,873	9,415
Acquisition facility obligation	3,500	4,000
Receivables funding program obligation	23,304	25,490
Unearned operating lease income	<u>1,728</u>	<u>729</u>
Total liabilities	39,673	42,106
Commitments and contingencies		
Members' capital:		
Managing Member	—	—
Other Members	<u>45,159</u>	<u>48,273</u>
Total Members' capital	<u>45,159</u>	<u>48,273</u>
Total liabilities and Members' capital	<u>\$ 84,832</u>	<u>\$ 90,379</u>

See accompanying notes.

ATEL CAPITAL EQUIPMENT FUND IX, LLC
STATEMENTS OF OPERATIONS
THREE MONTHS ENDED
MARCH 31, 2007 AND 2006
(in thousands, except per unit data)
(Unaudited)

	Three Months Ended March 31,	
	2007	2006
Revenues:		
Leasing activities:		
Operating leases	\$ 5,780	\$ 6,393
Direct financing leases	339	84
Interest on notes receivable	121	156
Gain on sales of assets	139	15
Other revenue	48	51
Total revenues	6,427	6,699
Expenses:		
Depreciation of operating lease assets	4,372	5,290
Asset management fees to Managing Member	334	332
Acquisition expense	7	—
Cost reimbursements to Managing Member	321	246
Provision for losses and doubtful accounts	28	22
Amortization of initial direct costs	118	196
Amortization of loan fee	2	2
Interest expense	526	690
Professional fees	380	188
Outside services	195	50
Insurance	33	16
Other	229	143
Total operating expenses	6,545	7,175
Other (expense) income, net	(64)	108
Net loss	<u>\$ (182)</u>	<u>\$ (368)</u>
Net (loss) income:		
Managing Member	\$ 220	\$ 220
Other Members	(402)	(588)
	<u>\$ (182)</u>	<u>\$ (368)</u>
Net loss per Limited Liability Company Unit (Other Members)	\$ (0.03)	\$ (0.05)
Weighted average number of Units outstanding	12,055,016	12,055,016

See accompanying notes.

ATEL CAPITAL EQUIPMENT FUND IX, LLC
STATEMENTS OF CHANGES IN MEMBERS' CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2006
AND FOR THE
THREE MONTHS ENDED
MARCH 31, 2007
(in thousands, except per unit data)
(Unaudited)

	<u>Other Members</u>		<u>Managing Member</u>	<u>Total</u>
	<u>Units</u>	<u>Amount</u>		
Balance December 31, 2005	12,055,016	\$ 60,356	\$ —	\$ 60,356
Distributions to Other Members (\$1.00 per Unit)	—	(10,850)	—	(10,850)
Distributions to Managing Member	—	—	(880)	(880)
Net (loss) income	—	(1,233)	880	(353)
Balance December 31, 2006	12,055,016	48,273	—	48,273
Distributions to Other Members (\$0.23 per Unit)	—	(2,712)	—	(2,712)
Distributions to Managing Member	—	—	(220)	(220)
Net (loss) income	—	(402)	220	(182)
Balance March 31, 2007	<u>12,055,016</u>	<u>\$ 45,159</u>	<u>\$ —</u>	<u>\$ 45,159</u>

See accompanying notes.

ATEL CAPITAL EQUIPMENT FUND IX, LLC
STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED
MARCH 31, 2007 AND 2006
(in thousands)
(Unaudited)

	Three Months Ended	
	March 31,	
	2007	2006
Operating activities:		
Net loss	\$ (182)	\$ (368)
Adjustment to reconcile net loss to cash provided by operating activities:		
Gain on sales of lease assets	(139)	(15)
Depreciation of operating lease assets	4,372	5,290
Amortization of initial direct costs	118	196
Provision for losses and doubtful accounts	28	22
Loss (gain) on interest rate swap contracts	81	(206)
Changes in operating assets and liabilities:		
Accounts receivable	(326)	(382)
Prepays and other assets	53	36
Accounts payable, Managing Member	(133)	(1,031)
Accounts payable, other	(71)	(6,733)
Deposits due lessees	—	(11)
Unearned operating lease income	999	1,023
Net cash provided by (used in) operating activities	<u>4,800</u>	<u>(2,179)</u>
Investing activities:		
Purchases of equipment on operating leases	(75)	(214)
Purchases of equipment on direct financing leases	(106)	—
Purchase of securities	—	(7)
Proceeds from sales of lease assets	596	69
Payments of initial direct costs	(7)	—
Reduction of net investment in direct financing leases	779	465
Payments and amortization on notes receivable	209	317
Net cash provided by investing activities	<u>1,396</u>	<u>630</u>
Financing activities:		
Borrowings under acquisition facility	1,000	6,000
Repayments under acquisition facility	(1,500)	(3,000)
Borrowings under receivables funding program	—	2,500
Repayments under receivables funding program	(2,186)	(3,296)
Proceeds of non-recourse debt	—	10,874
Repayments of non-recourse debt	(542)	—
Distributions to Other Members	(2,712)	(2,712)
Distributions to Managing Member	(220)	(220)
Net cash (used in) provided by financing activities	<u>(6,160)</u>	<u>10,146</u>
Net increase in cash and cash equivalents	36	8,597
Cash and cash equivalents at beginning of period	3,194	1,480
Cash and cash equivalents at end of period	<u>\$ 3,230</u>	<u>\$10,077</u>
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	<u>\$ 519</u>	<u>\$ 666</u>
Cash paid during the period for taxes	<u>\$ 1</u>	<u>\$ —</u>
Schedule of non-cash transactions:		
Distributions payable to Other Members at period-end	<u>\$ 1,208</u>	<u>\$ 1,209</u>

See accompanying notes.

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

1. Organization and Limited Liability Company matters:

ATEL Capital Equipment Fund IX, LLC (the “Company”) was formed under the laws of the State of California on September 27, 2000 for the purpose of engaging in the sale of limited liability company investment units and acquiring equipment to engage in equipment leasing, lending and sales activities, primarily in the United States. The Managing Member of the Company is ATEL Financial Services, LLC (“AFS”), a California limited liability corporation. The Company may continue until December 31, 2020.

The Company conducted a public offering of 15,000,000 Limited Liability Company Units (“Units”), at a price of ten dollars per Unit. On February 21, 2001, subscriptions for the minimum number of Units (120,000, representing \$1.2 million) had been received (excluding subscriptions from Pennsylvania investors) and AFS requested that the subscriptions be released to the Company. On that date, the Company commenced operations in its primary business (leasing and lending activities). As of April 3, 2001, the Company had received subscriptions for 753,050 Units (\$7,530,500), thus exceeding the \$7.5 million minimum requirement for Pennsylvania, and AFS requested that the remaining funds in escrow (from Pennsylvania investors) be released to the Company.

As of January 15, 2003, the offering was terminated. As of that date, the Company had received subscriptions for approximately 12,065,266 Units (\$120,652,660). Subsequent to January 15, 2003, units totaling 10,250 were rescinded and funds returned to investors.

As of March 31, 2007, 12,055,016 units were issued and outstanding.

Pursuant to the terms of the Limited Liability Company Operating Agreement (“Operating Agreement”), AFS receives compensation and reimbursements for services rendered on behalf of the Company (Note 5). AFS is required to maintain in the Company reasonable cash reserves for working capital, the repurchase of Units and contingencies. The repurchase of Units is solely at the discretion of the Managing Member.

The Company’s principal objectives are to invest in a diversified portfolio of equipment that will (i) preserve, protect and return the Company’s invested capital; (ii) generate regular distributions to the members 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, 2009 and (iii) provide additional distributions following the Reinvestment Period and until all equipment has been sold. The Company is governed by the Operating Agreement, as amended.

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, 2006, filed with the Securities and Exchange Commission.

2. Summary of significant accounting policies:

Basis of presentation:

The accompanying 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-Q and Article 10 of Regulation S-X. The unaudited interim financial statements reflect all adjustments which are, in the opinion of the Managing Member, necessary for 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 three-month period ended March 31, 2007 is not necessarily indicative of the results for the year ending December 31, 2007.

Certain prior period amounts have been reclassified to conform to the current period presentation. Footnote and tabular amounts are presented in thousands, except as to Units and per Unit data.

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 and expected future cash flows used for impairment analysis purposes and determination of the allowance for doubtful accounts and notes receivable.

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued):

Cash and cash equivalents:

Cash and cash equivalents include cash in banks and cash equivalent investments with original maturities of ninety days or less.

Credit risk:

Financial instruments that potentially subject the Company to concentrations of credit risk include cash and cash equivalents, direct finance lease receivables, notes receivable and accounts receivable. The Company places its cash deposits and temporary cash investments with creditworthy, high quality financial institutions and, therefore, believes that such concentration of such deposits and temporary cash investments is not deemed to create a significant risk to the Company. Accounts receivable represent amounts due from lessees in various industries, related to equipment on operating and direct financing leases.

Accounts receivable:

Accounts receivable represent the amounts billed under operating and direct financing lease contracts and currently due to the Company. Allowances for doubtful accounts are typically established based on historical charge offs and collection experience and are usually determined by specifically identified lessees and invoiced amounts. Accounts receivable deemed uncollectible are charged off to the allowance on specific identification basis. Amounts recovered that were previously written-off are recorded as other income in the period received.

Direct financing leases and related revenue recognition:

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

Allowances for losses on direct financing leases are typically established based on historical charge offs and collections experience and are usually determined by specifically identified lessees and unbilled receivables. Direct financing leases are charged off to the allowance as they are deemed uncollectible.

Direct financing leases are generally placed in a non-accrual status (i.e., no revenue is recognized) when payments are more than 90 days past due. Additionally, management periodically reviews the credit worthiness of all direct finance lessees with payments outstanding less than 90 days. Based upon management's judgment, direct finance lessees may be placed in a non-accrual status. Leases placed on non-accrual status are only returned to an accrual status when the account has been brought current and management believes recovery of the remaining unpaid lease payments is probable.

Equipment on operating leases and related revenue recognition:

Equipment subject to operating leases is stated at cost. Depreciation is being recognized on a straight-line method over the terms of the related leases to the equipment's estimated residual values at the end of the leases.

Operating lease revenue is recognized on a straight-line basis over the term of the underlying leases. The initial lease terms will vary as to the type of equipment subject to the leases, the needs of the lessees and the terms to be negotiated, but initial leases are generally from 36 to 120 months. The difference between rent received and rental revenue recognized is recorded as unearned operating lease income on the balance sheet.

Notes receivable, unearned interest income and related revenue recognition:

The Company records all future payments of principal and interest on notes as notes receivable which is then offset by the amount of any related unearned interest income. For financial statement purposes, the Company reports only the net amount of principal due on the balance sheet. The unearned interest is recognized over the term of the note and the income portion of each note payment is calculated so as to generate a constant rate of return on the net balance outstanding. Any fees or costs related to notes receivable are recorded as part of the net investment in notes receivable and amortized over the term of the loan.

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued):

Allowances for losses on notes receivable are typically established based on historical charge offs and collections experience and are usually determined by specifically identified borrowers and billed and unbilled receivables. Notes are charged off to the allowance as they are deemed uncollectible.

Notes receivable are generally placed in a non-accrual status (i.e., no revenue is recognized) when payments are more than 90 days past due. Additionally, management periodically reviews the credit worthiness of companies with note payments outstanding less than 90 days. Based upon management's judgment, notes may be placed in a non-accrual status. Notes placed on non-accrual status are only returned to an accrual status when the account has been brought current and management believes recovery of the remaining unpaid receivable is probable.

Initial direct costs:

The Company capitalizes initial direct costs ("IDC") associated with the origination and funding of lease assets and investments in notes receivable as defined in Statement of Financial Accounting Standards ("SFAS") No. 91 ("SFAS No. 91") "Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases." IDC includes both internal costs (e.g., labor and overhead) and external broker fees incurred with the origination. The costs are amortized on a lease by lease (or note by note) basis based on actual contract term using a straight-line method for operating leases and the effective interest rate method for direct finance leases and notes receivable. Upon disposal of the underlying lease assets, both the initial direct costs and the associated accumulated amortization are relieved. Costs related to leases or notes receivable that are not consummated are not eligible for capitalization as initial direct costs and are expensed as acquisition expense.

Acquisition expense:

Acquisition expense represents costs which include, but are not limited to, legal fees and expenses, travel and communication expenses, cost of appraisals, accounting fees and expenses and miscellaneous expenses related to the selection and acquisition of equipment which are reimbursable to the Managing Member under the terms of the Operating Agreement. As the costs are not eligible for capitalization as initial direct costs, such amounts are expensed as incurred.

Asset valuation:

Recorded values of the Company's asset portfolio are periodically reviewed for impairment in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." An impairment loss is measured and recognized only if the estimated undiscounted future cash flows of the asset are less than their net book value. The estimated undiscounted future cash flows are the sum of the estimated residual value of the asset at the end of the asset's expected holding period and estimates of undiscounted future rents. The residual value assumes, among other things, that the asset is utilized normally in an open, unrestricted and stable market. Short-term fluctuations in the market place are disregarded and it is assumed that there is no necessity either to dispose of a significant number of the assets, if held in quantity, simultaneously or to dispose of the asset quickly. Impairment is measured as the difference between the fair value (as determined by a valuation method using discounted estimated future cash flows) of the asset and its carrying value on the measurement date.

Segment reporting:

The Company reports segment information in accordance with SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information." SFAS No. 131 establishes annual and interim standards for operating segments of a company. It also requires entity-wide disclosures about the products and services an entity provides, the material countries in which it holds assets and reports revenue, and its major customers. The Company is not organized by multiple operating segments for the purpose of making operating decisions or assessing performance. Accordingly, the Company operates in one reportable operating segment in the United States.

The Company's chief operating decision makers are the Managing Member's Chief Operating Officer and its Chief Executive Officer. The Company believes that its equipment leasing business operates as one reportable segment because: a) the Company measures profit and loss at the equipment portfolio level as a whole; b) the chief operating decision makers do not review information based on any operating segment other than the equipment leasing transaction portfolio; c) the Company does not maintain discrete financial information on any specific segment other than its equipment financing operations; d) the Company has not chosen to organize its business around different products and services other than equipment lease financing; and e) the Company has not chosen to organize its business around geographic areas.

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued):

The primary geographic regions in which the Company seeks leasing opportunities are North America and Europe. The table below summarizes geographic information relating to the sources, by nation, of the Company's total revenues for the three months ended March 31, 2007 and 2006 and long-lived tangible assets as of March 31, 2007 and December 31, 2006 (in thousands):

	For the three months ended March 31,			
	2007	% of Total	2006	% of Total
Revenue				
United States	\$ 6,040	94%	\$ 6,326	94%
United Kingdom	326	5%	306	5%
Canada	61	1%	67	1%
Total International	387	6%	373	6%
Total	\$ 6,427	100%	\$ 6,699	100%

	As of March 31,		As of December 31,	
	2007	% of Total	2006	% of Total
Long-lived tangible assets				
United States	\$70,693	94%	\$ 76,374	94%
United Kingdom	4,598	6%	4,451	6%
Total International	4,598	6%	4,451	6%
Total	\$75,291	100%	\$ 80,825	100%

Derivative financial instruments:

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," which established new accounting and reporting standards for derivative instruments. SFAS No. 133 has been amended by SFAS No. 137, issued in June 1999, by SFAS No. 138, issued in June 2000 and by SFAS No. 149, issued in June 2003.

SFAS No. 133, as amended, requires the Company to recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. It further provides criteria as to when derivative instruments can be designated as fair value, cash flow, or foreign currency hedges, and establishes accounting standards for reporting changes in the fair value of the derivative instruments. The Company records derivative instruments at fair value in the balance sheet and recognizes the offsetting gains or losses as adjustments to net income.

Credit exposure from derivative financial instruments, which are assets, arises from the risk of a counterparty default on the derivative contract. The amount of the loss created by the default is the replacement cost or current positive fair value of the defaulted contract.

Foreign currency transactions:

Foreign currency transaction gains and losses are reported in the results of operations as other income in the period in which they occur. Currently, the Company does not use derivative instruments to hedge its economic exposure with respect to assets, liabilities and firm commitments as the foreign currency transactions and risks to date have not been significant. During the three month periods ended March 31, 2007 and 2006, the Company recognized a foreign currency gain of \$17 thousand and a foreign currency loss of \$98 thousand, respectively.

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued):

Investment in securities

Purchased securities

Purchased securities are not registered for public sale and are carried at lower of cost or market at the end of the period as determined by the Managing Member. Factors considered by the Managing Member in determining fair value include cost, the type of investment, subsequent purchases of the same or similar investments by the Company or other investors, the current financial position and operating results of the company issuing the securities and such other factors as may be deemed relevant. The Managing Member's estimate and assumption of fair value of the private securities may differ significantly from the values that would have been used had a ready market existed, and the differences could be material.

Warrants

Warrants owned by the Company are not registered for public sale and are carried at an estimated fair value on the balance sheet at the end of the period, as determined by the Managing Member. Factors considered by the Managing Member in determining fair value include cost, the type of investment, subsequent purchases of the same or similar investments by the Company or other investors, the current financial position and operating results of the company issuing the securities and such other factors as may be deemed relevant. The Managing Member's estimate and assumption of fair value of the private securities may differ significantly from the values that would have been used had a ready market existed, and the differences could be material. At March 31, 2007 and December 31, 2006, the Managing Member estimated the fair value of the warrants to be nominal in amount.

Unearned operating lease income:

The Company records prepayments on operating leases as a liability, unearned operating lease income. The liability is recorded when the prepayments are received and recognized as operating lease revenue ratably over the period to which the prepayments relate.

Income taxes:

The Company is treated as a partnership for federal income tax purposes. Pursuant to the provisions of Section 701 of the Internal Revenue Code, a partnership is not subject to federal income taxes. Accordingly, the Company has provided current income taxes for only those states which levy income taxes on partnerships.

Other income (expense), net:

Other income (expense) consists of amounts received as settlement from former customers previously written off, gains and losses on interest rate swap contracts, and gains and losses on foreign exchange transactions. During the three months ended March 31, 2007, other expense was comprised of an unfavorable fair value adjustment on interest rate swap contracts of \$81 thousand offset by a foreign currency gain of \$17 thousand. During the three months ended March 31, 2006, other income was comprised of a favorable fair value adjustment on interest rate swap contracts of \$206 thousand offset by a foreign currency loss of \$98 thousand.

Per unit data:

Net loss and distributions per unit are based upon the weighted average number of Other Members' units outstanding during the period.

Recent accounting pronouncements:

In February 2007, the Financial Accounting Standards Board (FASB) issued Statement No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115". This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board's long-term measurement objectives for accounting for financial instruments. SFAS 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007 (January 1, 2008). The standard is not applicable to direct financing and operating leases. The Company does not presently anticipate any significant impact on its consolidated financial position, results of operations or cash flows.

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued):

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement on Financial Accounting Standards No. 157, "Fair Value Measurements" (FAS 157). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. As of March 31, 2007, the Fund does not believe the adoption of FAS 157 will impact the amounts reported in the financial statements, however, additional disclosures will be required about the inputs used to develop the measurements of fair value and the effect of certain of the measurements reported in the statement of operations for a fiscal period.

In June 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FAS 109, Accounting for Income Taxes" ("FIN 48"), to create a single model to address accounting for uncertainty in tax positions. FIN 48 clarifies the accounting for income taxes by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on deregulation, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Company adopted the provisions of FIN 48 on January 1, 2007. The adoption of FIN 48 did not have a significant effect on the Company's financial position and results of operations for the quarter ended March 31, 2007.

3. Notes receivable, net:

The Company has various notes receivable from parties who have financed the purchase of equipment through the Company. The terms of the notes receivable are 13 to 120 months and bear interest at rates ranging from 9% to 23%. The notes are secured by the equipment financed. There were no impaired notes as of March 31, 2007 and December 31, 2006. As of March 31, 2007, the minimum future payments receivable are as follows (in thousands):

Nine months ending December 31, 2007	\$ 877
Year ending December 31, 2008	856
2009	2,211
2010	393
2011	393
2012	393
Thereafter	870
	<u>5,993</u>
Less: portion representing unearned interest income	<u>(1,317)</u>
	4,676
Unamortized initial direct costs	<u>13</u>
Notes receivable, net	<u>\$ 4,689</u>

For the respective three month periods ended March 31, 2007 and 2006, IDC amortization expense related to notes receivable was \$4 thousand and \$7 thousand. Together with IDC amortization expense related to operating leases and direct finance leases (discussed in footnote 4) of \$114 thousand and \$189 thousand, respectively, total IDC amortization expense was \$118 thousand and \$196 thousand for the three months ended March 31, 2007 and 2006, respectively.

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

4. Investment in equipment and leases, net:

The Company's investment in equipment leases consists of the following (in thousands):

	Balance December 31, 2006	Reclassifications & Additions / Dispositions	Depreciation/ Amortization Expense or Amortization of Leases	Balance March 31, 2007
Net investment in operating leases	\$ 73,086	\$ (1,344)	\$ (4,369)	\$ 67,373
Net investment in direct financing leases	6,777	106	(779)	6,104
Assets held for sale or lease, net	31	960	—	991
Initial direct costs, net of accumulated amortization of \$1,250 at March 31, 2007 and \$1,166 at December 31, 2006	931	6	(114)	823
Total	\$ 80,825	\$ (272)	\$ (5,262)	\$ 75,291

Additions to net investment in operating leases are stated at cost and include amounts accrued at March 31, 2007 related to asset purchase obligations.

For the respective three month periods ended March 31, 2007 and 2006, IDC amortization expense related to operating leases and direct finance leases was \$114 thousand and \$189 thousand, respectively.

Impairment of investments in leases and assets held for sale or lease:

Impairment losses are recorded as an addition to accumulated depreciation of the impaired assets. No impairment losses were recorded for the three months ended March 31, 2007 and 2006. Depreciation expense on property subject to operating leases and property held for lease or sale was approximately \$4.4 million and \$5.3 million for the three months ended March 31, 2007 and 2006, respectively.

All of the leased property was acquired in years beginning with 2002 through 2007.

Operating leases:

Property on operating leases consists of the following (in thousands):

	Balance December 31, 2006	Additions	Reclassifications or Dispositions	Balance March 31, 2007
Mining	\$ 17,762	\$ —	\$ —	\$ 17,762
Manufacturing	22,812	—	(835)	21,977
Materials handling	27,933	—	(282)	27,651
Marine vessels	12,718	—	(1,700)	11,018
Transportation	12,790	75	69	12,934
Communications	196	—	(196)	—
Office furniture	1,174	—	—	1,174
Natural gas compressors	540	—	(75)	465
Office automation	5,884	—	—	5,884
Construction	3,380	—	—	3,380
Transportation, rail	13,399	—	—	13,399
	118,588	75	(3,019)	115,644
Less accumulated depreciation	(45,502)	(4,369)	1,600	(48,271)
Total	\$ 73,086	\$ (4,294)	\$ (1,419)	\$ 67,373

The average estimated residual value for assets on operating leases at March 31, 2007 and December 31, 2006 was 25% and 26% of the assets' original cost, respectively.

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

4. Investment in equipment and leases, net (continued):

Direct financing leases:

As of March 31, 2007, investment in direct financing leases consists of materials handling equipment and office furniture. The following lists the components of the Company's investment in direct financing leases as of March 31, 2007 and December 31, 2006 (in thousands):

	March 31, 2007	December 31, 2006
Total minimum lease payments receivable	\$ 9,942	\$ 10,948
Estimated residual values of leased equipment (unguaranteed)	<u>882</u>	<u>872</u>
Investment in direct financing leases	10,824	11,820
Less unearned income	<u>(4,720)</u>	<u>(5,043)</u>
Net investment in direct financing leases	<u>\$ 6,104</u>	<u>\$ 6,777</u>

At March 31, 2007, the aggregate amounts of future minimum lease payments receivable are as follows (in thousands):

	Operating Leases	Direct Financing Leases	Total
Nine months ending December 31, 2007	\$ 14,233	\$ 1,813	\$ 16,046
Year ending December 31, 2008	14,583	2,291	16,874
2009	10,034	1,729	11,763
2010	3,973	1,210	5,183
2011	1,598	1,199	2,797
2012	1,231	1,700	2,931
Thereafter	<u>2,352</u>	<u>—</u>	<u>2,352</u>
	<u>\$48,004</u>	<u>\$ 9,942</u>	<u>\$57,946</u>

The Company utilizes a straight line depreciation method for equipment in all of the categories currently in its portfolio of lease transactions. The useful lives for investment in leases by category are as follows (in years):

Equipment category	Useful Life
Mining	30 - 40
Marine Vessels	20 - 30
Manufacturing	10 - 20
Materials Handling	7 - 10
Transportation	7 - 10
Natural Gas Compressors	7 - 10
Office Furniture	7 - 10
Communications	3 - 5

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

5. Related party transactions:

The terms of the Operating Agreement provide that AFS and/or affiliates are entitled to receive certain fees for equipment management and resale and for management of the Company.

The Operating Agreement allows for the reimbursement of costs incurred by AFS for providing administrative services to the Company. Administrative services provided include Company accounting, finance/treasury, investor relations, legal counsel and lease and equipment documentation. AFS is not reimbursed for services whereby it is entitled to receive a separate fee as compensation for such services, such as management of equipment. Reimbursable costs incurred by AFS are allocated to the Company based upon estimated time incurred by employees working on Company business and an allocation of rent and other costs based on utilization studies. The Company would be liable for certain future costs to be incurred by AFS to manage the administrative services provided to the Company.

Each of ATEL Leasing Corporation (“ALC”); ATEL Equipment Corporation (“AEC”); ATEL Investor Services (“AIS”); and AFS is a wholly-owned subsidiary of ATEL Capital Group and performs services for the Company. Acquisition services are performed for the Company 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 Company are performed by AFS.

Cost reimbursements to Managing Member are based on costs incurred by AFS in performing administrative services for the Company that are allocated to each fund that AFS manages based on certain criteria such as existing or new leases, number of investors or equity depending on the type of cost incurred.

During the three months ended March 31, 2007 and 2006, AFS and/or affiliates earned fees, commissions and reimbursements, pursuant to the Operating Agreement as follows (in thousands):

	Three Months Ended March 31,	
	2007	2006
	Administrative costs reimbursed to Managing Member	\$ 321
Asset management fees to Managing Member	334	332
Acquisition expenses and initial direct costs paid to Managing Member	8	—
	\$ 663	\$ 578

6. Non-recourse debt

At March 31, 2007 and December 31, 2006, non-recourse debt consists of notes payable to financial institutions. The notes are due in varying quarterly and semi-annual payments. Interest on the notes is at fixed rates ranging from 5.99% to 6.16% for both periods. The notes are secured by assignments of lease payments and pledges of assets. The carrying value of the pledged assets was approximately \$10.8 million and \$11.4 million at March 31, 2007 and December 31, 2006, respectively. The notes mature from 2008 through 2015.

Future minimum payments of non-recourse debt are as follows (in thousands):

	Principal	Interest	Total
Nine months ending December 31, 2007	\$ 1,675	\$ 373	\$ 2,048
Year ending December 31, 2008	2,354	376	2,730
2009	678	279	957
2010	721	236	957
2011	653	194	847
2012	694	153	847
Thereafter	2,098	184	2,282
	\$ 8,873	\$ 1,795	\$ 10,668

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

7. Borrowing facilities:

The Company participates with AFS and certain of its affiliates in a financing arrangement ((the “Master Terms Agreement”) comprised of a working capital facility to AFS, an acquisition facility and a warehouse facility to AFS, the Company and affiliates and a venture facility available to an affiliate) with a group of financial institutions that includes certain financial and non-financial covenants. The financial arrangement is \$75 million and expires in June 2007. The Company is currently negotiating an extension to the credit facility and anticipates renewing the facility for an additional two years. The availability of borrowings available to the Company under this financing arrangement is reduced by the amount outstanding on any of the above mentioned facilities.

As of March 31, 2007, borrowings under the facility were as follows (in thousands):

Total amount available under the financing arrangement	\$75,000
Amount borrowed by the Company under the acquisition facility	(3,500)
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	<u>(8,500)</u>
Total remaining available under the acquisition and warehouse facilities	<u>\$63,000</u>

The Company is contingently liable for principal payments under the warehouse facility as borrowings are recourse jointly and severally to the extent of the pro-rata share of the Company’s net worth as compared to the aggregate net worth of certain of the affiliated partnerships and limited liability companies of the Company and including AFS and ALC (which latter two entities are 100% liable). The Company and its affiliates pay an annual commitment fee to have access to this line of credit. There were no borrowings under the warehouse facility as of March 31, 2007. As of December 31, 2006, borrowings of \$3.1 million were outstanding under the warehouse facility. The Company’s maximum obligation on the outstanding warehouse balance at December 31, 2006 was approximately \$641 thousand.

The interest rate on the Master Terms Agreement is based on either the LIBOR/Eurocurrency rate of 1-, 2-, 3- or 6-month maturity plus a lender designated spread, or the bank’s Prime rate, which re-prices daily. Principal amounts of loans made under the Master Terms Agreement that are prepaid may be re-borrowed on the terms and subject to the conditions set forth under the Master Terms Agreement.

Draws on the acquisition facility by any affiliated partnership and/or limited liability company borrower are secured only by that borrower’s assets, including but not limited to equipment and related leases.

To manage the warehousing facility for the holding of assets prior to allocation to specific investor programs, a Warehousing Trust Agreement has been entered into by the Company, AFS, ALC, and certain of the affiliated partnerships and limited liability companies. The warehousing facility is used to acquire and hold, on a short-term basis, certain lease transactions that meet the investment objectives of each of such entities. Each of the leasing programs sponsored by AFS and ALC currently in its acquisition stage is a pro rata participant in the Warehousing Trust Agreement, as described below. When a program no longer has a need for short term financing provided by the warehousing facility, it is removed from participation, and as new leasing investment entities are formed and commence their acquisition stages, these new entities may be added. As of March 31, 2007, the investment program participants were the Company, ATEL Capital Equipment Fund X, LLC and ATEL Capital Equipment Fund XI, LLC. Pursuant to the Warehousing Trust Agreement, the benefit of the lease transaction assets, and the corresponding liabilities under the warehouse borrowing facility, inure to each of such entities based upon each entity’s pro-rata share in the warehousing trust estate. The “pro-rata share” is calculated as a ratio of the net worth of each entity over the aggregate net worth of all entities benefiting from the warehouse trust estate, excepting that the trustees, AFS and ALC, are both liable for their pro-rata shares of the obligations based on their respective net worth, and jointly liable for the pro rata portion of the obligations of each of the affiliated partnerships and limited liability companies participating under the borrowing facility. Transactions are financed through this warehousing facility only until the transactions are allocated to a specific program for purchase or are otherwise disposed by AFS and ALC. When a determination is made to allocate the transaction to a specific program for purchase by the program, the purchaser repays the debt associated with the asset, either with cash or by means of the acquisition facility financing, the asset is removed from the warehouse facility collateral, and ownership of the asset and any debt obligation associated with the asset are assumed solely by the purchasing entity.

The financing arrangement discussed above includes certain financial and non-financial covenants applicable to each borrower. The Company and affiliates were not in compliance with non-financial covenants as of March 31, 2007. The Managing Member, on behalf of all borrowers, requested and received a waiver of this covenant from the lenders until July 15, 2007.

The Company had approximately \$3.5 million and \$4 million outstanding under the acquisition facility at March 31, 2007 and December 31, 2006, respectively. Interest on the acquisition facility is based on either the thirty day LIBOR rate or the bank’s prime

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

7. Borrowing facilities (continued):

rate. The effective interest rate on borrowings at March 31, 2007 was 6.57%. For borrowings at December 31, 2006, the effective interest rate ranged from 6.60% to 8.25%. The carrying amount of the Company's acquisition facility obligation approximates fair value.

8. Receivable funding program:

As of March 31, 2007, the Company had a \$60 million receivables funding program with a receivables financing company that issues commercial paper rated A1 from Standard and Poor's and P1 from Moody's Investor Services. In this receivables funding program, the lenders would receive liens against the Company's assets. The lender will be in a first position against certain specified assets and will be in either a subordinated or shared position against the remaining assets. The receivables funding program expires in August 2011.

The receivable funding program provides for borrowing at a variable interest rate and requires AFS, on behalf of the Company, to enter into interest rate swap agreements with certain hedge counterparties (also rated A1/P1) to mitigate the interest rate risk associated with a variable interest rate note. AFS anticipates that this program will allow the Company to have a more cost effective means of obtaining debt financing than available for individual non-recourse debt transactions.

The Company had approximately \$23.3 million and \$25.5 million outstanding under this program at March 31, 2007 and December 31, 2006. In order to maintain the availability of the program, the Company is required to make payments of standby fees. These fees totaled approximately \$22 thousand and \$41 thousand for the three months ended March 31, 2007 and 2006, respectively, and are included in interest expense in the Company's statement of operations.

As of March 31, 2007, the Company has entered into interest rate swap agreements to receive or pay interest on a notional principal of approximately \$23.3 million based on the difference between nominal rates ranging from 3.75% to 4.81% and the variable rate of 5.60% under the receivables funding program. No actual borrowing or lending is involved. The termination of the swaps coincides with the maturity of the debt. Through the swap agreements, the interest rates have been effectively fixed. The differential to be paid or received is accrued as interest rates change and is recognized currently as an adjustment to interest expense related to the debt. The interest rate swaps are carried at fair value on the balance sheet with unrealized gain/loss included in the statement of operations in other income/(expense).

Borrowings under the Program are as follows (in thousands):

<u>Date Borrowed</u>	<u>Original Amount Borrowed</u>	<u>Balance March 31, 2007</u>	<u>Notional Balance March 31, 2007</u>	<u>Swap Value March 31, 2007</u>	<u>Payment Rate On Interest Swap Agreement</u>
February 14, 2005	\$20,000	\$ 7,464	\$ 7,464	\$ 115	3.75%
March 22, 2005	9,892	6,038	6,038	58	4.31%
December 15, 2005	13,047	7,936	7,936	16	4.80%
January 9, 2006	2,500	1,866	1,866	3	4.81%
	<u>\$45,439</u>	<u>\$23,304</u>	<u>\$23,304</u>	<u>\$ 192</u>	

At March 31, 2007, the minimum repayment schedule under the accounts receivable funding program is as follows (in thousands):

Nine Months Ending December 31, 2007	\$ 7,825
Year ending December 31, 2008	7,470
2009	5,604
2010	1,990
2011	415
	<u>\$23,304</u>

At March 31, 2007, there were specific leases that were identified as collateral under the receivables funding program with expected future lease receivables of approximately \$25.8 million at their discounted present value.

ATEL CAPITAL EQUIPMENT FUND IX, LLC

NOTES TO FINANCIAL STATEMENTS

8. Receivable funding program (continued):

The receivable funding program discussed above includes certain financial and non-financial covenants applicable to each borrower. The Company and affiliates were not in compliance with non-financial covenants as of March 31, 2007. The Managing Member, on behalf of all borrowers, requested and received a waiver of this covenant from the lenders until July 15, 2007.

9. Commitments:

At March 31, 2007, there were commitments to purchase lease assets totaling approximately \$45 thousand. This amount represents contract awards which may be cancelled by the prospective lessee or may not be accepted by the Company.

10. Guarantees:

The Company enters into contracts that contain a variety of indemnifications. The Company's maximum exposure under these arrangements is unknown. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

In the normal course of business, the Company enters into contracts of various types, including lease contracts, contracts for the sale or purchase of lease assets, management contracts, loan agreements, credit lines and other debt facilities. It is prevalent industry practice for most contracts of any significant value to include provisions that each of the contracting parties—in addition to assuming liability for breaches of the representations, warranties, and covenants that are part of the underlying contractual obligations—also assume an obligation to indemnify and hold the other contracting party harmless for such breaches, for harm caused by such party's gross negligence and willful misconduct, including, in certain instances, certain costs and expenses arising from the contract. The Managing Member has substantial experience in managing similar leasing programs subject to similar contractual commitments in similar transactions, and the losses and claims arising from these commitments have been insignificant, if any. Generally, to the extent these contracts are performed in the ordinary course of business under the reasonable business judgment of the Managing Member, no liability will arise as a result of these provisions. The Managing Member has no reason to believe that the facts and circumstances relating to the Company's contractual commitments differ from those it has entered into on behalf of the prior programs it has managed. The Managing Member knows of no facts or circumstances that would make the Company's contractual commitments outside standard mutual covenants applicable to commercial transactions between businesses. Accordingly, the Company believes that these indemnification obligations are made in the ordinary course of business as part of standard commercial and industry practice, and that any potential liability under the Company's similar commitments is remote. Should any such indemnification obligation become payable, the Company would separately record and/or disclose such liability in accordance with GAAP.

11. Member's capital:

As of March 31, 2007, 12,055,016 Units were issued and outstanding. The Company is authorized to issue up to 15,000,000 Units in addition to the Units issued to the initial members (50 Units).

As defined in the Operating Agreement, the Company's Net Income, Net Losses, and Distributions, are to be allocated 92.5% to the Other Members and 7.5% to AFS. In accordance with the terms of the Operating Agreement, additional allocations of income were made to AFS in 2007 and 2006. The amounts allocated were determined to bring AFS's ending capital account balance to zero at the end of the period.

Distributions to the Other Members were as follows (in thousands, except as to Units and per Unit data):

	Three Months Ended March 31,	
	2007	2006
Distributions declared	\$ 2,712	\$ 2,712
Weighted average number of Units outstanding	12,055,016	12,055,016
Weighted average distributions per Unit	\$ 0.23	\$ 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

The Company's public offering provided for a total maximum capitalization of \$150 million. As of January 15, 2003, the offering was concluded. As of that date, subscriptions for 12,065,266 Units had been received. Subsequent to January 15, 2003, units totaling 10,250 were rescinded and funds returned to investors. The liquidity of the Company 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 Members and to the extent expenses exceed cash flows from leases and proceeds from asset sales.

The Company participates with ATEL Financial Services, LLC ("AFS") and certain of its affiliates, as defined in the Operating Agreement, in a financing arrangement ((the "Master Terms Agreement") comprised of a working capital facility to AFS, an acquisition facility and a warehouse facility to AFS, the Company and affiliates, and a venture facility available to an affiliate) with a group of financial institutions that includes certain financial and non-financial covenants. The financing arrangement is \$75 million and expires in June 2007. The availability of borrowings available to the Company under this financing arrangement is reduced by the amount outstanding on any of the above mentioned facilities.

Borrowings under the facility as of March 31, 2007 were as follows (in thousands):

Total amount available under the financing arrangement	\$75,000
Amount borrowed by the Company under the acquisition facility	(3,500)
Amount borrowed by affiliated partnerships and limited liability companies under the acquisition facility	(8,500)
Total available under the above mentioned facilities	<u>\$63,000</u>

The Company is contingently liable for principal payments under the warehouse facility as borrowings are recourse jointly and severally to the extent of the pro-rata share of the Company's net worth as compared to the aggregate net worth of certain of the affiliated partnerships and limited liability companies of the Company and including AFS and ATEL Leasing Corporation ("ALC") (which latter two entities are 100% liable). The Company and its affiliates pay an annual commitment fee to have access to this line of credit. There were no borrowings under the warehouse facility as of March 31, 2007.

The interest rate on the Master Terms Agreement is based on either the LIBOR/Eurocurrency rate of 1-, 2-, 3- or 6-month maturity plus a lender designated spread, or the bank's Prime rate, which re-prices daily. Principal amounts of loans made under the Master Terms Agreement that are prepaid may be re-borrowed on the terms and subject to the conditions set forth under the Master Terms Agreement. The effective interest rate on borrowings at March 31, 2007 was 6.57%.

Draws on the acquisition facility by any affiliated partnership and/or limited liability company borrower are secured only by that borrower's assets, including but not limited to equipment and related leases.

To manage the warehousing facility for the holding of assets prior to allocation to specific investor programs, a Warehousing Trust Agreement has been entered into by the Company, AFS, ALC, and certain of the affiliated partnerships and limited liability companies. The warehousing facility is used to acquire and hold, on a short-term basis, certain lease transactions that meet the investment objectives of each of such entities. Each of the leasing programs sponsored by AFS and ALC currently in its acquisition stage is a pro rata participant in the Warehousing Trust Agreement, as described below. When a program no longer has a need for short term financing provided by the warehousing facility, it is removed from participation, and as new leasing investment entities are formed and commence their acquisition stages, these new entities may be added. As of March 31, 2007, the investment program participants were the Company, ATEL Capital Equipment Fund X, LLC and ATEL Capital Equipment Fund XI, LLC. Pursuant to the Warehousing Trust Agreement, the benefit of the lease transaction assets, and the corresponding liabilities under the warehouse borrowing facility, inure to each of such entities based upon each entity's pro-rata share in the warehousing trust estate. The "pro-rata share" is calculated as a ratio of the net worth of each entity over the aggregate net worth of all entities benefiting from the warehouse trust estate, excepting that the trustees, AFS and ALC, are both liable for their pro-rata shares of the obligations based on their respective net worth, and jointly liable for the pro rata portion of the obligations of each of the affiliated partnerships and limited liability companies participating under the borrowing facility. Transactions are financed through this warehousing facility only until the transactions are allocated to a specific program for purchase or are otherwise disposed by AFS and ALC. When a determination is made to allocate the transaction to a specific program for purchase by the program, the purchaser repays the debt associated with the asset, either with cash or by means of the acquisition facility financing, the asset is removed from the warehouse facility collateral, and ownership of the asset and any debt obligation associated with the asset are assumed solely by the purchasing entity.

The financing arrangement discussed above includes certain financial and non-financial covenants applicable to each borrower. The Company and affiliates were not in compliance with non-financial covenants as of March 31, 2007. The Managing Member, on behalf of all borrowers, requested and received a waiver of this covenant from the lenders until July 15, 2007.

Throughout the reinvestment period, the Company anticipates reinvesting a portion of lease payments from assets owned in new leasing transactions. Such reinvestment will occur only after the payment of all current obligations, including debt service (both principal and interest), the payment of management and acquisition fees to AFS and providing for cash distributions to the members.

AFS or an affiliate may purchase equipment in its own name, the name of an affiliate or the name of a nominee, a trust or otherwise and hold title thereto on a temporary or interim basis for the purpose of facilitating the acquisition of such equipment or the completion of manufacture of the equipment or for any other purpose related to the business of the Company, provided, however that: (i) the transaction is in the best interest of the Company; (ii) such equipment is purchased by the Company for a purchase price no greater than the cost of such equipment to AFS or affiliate (including any out-of-pocket carrying costs), except for compensation permitted by the Operating Agreement; (iii) there is no difference in interest terms of the loans secured by the equipment at the time acquired by AFS or affiliate and the time acquired by the Company; (iv) there is no benefit arising out of such transaction to AFS or its affiliate apart from the compensation otherwise permitted by the Operating Agreement; and (v) all income generated by, and all expenses associated with, equipment so acquired will be treated as belonging to the Company.

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

If inflation in the general economy becomes significant, it may affect the Company in as much as the residual (resale) values and rates on re-leases of the Company's leased assets may increase as the costs of similar assets increase. However, the Company'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 Company 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. For detailed information on the Company's debt obligations, see footnotes 6 through 8 in the notes to the financial statements.

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

At March 31, 2007, the Company had a \$60 million receivables funding program with a receivables financing company that issues commercial paper rated A1 from Standard and Poor's and P1 from Moody's Investor Services. In this receivables funding program, the lenders would receive liens against the Company's assets. The lender will be in a first position against certain specified assets and will be in either a subordinated or shared position against the remaining assets. The program provides for borrowing at a variable interest rate and requires AFS, on behalf of the Company, to enter into interest rate swap agreements with certain hedge counterparties (also rated A1/P1) to mitigate the interest rate risk associated with a variable interest rate note. AFS anticipates that this program will allow the Company to have a more cost effective means of obtaining debt financing than available for individual non-recourse debt transactions. As more fully described in Note 8, the Company had approximately \$23.3 million outstanding under this receivables funding program as of March 31, 2007. The receivables funding program expires in August 2011.

It is the intention of the Company to use the receivables funding program as its primary source of debt financing. The Company also has access to certain sources of non-recourse debt financing, which the Company will use on a transaction basis as a means of mitigating credit risk.

In order to maintain the availability of the program, the Company is required to make payments of standby fees. These fees totaled \$22 thousand and \$41 thousand during the three months ended March 31, 2007 and 2006, respectively, and are included in interest expense in the Company's statement of operations.

AFS expects that aggregate borrowings in the future will be approximately 50% of aggregate equipment cost. In any event, the Operating Agreement limits such borrowings to 50% of the total cost of equipment, in aggregate.

As of March 31, 2007, cash balances consisted of working capital and amounts reserved for distributions to be paid in April, 2007, generated from operations in 2007.

At March 31, 2007, there were commitments to purchase lease assets totaling approximately \$45 thousand. This amount represents contract awards which may be cancelled by the prospective lessee or may not be accepted by the Company.

The Company announced the commencement of regular distributions, based on cash flows from operations, beginning with the month of February 2001. The first distribution payment was made in April 2001 and additional monthly and/or quarterly distributions have been consistently made through March 2007. See Note 11 in the notes to the financial statements for additional information regarding distributions.

Cash Flows

The three months ended March 31, 2007 versus the three months ended March 31, 2006

The Company's primary source of cash from operations has been rents from operating leases. In addition, the Company's cash flows are impacted by changes in certain assets and liabilities. Cash provided by operating activities totaled \$4.8 million for the three months ended March 31, 2007 compared to cash used of \$2.2 million for the three months ended March 31, 2006. Cash balances increased as Company payments for accounts payable and accrued liabilities during the three months ended March 31, 2007 was significantly reduced compared to the three months ended March 31, 2006 - which included payables related to the high level of acquisition activity during the fourth quarter of 2005. Accordingly, accounts payable and accrued liabilities declined by \$204 thousand from \$2.4 million at December 31, 2006 to \$2.2 million at March 31, 2007 compared to a decline of \$7.8 million from \$10.4 million at December 31, 2005 to \$2.6 million at March 31, 2006. The aforementioned favorable impact on operating cash flows was partially offset by a decline in operating lease revenues, which declined by \$600 thousand from \$6.4 million for the three months ended March 31, 2006 compared to \$5.8 million for the three months ended March 31, 2007 as a result of run-off of the lease portfolio.

Prior to 2006, the main use of cash in investing activities was the purchase of equipment and funding of investments in notes receivable. Such investing activities have been minimal during 2006 and the first three months of 2007. Cash provided by investing activities was \$1.4 million for the three months ended March 31, 2007 compared to \$630 thousand for the three months ended March 31, 2006. Cash flow improved primarily due to increased proceeds from sales of lease assets and cash provided by the Company's investment in direct financing leases. Proceeds from sales of lease assets totaled \$596 thousand for the three months ended March 31, 2007 compared to \$69 thousand for the three months ended March 31, 2006. A majority of the \$527 thousand increase in sales proceeds was related to two sales transactions involving equipment under operating leases that were terminated during the first quarter of 2007. Cash provided by the Company's investment in equipment on direct financing leases increased by \$314 thousand from \$465 thousand for the three months ended March 31, 2006 to \$779 thousand for the three months ended March 31, 2007, primarily as a result of the increase in the Company's direct finance lease portfolio subsequent to March 31, 2006.

Since the termination of the Company's offering in 2003, the main source of cash from financing activities has been borrowings on the Company's various credit facilities. The main uses of cash in financing activities during the same timeframe have been the repayment of debt and distributions to both Managing Member and Other Members. Cash used in financing activities totaled \$6.2 million for the three months ended March 31, 2007 while cash provided by financing activities totaled \$10.1 million for the three months ended March 31, 2006. The decrease in cash flows from financing activities was primarily due to the decrease in quarter over quarter borrowings brought about by the decline in the Company's asset acquisition activity. The Company had gross borrowings of \$1 million during the three months ended March 31, 2007 compared to \$19.4 million during the three months ended March 31, 2006. The borrowings were offset by repayments of \$4.2 million and \$6.3 million for the three months ended March 31, 2007 and 2006, respectively. Distributions to Other Members and Managing Member were \$2.7 million and \$220 thousand, respectively, for both three-month periods.

Results of Operations

As of February 21, 2001, subscriptions for the minimum amount of the offering (\$1,200,000) had been received and accepted by the Company. As of that date, the Company commenced operations in its primary business ("leasing and lending activities"). After the Company's public offering and its initial asset acquisition stage terminate, the results of operations are expected to change significantly.

Cost reimbursements to Managing Member are based on costs incurred by AFS in performing administrative services for the Company that are allocated to each Company that AFS manages based on certain criteria such as existing or new leases, number of investors or equity depending on the type of cost incurred. AFS believes that the costs reimbursed are the lower of (i) actual costs incurred on behalf of the Company or (ii) the amount the Company would be required to pay independent parties for comparable administrative services in the same geographic location.

The three months ended March 31, 2007 versus the three months ended March 31, 2006

The Company incurred a net loss of \$182 thousand for the three months ended March 31, 2007 compared to a net loss of \$368 thousand for the three months ended March 31, 2006. Results for the three months ended March 31, 2007 reflected decreases in both operating expenses and total revenues compared with the three months ended March 31, 2006.

Revenues

Total revenues were \$6.4 million for the three months ended March 31, 2007 compared to \$6.7 million for the three months ended March 31, 2006. The decrease was primarily due to a decline in operating lease revenue offset by increases in direct financing lease revenue and gain on sales of assets.

Operating lease revenues was \$5.8 million for the three months ended March 31, 2007 compared to \$6.4 million for the three months ended March 31, 2006. The decrease was primarily due to run-off of the Company's operating lease portfolio. In addition, there has been minimal acquisition activity since December 31, 2005.

Revenues from direct financing leases totaled \$339 thousand for the three months ended March 31, 2007 compared to \$84 thousand for the three months ended March 31, 2006. The increase was primarily due to the increase in direct financing lease assets which increased from \$5.2 million at March 31, 2006 to \$6.1 million at March 31, 2007. The increase in direct financing lease assets was primarily a result of equipment being recast as direct financing leases upon lease renewal.

Gain on sale of assets increased from \$15 thousand for the three months ended March 31, 2006 to \$139 thousand for the three months ended March 31, 2007. Approximately \$127 thousand of the gain on sales of assets in 2007 involved the sale of two pieces of equipment under operating leases that was terminated during the first quarter of 2007.

Expenses

Total expenses were \$6.5 million for the three months ended March 31, 2007 compared to \$7.2 million for the three months ended March 31, 2006. The decrease was primarily due to decreases in depreciation and interest expenses offset in part by increases in professional fees and outside services.

Depreciation remains to be the Company's largest expense. Depreciation expense totaled \$4.4 million for the three months ended March 31, 2007 compared to \$5.3 million for the three months ended March 31, 2006. The decrease in depreciation expense was primarily due to the run-off of the Company's lease portfolio, and is consistent with lower operating lease revenue.

Interest expense was \$526 thousand for the three months ended March 31, 2007 compared to \$690 thousand for the three months ended March 31, 2006. The decrease was related to a decline in outstanding debt balances of \$17.9 million since March 31, 2006.

The decreases in depreciation and interest expense were offset by a \$337 thousand increase in professional fees and outside services expenses reflecting costs related to the completion of the Company's restatement effort and the audit of prior period financial statements. Professional fees and outside services totaled \$575 thousand for the three months ended March 31, 2007 compared to \$238 thousand for the three months ended March 31, 2006.

The Company also incurs other expenses comprised of third party services such as maintenance costs, investor communications/mailings, bank charges, printing and photocopying. Other expense totaled \$229 thousand for the three months ended March 31, 2007 compared to \$143 thousand for the three months ended March 31, 2006. The increase was primarily due to maintenance costs incurred on a leased asset placed into service during the first quarter of 2006.

Other

The Company records other income or expense which may include recoveries of amounts previously written off, gains and losses on interest rate swap contracts, or gains and losses on foreign exchange transactions.

During the three months ended March 31, 2007, the Company recorded other expense of \$64 thousand which was comprised of an unfavorable fair value adjustment on interest rate swap contracts of \$81 thousand offset by a foreign currency gain of \$17 thousand. During the three months ended March 31, 2006, other income of \$108 thousand was recorded which was comprised of a favorable fair value adjustment on interest rate swap contracts of \$206 thousand offset by a foreign currency loss of \$98 thousand.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company, like most other companies, is exposed to certain market risks, including primarily changes in interest rates. The Company 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 Company expects to manage its exposure to interest rate risk by obtaining fixed rate debt. The fixed rate debt is to be 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, AFS has historically been able to maintain a stable spread between its cost of funds and lease yields in both periods of rising and falling interest rates. Nevertheless, the Company expects to frequently fund leases with its floating interest rate line of credit and will, therefore, be exposed to interest rate risk until fixed rate financing is arranged, or the floating interest rate line of credit is repaid. As of March 31, 2007, there was an outstanding balance of \$3.5 million on the floating rate acquisition facility. Interest on the acquisition facility is based on either the thirty day LIBOR rate or the bank's prime rate.

Also, as described in the caption "Capital Resources and Liquidity," the Company entered into a receivables funding facility in 2002. Since interest on the outstanding balances under the facility will vary, the Company will be exposed to market risks associated with changing interest rates. To reduce its interest rate risk, the Company expects to enter into interest rate swaps, which will effectively convert the underlying interest characteristic on the facility from floating to fixed. Under the swap agreements, the Company expects to make or receive variable interest payments to or from the counterparty based on a notional principal amount. The net differential paid or received by the Company is recognized as an adjustment to other income related to the facility balances. The amount paid or received will represent the difference between the payments required under the variable interest rate facility and the amounts due under the facility at the fixed interest rate. There were approximately \$23.3 million in borrowings under this facility at March 31, 2007.

In general, it is anticipated that these swap agreements will eliminate the Company's interest rate risk associated with variable rate borrowings. However, the Company would be exposed to and would manage credit risk associated with the counterparty by dealing only with institutions it considers financially sound.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

The Company's Managing Member's Chief Executive Officer, and Executive Vice President and Chief Financial and Operating Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15 (e)) during and as of the end of the period covered by this report. Based on this evaluation, the Chief Executive Officer and Executive Vice President and Chief Financial and Operating Officer concluded that at March 31, 2007, certain material weaknesses existed in the Company's internal control over financial reporting.

The Company does not control the financial reporting process, and is dependent on the Managing Member, who is responsible for providing the Company with financial statements in accordance with generally accepted accounting principles. The Managing Member's disclosure controls and procedures over the: a) process of identifying and estimating liabilities in the correct period; and b) timeliness of the financial statement close process were determined to be ineffective and constitute material weaknesses in internal control over financial reporting.

Changes in internal control

The Managing Member has reviewed the material weaknesses and believes that the following corrective actions taken as a whole will address the material weaknesses in its disclosure controls and procedures described above. These corrective actions are as follows:

With regard to identifying and estimating liabilities in the correct periods, the Managing Member has performed a detailed review to identify and record the liabilities, in the correct period. A standardized quarterly review process has been implemented to ensure the identification and estimation of the liabilities.

The Managing Member has taken the following steps to mitigate the weakness regarding its financial statement close process: a Chief Accounting Officer and an SEC reporting manager have been hired, and the controller position has been split into two separate roles to ensure proper management of the Managing Member and the managed Funds' accounting operations. Controls and job functions are being redesigned to increase the documentation of processes and transparency of procedures going forward.

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 Company. In the opinion of management, the outcome of such matters, if any, will not have a material impact on the Company's financial position or results of operations. No material legal proceedings are currently pending against the Company or against any of its assets.

Item 1A. Risk Factors

There were no material changes in the risk factors previously disclosed in the Company's Prospectus, as amended on Form POS AM, Post-Effective Amendment No. 7, which was filed on May 15, 2002. The Company's offering was terminated on January 15, 2003.

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.

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 Dean L. Cash

31.2 Certification of Paritosh K. Choksi

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

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: June 15, 2007

ATEL CAPITAL EQUIPMENT FUND IX, LLC
(Registrant)

By: ATEL Financial Services LLC
Managing Member of Registrant

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

By: /s/ Paritosh K. Choksi
Paritosh K. Choksi
Principal Financial Officer of
Registrant

CERTIFICATIONS

I, Dean L. Cash, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ATEL Capital Equipment Fund IX, LLC;
2. Based on my knowledge, this 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 officers 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, including its consolidated subsidiaries, is made known to us by others within those entities, 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 officers 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 control over financial reporting.

Date: June 15, 2007

/s/ Dean L. Cash

Dean L. Cash
President and Chief Executive Officer of
Managing Member

CERTIFICATIONS

I, Paritosh K. Choksi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ATEL Capital Equipment Fund IX, LLC;
2. Based on my knowledge, this 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 officers 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, including its consolidated subsidiaries, is made known to us by others within those entities, 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 officers 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 control over financial reporting.

Date: June 15, 2007

/s/ Paritosh K. Choksi

Paritosh K. Choksi
Principal Financial Officer of Registrant,
Executive Vice President of Managing Member

CERTIFICATION

I, Dean L. Cash, Chief Executive Officer of ATEL Financial Services, LLC, Managing Member of ATEL Capital Equipment Fund IX, LLC (the "Company"), 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-Q of the Company for the quarter ended March 31, 2007 (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 Company.

Date: June 15, 2007

/s/ Dean L. Cash

Dean L. Cash

President and Chief Executive

Officer of Managing Member

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

CERTIFICATION

I, Paritosh K. Choksi, Executive Vice President of ATEL Financial Services, LLC, Managing Member of ATEL Capital Equipment Fund IX, LLC (the "Company"), 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-Q of the Company for the quarter ended March 31, 2007 (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 Company.

Date: June 15, 2007

/s/ Paritosh K. Choksi

Paritosh K. Choksi

Executive Vice President of Managing

Member, Principal Financial Officer of Registrant

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