Form 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

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

Commission File Number 333-62477

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

California	**94-3307404**
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)

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

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

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

Yes ☒
No ☐

DOCUMENTS INCORPORATED BY REFERENCE

None

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements.

ATEL CAPITAL EQUIPMENT FUND VIII, LLC

BALANCE SHEETS

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

ASSETS

	2002	2001
Cash and cash equivalents	$ 1,786,425	$ 2,269,137
Accounts receivable, net of allowance for doubtful accounts of $516,365 in 2002 and $41,365 in 2001	1,894,010	3,256,527
Other assets	70,000	85,000
Investments in leases	164,149,125	178,999,739
Total assets	$167,899,560	$ 184,610,403

LIABILITIES AND MEMBERS' CAPITAL

	2002	2001
Long-term debt	$ 74,563,000	$ 85,369,000
Non-recourse debt	5,862,716	6,014,964
Line of credit	4,000,000	2,500,000
Accounts payable:		
Managing member	263,652	-
Other	492,903	838,267
Accrued interest payable	100,168	76,980
Interest rate swap contracts	3,984,595	4,700,622
Unearned operating lease income	1,674,116	1,748,618
Total liabilities	90,941,150	101,248,451
Members' capital	76,958,410	83,361,952
Total liabilities and members' capital	$167,899,560	$ 184,610,403

See accompanying notes.

ATEL CAPITAL EQUIPMENT FUND VIII, LLC

STATEMENTS OF OPERATIONS

SIX AND THREE MONTH PERIODS ENDED
JUNE 30, 2002 AND 2001
(Unaudited)

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001
Revenues:				
Leasing activities:				
Operating leases	$ 16,369,513	$ 23,023,666	$ 7,679,155	$ 9,205,063
Direct financing leases	413,236	508,142	197,219	247,516
Gain on sales of assets	256,871	1,788,113	273,326	3,463
Interest	9,035	109,824	3,046	28,653
Other	183,150	25,909	7,382	9,306
	17,231,805	25,455,654	8,160,128	9,494,001
Expenses:				
Depreciation and amortization	11,924,692	14,781,124	5,899,599	7,645,706
Interest expense	3,258,213	5,574,861	1,656,843	2,009,316
Asset management fees to Managing Member	770,623	1,009,978	353,209	407,013
Cost reimbursements to Managing Member	757,879	526,265	243,271	284,993
Provision for doubtful accounts	475,000	-	75,000	-
Other	379,850	163,722	244,195	102,367
Professional fees	110,555	185,430	54,010	55,506
	17,676,812	22,241,380	8,526,127	10,504,901
Net (loss) income	$ (445,007)	$ 3,214,274	$ (365,999)	$ (1,010,900)
Net (loss) income:				
Managing member	$ 500,592	$ 503,448	$ 750,888	$ 146,237
Other members	(945,599)	2,710,826	(1,116,887)	(1,157,137)
	$ (445,007)	$ 3,214,274	$ (365,999)	$ (1,010,900)
Net (loss) income per Limited Liability Company Unit	$ (0.07)	$ 0.30	$ (0.08)	$ (0.09)
Weighted average number of Units outstanding	13,570,188	9,143,454	13,570,188	13,570,188

See accompanying notes.

ATEL CAPITAL EQUIPMENT FUND VIII, LLC

STATEMENT OF CHANGES IN MEMBERS' CAPITAL

SIX MONTH PERIOD ENDED
JUNE 30, 2002
(Unaudited)

	Other Members Units	Other Members Amount	Managing Member	Accumulated Other Comprehensive Income (Loss)	Total
Balance December 31, 2001	13,570,188	$ 88,062,574	$ -	$ (4,700,622)	$ 83,361,952
Distributions to members		(6,173,970)	(500,592)		(6,674,562)
Unrealized decrease in value of interest rate swap contracts				716,027	716,027
Net (loss) income		(945,599)	500,592		(445,007)
Balance June 30, 2002	13,570,188	$ 80,943,005	$ -	$ (3,984,595)	$ 76,958,410

See accompanying notes.

STATEMENTS OF CASH FLOWS

SIX AND THREE MONTH PERIODS ENDED
JUNE 30, 2002 AND 2001
(Unaudited)

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001
Operating activities:				
Net (loss) income	$ (445,007)	$ 3,214,274	$ (365,999)	$ (1,010,900)
Adjustments to reconcile net income (loss) to cash provided by operating activities:				
Depreciation and amortization	11,924,692	14,781,124	5,899,599	7,645,706
Gain on sales of assets	(256,871)	(1,788,113)	(273,326)	(3,463)
Provision for doubtful accounts	475,000	-	75,000	-
Changes in operating assets and liabilities:				
Accounts receivable	887,517	971,119	1,245,939	(304,565)
Other assets	15,000	15,000	7,500	7,500
Accounts payable, Managing Member	263,652	(185,659)	(112,794)	(102,817)
Accounts payable, other	(345,364)	(107,200)	75,619	22,363
Accrued interest expense	23,188	(59,042)	(38,244)	(6,586)
Unearned lease income	(74,502)	(405,033)	(689,531)	(739,215)
Net cash provided by operations	12,467,305	16,436,470	5,823,763	5,508,023

ATEL CAPITAL EQUIPMENT FUND VIII, LLC

STATEMENTS OF CASH FLOWS
(Continued)
SIX AND THREE MONTH PERIODS ENDED
JUNE 30, 2002 AND 2001
(Unaudited)

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001
Investing activities:				
Purchases of equipment on operating leases	-	(27,938,716)	-	(313,309)
Purchases of equipment on direct financing leases	-	(810,271)	-	(636,064)
Reduction of net investment in direct financing leases	2,037,467	1,396,835	1,628,146	1,191,935
Payment of initial direct costs to managing member	-	(145,831)	-	(37,841)
Proceeds from sales of assets	1,145,326	8,601,318	1,069,276	46,056
Net cash provided by (used in) investing activities	3,182,793	(18,896,665)	2,697,422	250,777
Financing activities:				
Borrowings on line of credit	5,800,000	16,756,335	2,000,000	5,532,838
Repayments of line of credit	(4,300,000)	(7,532,838)	(800,000)	(7,532,838)
Proceeds of long-term debt	3,900,000	10,000,000	-	2,000,000
Repayments of long-term debt	(14,706,000)	(9,148,000)	(5,902,000)	(4,895,000)
Repayments of non-recourse debt	(152,248)	(1,165,781)	(152,248)	(138,094)
Distributions to other members	(6,173,970)	(6,218,917)	(3,086,989)	(3,121,917)
Distributions to managing member	(500,592)	(503,448)	(250,296)	(253,128)
Net cash (used in) provided by financing activities	(16,132,810)	2,187,351	(8,191,533)	(8,408,139)
Net (decrease) increase in cash and cash equivalents	(482,712)	(272,844)	329,652	(2,649,339)
Cash and cash equivalents at beginning of period	2,269,137	2,484,785	1,456,773	4,861,280
Cash and cash equivalents at end of period	$ 1,786,425	$ 2,211,941	$ 1,786,425	$ 2,211,941
Supplemental disclosures of cash flow information:				
Cash paid during the period for interest	$ 3,235,025	$ 5,633,903	$ 1,695,087	$ 2,015,902

See accompanying notes.

ATEL CAPITAL EQUIPMENT FUND VIII, LLC

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2002 AND 2001
(Unaudited)

1. Summary of significant accounting policies:

Interim financial statements:

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

2. Organization and Company matters:

ATEL Capital Equipment Fund VIII, LLC. (the Company), was formed under the laws of the State of California on July 31, 1998, for the purpose of acquiring equipment to engage in equipment leasing and sales activities. Contributions in the amount of $600 were received as of October 7, 1998, $100 of which represented the Managing Member's (ATEL Financial Corporation's) continuing interest, and $500 of which represented the Initial Members' capital investment.

Upon the sale of the minimum amount of Units of Limited Liability Company interest (Units) of $1,200,000 and the receipt of the proceeds thereof on January 13, 1999, the Company commenced operations.

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

3. Investment in leases:

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

	Balance December 31, 2001	Additions	Depreciation Expense or Amortization of Leases	Reclassi-fications or Dispositions	Balance June 30, 2002
Net investment in operating leases	$157,746,886	$ -	$ (11,735,812)	$ (4,405,645)	$ 141,605,429
Net investment in direct financing leases	14,181,674	-	(2,037,467)	(217,352)	11,926,855
Assets held for sale or lease	6,055,819	-	-	3,734,542	9,790,361
Initial direct costs, net of accumulated amortization	1,015,360	-	(188,880)	-	826,480
	$178,999,739	$ -	$ (13,962,159)	$ (888,455)	$ 164,149,125

3. Investment in leases (continued):

Operating leases:

Property on operating leases consists of the following:

	Balance December 31, 2001	Acquisitions, Dispositions & Reclassifications 1st Quarter	2nd Quarter	Balance June 30, 2002
Manufacturing	$ 49,700,638	$ -	$ -	$ 49,700,638
Transportation, rail	37,626,277	-	-	37,626,277
Aircraft	38,535,439	-	(5,725,300)	32,810,139
Transportation, other	23,438,156	-	-	23,438,156
Containers	21,228,750	-	-	21,228,750
Natural gas compressors	14,051,601	-	-	14,051,601
Materials handling	7,710,415	-	-	7,710,415
Marine vessel	3,952,500	-	-	3,952,500
Other	12,731,780	(178,918)	-	12,552,862
	208,975,556	(178,918)	(5,725,300)	203,071,338
Less accumulated depreciation	(51,228,670)	(5,852,683)	(4,384,556)	(61,465,909)
	$ 157,746,886	$ (6,031,601)	$ (10,109,856)	$ 141,605,429

Direct financing leases:

As of June 30, 2002, investment in direct financing leases consists primarily office automation equipment. The following lists the components of the Company's investment in direct financing leases as of June 30, 2002:

Total minimum lease payments receivable	$ 9,668,999
Estimated residual values of leased equipment (unguaranteed)	4,501,147
Investment in direct financing leases	14,170,146
Less unearned income	(2,243,291)
Net investment in direct financing leases	$ 11,926,855

All of the property on leases was acquired in 1999, 2000 and 2001.

3. Investment in leases (continued):

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

	Operating Leases	Direct Financing Leases	Total
Six months ending December 31, 2002	$ 15,406,183	$ 1,354,557	$ 16,760,740
Year ending December 31, 2003	25,176,885	2,509,590	27,686,475
2004	15,717,941	2,063,877	17,781,818
2005	11,389,500	1,976,473	13,365,973
2006	7,222,444	1,422,073	8,644,517
Thereafter	9,209,493	342,429	9,551,922
	$ 84,122,446	$ 9,668,999	$ 93,791,445

4. Non-recourse debt:

At June 30, 2002, 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 rates from 7.98% to 10.0%. The notes are secured by assignments of lease payments and pledges of assets. The notes mature from 2002 through 2006.

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

	Principal	Interest	Total
Six months ending December 31, 2002	$ 159,860	$ 254,452	$ 414,312
Year ending December 31, 2003	397,915	486,617	884,532
2004	4,425,556	170,437	4,595,993
2005	418,256	77,737	495,993
2006	461,129	34,866	495,995
Thereafter	$ 5,862,716	$ 1,024,109	$ 6,886,825

5. Other long-term debt:

In 1999, the Company entered into a $70 million receivables funding program (the Program) (which was subsequently increased to $125 million) with a receivables financing company that issues commercial paper rated A1 by Standard and Poors and P1 by Moody's Investor Services. Under the Program, the receivables financing company receives a general lien against all of the otherwise unencumbered assets of the Company. The Program provides for borrowing at a variable interest rate (1.8539% at June 30, 2002). As of June 30, 2002, the program has been closed as to additional borrowings.

The Program requires the Managing Member to enter into various interest rate swaps with a financial institution (also rated A1/P1) to manage interest rate exposure associated with variable rate obligations under the Program by effectively converting the variable rate debt to fixed rates. As of June 30, 2002, the Company receives or pays interest on a notional principal of $74,563,000, based on the difference between nominal rates ranging from 3.60% to 7.72% and the variable rate under the Program. No actual borrowing or lending is involved. The last of the swaps terminates in 2009. 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.

Borrowings under the Program are as follows:

Date Borrowed	Original Amount Borrowed	Balance June 30, 2002	Rate on Interest Swap Agreement
11/11/99	$ 20,000,000	$ 7,972,000	6.840%
12/21/99	20,000,000	15,735,000	7.410%
12/24/99	25,000,000	11,587,000	7.440%
4/17/00	6,500,000	4,337,000	7.450%
4/28/00	1,900,000	864,000	7.720%
8/3/00	19,000,000	13,642,000	7.500%
10/31/00	7,500,000	5,194,000	7.130%
1/29/01	8,000,000	5,852,000	5.910%
6/1/01	2,000,000	1,185,000	5.040%
9/1/01	9,000,000	4,750,000	4.350%
1/31/02	3,900,000	3,445,000	3.600%
	$ 122,800,000	$ 74,563,000	

5. Other long-term debt (continued):

Other long-term debt borrowings mature from 2004 through 2009. Future minimum principal payments of long-term debt are as follows:

	Principal	Interest	Total	Rates on Interest Swap Agreements*
Six months ending December 31, 2002	$ 11,681,000	$ 2,383,653	$ 14,064,653	6.848% - 6.862%
Year ending December 31, 2003	21,043,000	3,636,621	24,679,621	6.865% - 6.901%
2004	15,092,000	2,394,241	17,486,241	6.896% - 6.962%
2005	11,351,000	1,507,894	12,858,894	6.985% - 7.137%
2006	6,950,000	884,435	7,834,435	7.172% - 7.203%
2007	4,701,000	439,685	5,140,685	6.896% - 7.028%
2008	3,025,000	169,486	3,194,486	6.214% - 6.887%
2009	720,000	9,149	729,149	5.042% - 5.068%
	$ 74,563,000	$ 11,425,164	$ 85,988,164	

* Represents the range of monthly weighted average fixed interest rates paid for amounts maturing in the particular year. The receive-variable rate portion of the swap represents commercial paper rates (1.8539% at June 30, 2002).

6. Related party transactions:

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

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

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

6. Related party transactions (continued):

The Managing Member and/or Affiliates earned fees, commissions and reimbursements, pursuant to the Limited Liability Company Agreement during the six month periods ended June 30, 2002 and 2001 as follows:

	2002	2001
Asset management fees to Managing Member	$ 770,623	$ 1,009,978
Administrative costs reimbursed to Managing Member	757,879	526,265
Selling commissions (equal to 9.5% of the selling price of the Limited Liability Company units, deducted from Other Members' capital)	-	3,855,618
Reimbursement of other syndication costs to Managing Member	-	1,957,345
	$ 1,528,502	$ 7,349,206

7. Member's capital:

As of June 30, 2002, 13,570,188 Units ($135,701,880) were issued and outstanding. The Company's registration statement with the Securities and Exchange Commission became effective December 7, 1998. The offering was concluded on November 30, 2000. The Company is authorized to issue up to 15,000,050 Units, including the 50 Units issued to the initial members.

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

8. Line of credit:

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

Amount borrowed by the fund under the acquisition facility	$ 4,000,000
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	19,000,000
Total borrowings under the acquisition facility	23,000,000
Amounts borrowed by the Managing Member and its sister corporation under the warehouse facility	-
Total outstanding balance	$ 23,000,000

Total available under the line of credit	$ 43,654,928
Total outstanding balance	(23,000,000)
Remaining availability	$ 20,654,928

8. Line of credit (continued):

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

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

9. Commitments:

As of June 30, 2002, the Company had no outstanding commitments to purchase lease equipment.

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

Capital Resources and Liquidity

During the first half of 2002 and 2001, the Company's primary activity was engaging in equipment leasing activities.

During 2002 and 2001, the Company's primary source of liquidity was rents from operating leases. The liquidity of the Company will vary in the future, increasing to the extent cash flows from leases exceed expenses, and decreasing as lease assets are acquired, as distributions are made to the members and to the extent expenses exceed cash flows from leases.

As another source of liquidity, the Company has 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 the Managing Member's success in re-leasing or selling the equipment as it comes off lease.

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Amount borrowed by the fund under the acquisition facility	$ 4,000,000
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	19,000,000
Total borrowings under the acquisition facility	23,000,000
Amounts borrowed by the Managing Member and its sister corporation under the warehouse facility	-
Total outstanding balance	$ 23,000,000
Total available under the line of credit	$ 43,654,928
Total outstanding balance	(23,000,000)
Remaining availability	$ 20,654,928

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

The 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 obligations, including debt service (both principal and interest), the payment of management and acquisition fees to the Managing Member and providing for cash distributions to the members.

The Company currently has available adequate reserves to meet contingencies, 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. The Managing Member envisions no such requirements for operating purposes.

No commitments of capital have been or are expected to be made other than for the acquisition of additional equipment. There were no such commitments as of June 30, 2002.

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

Cash Flows

During the first half of 2002 and 2001, the Company's primary source of liquidity was operating lease rents.

Sources of cash flows from operating activities consisted primarily of operating lease revenues in both years.

Rents from direct financing leases were the most significant source of cash from investing activities in 2002. In 2001, the most significant source of cash flows from investing activities was proceeds from the sales of lease assets. Uses of cash for investing activities consisted of cash used to purchase operating and direct financing lease assets and payment of initial direct costs related to lease asset purchases. No cash was used in investing activities in 2002.

In 2002 and 2001, sources of cash from financing activities consisted of borrowings on the line of credit and proceeds of long-term debt. Financing uses of cash included repayments of long-tern debt, repayments of non-recourse debt, repayments of borrowings under the line of credit and distributions to the members.

Results of operations

In 2002, operations resulted in a net loss of $445,007 for the six month period and a net loss of $365,999 for the three month period. In 2001, operations resulted in net income of $3,214,274 for the first half of the year and a net loss of $1,010,900 for the second quarter. The Company's primary source of revenues is from operating leases. In future periods, operating leases are also expected to be the most significant source of revenues. Depreciation is related to operating lease assets and thus, to operating lease revenues. It is expected to decrease in future periods as leases mature and lease assets are sold.

Asset management fees are based on the gross lease rents of the Company plus proceeds from the sales of lease assets. They are limited to certain percentages of lease rents, distributions to members and certain other items. As lease assets are sold and as revenues decline, these fees are expected to decrease.

Interest expense has decreased compared to 2001 due to debt repayments over the last year.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Emery Worldwide Airways, Inc.:

On January 25, 2002, the Company filed a complaint against its lessee, Emery Worldwide Airways, Inc., for failure by the lessee to properly maintain the condition and airworthiness of the aircraft on lease to the lessee, and for certain other breaches and defaults by the lessee as alleged in the complaint. The Company has claimed stipulated loss value damages in the amount of $5,648,173 as a result of the breaches and defaults under the lease by the lessee. A motion for summary judgment on the Company's claims was heard towards the end of May, 2002. As this matter is in its early stages, the outcome of the Company's claim is uncertain, although the Manager believes that currently there is a substantial likelihood of success in this matter.

Burlington Northern Santa Fe Corporation:

This complaint was filed for the recovery of $300,000 in damages for the "Agreed Value" of a destroyed locomotive. The Company feels that it has a reasonable basis for success in this matter.

Item 2. Changes In Securities.

Inapplicable.

Item 3. Defaults Upon Senior Securities.

Inapplicable.

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

Inapplicable.

Item 5. Other Information.

Inapplicable.

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

(a) Documents filed as a part of this report

1. Financial Statements

   Included in Part I of this report:

   Balance Sheets, June 30, 2002 and December 31, 2001.

   Statements of operations for the six and three month periods ended June 30, 2002 and 2001.

   Statement of changes in partners' capital for the six month period ended June 30, 2002.

   Statements of cash flows for the six and three month periods ended June 30, 2002 and 2001.

   Notes to the Financial Statements

2. Financial Statement Schedules

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

(b) Report on Form 8-K

   None

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

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

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

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

/s/ DEAN L. CASH
Dean L. Cash
President and Chief Executive
Officer of Managing Member
August 14, 2002

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

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

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

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

/s/ PARITOSH K. CHOKSI
Paritosh K. Choksi
Executive Vice President of Managing
Member, Principal financial officer of registrant
August 14, 2002

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:
August 14, 2002

ATEL CAPITAL EQUIPMENT FUND VIII, LLC
(Registrant)

By: ATEL Financial Services, LLC
Managing Member of Registrant

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

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

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