

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended September 30, 2009

OR

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 000-499-68*  
COMDISCO HOLDING COMPANY, INC.  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	54-2066534 (I.R.S. employer identification no.)
5600 North River Road Rosemont, Illinois (Address of principal executive offices)	60018 (Zip code)

Registrant's telephone number, including area code: (847) 698-3000

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
N/A	N/A

Securities registered pursuant to Section 12(g) of the Act:  
Title of Each Class

Common Stock, par value \$0.01 per share  
Contingent Distribution Rights

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by 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 has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T

(§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [ ] No [ ]

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer [ ] Accelerated filer [ ]  
Non-accelerated filer [ ] (Do not check if a smaller reporting company) Smaller reporting company [X]

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

The aggregate market value of common stock held by non-affiliates of the registrant was approximately \$5,000,000 based on its closing price per share of \$7.10 on March 31, 2009. On March 31, 2009, there were 4,029,055 shares of common stock outstanding. No officer or director beneficially held shares of the Company's Common Stock as of December 1, 2009. Shareholders who owned 5 percent or more of the outstanding common stock at that time have been excluded in that such persons may be deemed affiliates. The determination of affiliate status is not necessarily a conclusive determination for other purposes.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

<u>Title of Each Class</u>	<u>Number of Shares Outstanding at December 1, 2009</u>
Common Stock, par value \$0.01 per share	4,029,055

DOCUMENTS INCORPORATED BY REFERENCE: NONE

**COMDISCO HOLDING COMPANY, INC.**  
**2009 ANNUAL REPORT ON FORM 10-K**  
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## 2009 ANNUAL REPORT ON FORM 10-K

### PART I

#### Disclosure Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains, and our periodic filings with the Securities and Exchange Commission (the "SEC") and written and oral statements made by the Company's sole officer and director to press, potential investors, securities analysts and others, will contain, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), and the Company intends that such forward-looking statements be subject to the safe harbors created thereby. These forward-looking statements are not historical facts, but rather are predictions and generally can be identified by use of statements that include phrases such as "believe," "expect," "anticipate," "estimate," "intend," "plan," "foresee," "looking ahead," "is confident," "should be," "will," "predicted," "likely" or other words or phrases of similar import. Similarly, statements that describe or contain information related to matters such as our intent, belief, or expectation with respect to financial performance, claims resolution under the Plan (as defined below), cash availability and cost-cutting measures are forward-looking statements. These forward-looking statements often reflect a number of assumptions and involve known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from those currently anticipated in these forward-looking statements. In light of these risks and uncertainties, the forward-looking events might or might not occur, which may affect the accuracy of forward-looking statements and cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements.

Important factors that could cause actual results to differ materially from those suggested by these written or oral forward-looking statements, and could adversely affect our future financial performance, include the risk factors discussed in Item 1A. "Risk Factors". Many of the risk factors that could affect the results of the Company's operations are beyond our ability to control or predict.

#### Available Information

The Company's website address is [www.comdisco.com](http://www.comdisco.com). The Company makes available through its website its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports, as soon as reasonably practicable after such material is electronically filed with the SEC. The Company also makes available through the website its press releases, the Code of Conduct Applicable to its Chief Executive Officer and Authorized Representatives, the Employee Code of Conduct, the Audit Committee Charter, the Disclosure Controls Committee Charter and the Compensation Committee Charter, as well as contact information for the Audit Committee. Information contained on the Company's website is not intended to be part of this Annual Report on Form 10-K.

#### ITEM 1. BUSINESS

THE COMPANY EMERGED FROM CHAPTER 11 BANKRUPTCY PROCEEDINGS ON AUGUST 12, 2002. THE PURPOSE OF THE COMPANY IS TO SELL, COLLECT OR OTHERWISE REDUCE TO MONEY IN AN ORDERLY MANNER THE REMAINING ASSETS OF THE CORPORATION. PURSUANT TO THE COMPANY'S FIRST AMENDED JOINT PLAN OF REORGANIZATION (THE "PLAN") AND RESTRICTIONS CONTAINED IN THE COMPANY'S CERTIFICATE OF INCORPORATION (THE "CERTIFICATE"), THE COMPANY IS SPECIFICALLY PROHIBITED FROM ENGAGING IN ANY BUSINESS ACTIVITIES INCONSISTENT WITH ITS LIMITED BUSINESS PURPOSE. ACCORDINGLY, WITHIN THE NEXT FEW YEARS, IT IS ANTICIPATED THAT THE COMPANY WILL HAVE REDUCED ALL OF ITS ASSETS TO CASH AND MADE DISTRIBUTIONS OF ALL AVAILABLE CASH TO HOLDERS OF ITS COMMON STOCK AND CONTINGENT DISTRIBUTION RIGHTS IN THE MANNER AND PRIORITIES SET FORTH IN THE PLAN. AT THAT POINT, THE COMPANY WILL CEASE OPERATIONS. THE COMPANY FILED ON AUGUST 12, 2004 A CERTIFICATE OF DISSOLUTION WITH THE SECRETARY OF STATE OF THE STATE OF DELAWARE TO FORMALLY EXTINGUISH COMDISCO HOLDING COMPANY, INC.'S CORPORATE EXISTENCE WITH THE STATE OF DELAWARE EXCEPT FOR THE PURPOSE OF COMPLETING THE WIND DOWN CONTEMPLATED BY THE PLAN.

In this report on Form 10-K, references to “the Company,” “Comdisco Holding,” “we,” “us” and “our” mean Comdisco Holding Company, Inc., its consolidated subsidiaries, including Comdisco, Inc., Comdisco Ventures Fund A, LLC (formerly Comdisco Ventures, Inc.) and its predecessors, except in each case where the context indicates otherwise. References to “Comdisco, Inc.” mean Comdisco, Inc. and its subsidiaries, other than the Prism (as defined below) entities, prior to the Company’s emergence from bankruptcy on August 12, 2002, except where the context indicates otherwise.

## **General Development of Business**

Comdisco Holding Company, Inc. was formed on August 8, 2002 for the purpose of selling, collecting or otherwise reducing to money in an orderly manner the remaining assets of the Company and all of its direct and indirect subsidiaries, including Comdisco, Inc. The Company’s business purpose is limited to the orderly sale or run-off of all its remaining assets. Pursuant to the Plan and restrictions contained in its Certificate, the Company is specifically prohibited from engaging in any business activities inconsistent with its limited business purpose.

Since emerging from bankruptcy proceedings on August 12, 2002, the Company has, pursuant to the Plan, focused on the monetization of its remaining assets. The Company expects total revenue and net cash provided by operating activities to continue to decrease until the wind down of its operations is completed; however the Company cannot accurately predict the actual net amount to be realized, or the timing of such realization, from the continued monetization of its assets. Therefore, comparisons of quarter-to-quarter or year-to-year results of operations should not be relied upon as an indication of the Company’s future performance.

The Company has reduced, and expects to continue to reduce, the size and complexity of its organizational and systems infrastructure concurrently with the monetization of its assets. As of December 1, 2009, the Company had a total of five employees (two full-time and three part-time), a decrease of approximately 99 percent from approximately 600 employees upon emergence from bankruptcy proceedings on August 12, 2002. Approximately eight former employees continue to periodically assist the Company on a consulting basis.

During 2008, the Company received permission to begin the process of abandoning and destroying certain of its stored paper and electronic records for periods prior to January 1, 1997. As of the date of this filing, the Company destroyed substantially all of those records.

On August 12, 2004, Randolph I. Thornton’s appointment as Initial Disbursing Agent became effective. As Initial Disbursing Agent, Mr. Thornton performs the roles and responsibilities of the Board of Directors and officers of the Company, including all measures that are necessary to complete the administration of the reorganized debtors’ Plan and Chapter 11 cases. Mr. Thornton serves as Chief Executive Officer, President and Secretary and is the sole director and executive officer of the Company.

## **Reorganized Corporate History**

On July 16, 2001, Comdisco, Inc. and fifty of its domestic subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy court for the Northern District of Illinois Eastern Division (the “Bankruptcy court”) (consolidated case number 01-24795). Comdisco Holding Company, Inc., as the successor company to Comdisco, Inc., emerged from bankruptcy under the Plan that became effective on August 12, 2002. Prior to the effective date of the Plan, Comdisco, Inc. formed Comdisco Holding Company, Inc., a Delaware corporation (the “Company” or “Comdisco Holding”). Comdisco, Inc. emerged as a wholly-owned subsidiary of Comdisco Holding. As a result, Comdisco Holding became the successor to Comdisco, Inc. A copy of the Plan for Comdisco, Inc., as well as other information related to distributions of cash and securities pursuant to the Plan can be found in a Current Report on Form 8-K filed on August 9, 2002 with the SEC by Comdisco, Inc. A copy of the Plan was filed as an exhibit thereto.

Prior to the bankruptcy, Comdisco, Inc. provided technology services worldwide to help its customers maximize technology functionality, predictability and availability, while freeing them from the complexity of managing their technology. Comdisco, Inc. leased information technology equipment to a variety of industries and more specialized equipment to key vertical industries, including semiconductor manufacturing and electronic

assembly, healthcare, telecommunications, pharmaceutical, biotechnology and manufacturing. Through its Ventures group (as defined below), Comdisco, Inc. provided equipment leasing and other financing and services to venture capital-backed companies.

Implementation of the Plan resulted in the reorganization of Comdisco, Inc. and its domestic and foreign subsidiaries into Comdisco Holding and three new primary subsidiaries: (i) Comdisco Global Holding Company, Inc. (dissolved on September 27, 2004), which managed the sale and run-off of the Company's reorganized European IT Leasing operations and assets; (ii) Comdisco, Inc., which managed the sale and run-off of the Company's reorganized US Leasing operations and assets; and (iii) Comdisco Ventures, Inc. (renamed Comdisco Ventures Fund A LLC), which managed the sale and run-off of the Company's venture financing operations and assets ("Ventures"). The Company's Corporate Asset Management, or CAM, group was responsible for the sale and run-off of certain corporate and leasing assets that remained after certain pre-emergence bankruptcy asset sales. The CAM group's operations were managed through Comdisco, Inc.

Implementation of the Plan also resulted in the reorganization of Prism Communication Services, Inc. and its subsidiaries ("Prism"); as a consequence, Prism became a direct wholly-owned subsidiary of Comdisco Domestic Holding Company, Inc., which was itself a direct wholly-owned subsidiary of Comdisco, Inc. The assets of the Prism entities have been liquidated and the proceeds realized from such liquidation were distributed to creditors of Prism in accordance with the Plan. The Prism estates were closed by order of the Bankruptcy court on February 26, 2004.

### **General Terms of the Plan of Reorganization**

As more fully described in the Plan, the Company's business purpose is limited to the orderly sale or run-off of all of its remaining assets. Pursuant to the Plan and restrictions contained in its Certificate, the Company is specifically prohibited from engaging in any business activities inconsistent with its limited business purpose.

In very general terms, the Plan contemplated six different classes of claims against the Comdisco, Inc. bankruptcy estate:

- "Class C-1" Claims. This class was comprised of secured claims against Comdisco, Inc.
- "Class C-2" Claims. This class was comprised of certain priority claims against Comdisco, Inc., but did not include Administrative Claims or Priority Tax Claims (as each were defined in the Plan) although such claims had the same priority as Class C-2 Claims.
- "Class C-3" Claims. This class was comprised of general unsecured convenience claims against Comdisco, Inc. that were \$15,000 or less and claims in excess of \$15,000, but whose holder elected to reduce his or her claims to \$15,000 in the aggregate and have the reduced single claim reclassified as a general unsecured convenience claim.
- "Class C-4" Claims. The largest class of claims against the Comdisco, Inc. bankruptcy estate, this class was comprised of general unsecured claims other than Class C-3 Claims and includes holders of Comdisco, Inc. notes, bonds, credit lines and other trade debt (the "C-4 creditors").
- "Class C-5A" Claims. This class was comprised of equity claims, consisting of holders of shares of Comdisco, Inc. common stock and other "Interests" as defined in the Plan. All shares of common stock of Comdisco, Inc. were cancelled on August 12, 2002 in accordance with the Plan.
- "Class C-5B" Claims. This class was comprised of subordinated claims against Comdisco, Inc.

The Plan provided that holders of allowed Class C-1 Claims, allowed Class C-2 Claims, Administrative Claims and Priority Tax Claims were unimpaired. Class C-1 Claims primarily related to discounted lease rentals where the Company generated cash proceeds by selling the future rental payments for specific domestic lease contracts on a non-recourse basis.

On August 12, 2002, pursuant to the Plan, the Company, along with its direct wholly-owned subsidiary, Comdisco, Inc., co-issued variable rate senior secured notes due 2004 (the “Senior Notes”) in the principal amount of \$400 million and 11 percent subordinated secured notes due 2005 (the “Subordinated Notes”) in the principal amount of \$650 million. Further, on September 30, 2002, the Company issued 4.2 million shares of common stock, \$0.01 par value per share (the “Common Stock”).

On September 30, 2002, the Company made an initial distribution to holders of allowed Class C-4 Claims based upon an aggregate allowed amount of approximately \$3.628 billion. Allowed Claims for creditors in Class C-4 received a pro rata distribution comprised of cash, Senior Notes, Subordinated Notes, new Common Stock of the Company and rights to the Trust Assets (as defined below).

Allowed Claims for Class C-5A received contingent distribution rights (“CDRs”) that entitle holders to share at increasing percentages in the proceeds realized from the monetization of the Company’s assets based upon the present value of distributions made to the C-4 creditors in the bankruptcy estate of Comdisco, Inc. Pursuant to a Bankruptcy court order dated March 27, 2003, approximately 4,388,000 CDRs were held by the Company’s transfer agent and any distributions relating to these rights are held by the estate of Comdisco, pending resolution of the Class C-5A Claims related to the shares purchased pursuant to Comdisco, Inc.’s Shared Investment Plan (“SIP”). Approximately 2,176,000 of the aforementioned CDRs related to Class C-5A have been assigned to the Litigation Trust (as defined in the Plan) in conjunction with settlements reached between the litigation trustee and some of the senior managers who participated in the SIP (the “SIP Participants”) or turned over to the litigation trustee according to an order entered by a Federal Court authorizing turnover of CDR assets. Approximately 480,000 CDRs were assigned to individuals or other trustees. Additionally, 92,000 CDRs related to Class C-5A Claims have been cancelled during the bankruptcy by the Company. The balance of approximately 1,640,000 CDRs are currently being held by the Company’s transfer agent and any distributions relating to these rights are being held by the estate of Comdisco.

There were no Class C-5B Claims allowed, therefore CDRs related to such C-5B Claims were cancelled on August 14, 2008 and the funds held for those CDRs were reallocated to holders of CDRs related to Class C-5A Claims. The 3,732,000 CDRs related to Class C-5B Claims were cancelled by the Company. As of September 30, 2008, the Company revised certain estimates utilized in estimating the CDR liability as a result of significant events and the resolution of various matters that occurred in the fourth quarter of fiscal year ended 2008. Those events included: (i) the summary judgments in favor of the Litigation Trust against certain SIP Participants received on September 24, 2008, (ii) the distribution of the final Allowed Claim on July 10, 2008, (iii) the withdrawal or dismissal of all remaining claims in the fourth quarter of the fiscal year 2008, (iv) the closure of the Disputed Claims Reserve and the final supplemental distribution from the Disputed Claims Reserve on August 14, 2008, and (v) the cancellation of the Class C-5B shares in the Disputed Interests Reserve and the reallocation of the cash balances relating to those shares to the remaining CDR holders of record on September 25, 2008. As a result of those significant events that occurred in the fiscal quarter ended September 30, 2008 and as a result of other facts and circumstances, the Company believed it was also better able to estimate certain future cash flows in excess of book value that were previously not considered estimable. However, due to the volatility in the markets for equity, the Company has not included its fair value estimates in determining the CDR liability.

Since September 30, 2008, the Company has estimated, and will continue to estimate, the CDR liability based on the net equity of the Company after taking into consideration future operating costs and expenses, and other expected cash inflows in excess of book value, including estimated future interest income, estimated recoveries and any potential net distributions from the Litigation Trust which are currently estimated to be nominal. See the risk factors discussed in Item 1A. “Risk Factors”, particularly the risks entitled “Uncertainties Inherent in the CDR Liability Calculation” and “Uncertainties Inherent in the Determination of Fair Market Value of the Remaining Portfolio.”

Information on the CDRs can be found in a Registration Statement on Form 8-A filed by the Company on August 12, 2002 with the SEC and in the section entitled “Contingent Distribution Rights” in Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Approximately \$1.347 billion of outstanding claims as of the initial distribution were Disputed Claims. Pursuant to the Plan, the Company established a reserve for Disputed Claims in the amount of \$450 million (the

“Disputed Claims Reserve”) which was funded based upon a Bankruptcy court order granting authority to Comdisco, Inc. to estimate certain claims. The Disputed Claims Reserve was established to fund a claim once the claim was deemed an Allowed Claim so long as funds were available in the Disputed Claims Reserve. As all Disputed Claims were resolved as of August 14, 2008, the Company closed the Disputed Claims Reserve and distributed the remaining balance of funds and shares in accordance with the Plan.

Historically, payments and distributions from the Disputed Claims Reserve were made as appropriate to the holder of any Disputed Claim that had become an Allowed Claim, on the next Quarterly Distribution Date (as defined in the Plan) after the date the Disputed Claim had become an Allowed Claim. Such distributions were based upon the cumulative distributions that would have been made to the holder of such a claim under the Plan if the Disputed Claim had been allowed on the Effective Date (as defined in the Plan) and were not limited by the Disputed Claim amounts previously reserved with respect to such Disputed Claim to the extent that additional amounts were available in the Disputed Claims Reserve. On each Quarterly Distribution Date, the Disputed Claims Reserve was reduced by an amount equal to the amount reserved with respect to each Disputed Claims that had been resolved during the period.

**SIP Bankruptcy Claims:** In February 1998, pursuant to the SIP, the SIP Participants took out full recourse, personal loans to purchase approximately six million shares of Comdisco, Inc.’s common stock. In connection therewith, Comdisco, Inc. executed a guaranty dated February 2, 1998 (the “Guaranty”) providing a guaranty of the loans in the event of default by the SIP Participants to the lenders under the SIP (the “SIP Lenders”). On November 29, 2001, the SIP Lenders filed a master proof of claim in the Comdisco, Inc. bankruptcy in the amount of \$133 million (“SIP Guaranty Claim”). The Company and the SIP Lenders subsequently reached a settlement that was approved by the Bankruptcy court on December 9, 2004. Proofs of Claim were filed by forty-eight of the SIP Participants in the bankruptcy estate of Comdisco, Inc. The Company objected to such Proofs of Claim. All SIP Participants (or their respective bankruptcy trustees) who filed Proofs of Claims have withdrawn such claims and/or the claims have been dismissed by the Bankruptcy court.

**Litigation Trust:** The Plan provided that, under certain circumstances, subrogation rights that the Company may have against the SIP Participants who participated in the SIP be placed in a trust for the benefit of C-4 creditors (the “Trust Assets”). Under the Plan the Litigation Trust is solely responsible for collection of amounts due on the promissory notes of the SIP Participants who did not take advantage of the SIP Relief (as defined in the Plan). The Company has a limited indemnification obligation to the litigation trustee under the Litigation Trust agreement.

The Litigation Trust has commenced both state and federal lawsuits to collect on such SIP Participants’ promissory notes. Six of the sixty-seven SIP Participants filed personal bankruptcy.

On September 24, 2008, a federal district court judge entered summary judgments against twenty-seven of the SIP Participants on their respective SIP Note obligations and the Litigation Trust has commenced collection actions against them. The SIP Participants have filed appeals on those judgments. The federal district court judge has entered orders in the federal cases ordering that certain CDRs and related proceeds held by the estate of Comdisco, Inc. and BNY Mellon (holder of CDRs) on behalf of those SIP Participants be turned over to the Litigation Trust. Pursuant to these orders, the Company has turned over CDRs and related proceeds and will continue to do so if additional orders are entered.

As of November 11, 2009, twelve of these twenty-seven SIP participants have settled their respective judgments with the Litigation Trust which is also in ongoing settlement discussions with some of the state and other federal SIP participants.

Additionally, the Litigation Trust has filed summary judgments against twenty-five SIP participants who are defendants in the pending state court actions. One state SIP Participant has settled.

Please refer to the quarterly reports filed by the Litigation Trust in the bankruptcy court for more details. Any proceeds collected by the Litigation Trust, net of expenses, will be considered Trust Assets and distributed in accordance with the Plan and litigation trust agreement.

SIP Joinder Action: As reported at Item 3. Legal Proceedings, On January 27, 2006, certain of the SIP participants filed a joint action in the Circuit Court of Cook County, Illinois, County Department, Law Division, Case Number 2006L001006 and captioned Bryant Collins, et al v. Nicholas Pontikes, et al. against certain directors of the former Comdisco, Inc. During the quarter ended September 30, 2009, a settlement was reached in the action. All settlement documents have been executed, and a Stipulation and Agreed Order of Voluntary Dismissal With Prejudice was entered by the court on October 28, 2009. The nominal settlement amount was paid by the former Comdisco, Inc.'s directors and officer's insurance policy coverage. See Recent Developments "SIP Joinder Action."

### **Changes in Governance**

On April 15, 2004, the Bankruptcy court entered an order (the "Order") granting the motion (the "Motion") that was filed on February 17, 2004 by the Company in furtherance of the Plan. A copy of the Motion was furnished to the SEC on a Form 8-K pursuant to Item 9 on February 18, 2004. The Company also included a copy of the Motion in its Report to Stakeholders, dated March 2, 2004, that was distributed to holders of the Company's common stock, CDRs, and Disputed Claims remaining in the bankruptcy and also certain other interested parties.

Pursuant to and in furtherance of the Order, on August 12, 2004, the following occurred: The officers of the Company resigned their respective officer positions; the Board of Directors appointed Randolph I. Thornton, as Chief Executive Officer, President and Secretary of Comdisco Holding Company, Inc.; the Company filed a Certificate of Amendment to its Certificate with the State of Delaware amending the Certificate to provide for a Board of Directors consisting of one member; four of the five individuals serving on the Board of Directors resigned their position as Directors (Randolph I. Thornton did not resign and continues as the sole director); and Randolph I. Thornton's appointment as Initial Disbursing Agent became effective. As Initial Disbursing Agent, Mr. Thornton assumed the roles and responsibilities performed by the former Board of Directors and officers of the Company, including all measures which are necessary to complete the administration of the reorganized debtors' Plan and Chapter 11 cases.

On May 1, 2008, Randolph I. Thornton appointed the following employees, Robert E. T. Lackey, Deborah L. Dompke, Susan Long, Mary Ann Bolster and Michael J. Salerno, as Authorized Representatives of the Company. These individuals derive their authority from Mr. Thornton as sole director and officer of the Company and report directly to him. Approximately eight former employees continue to periodically assist the Company on a consulting basis.

### **Filing of Certificate of Dissolution**

Pursuant to and in furtherance of the Order, the Company filed on August 12, 2004 a Certificate of Dissolution with the Secretary of State of the State of Delaware to formally extinguish Comdisco Holding Company, Inc.'s corporate existence with the State of Delaware except for the purpose of completing the wind down contemplated by the Plan.

## **Narrative Description of Business**

### **General**

Since the Company emerged from Chapter 11 bankruptcy proceedings on August 12, 2002, the Company's business activities have been limited to the orderly sale or run-off of all its existing asset portfolios. Pursuant to the Plan and restrictions contained in its Certificate, the Company is specifically prohibited from engaging in any business activities inconsistent with its limited business purpose. Since emerging from bankruptcy, the Company has not engaged in any new leasing or financing activities, except for previously existing customer commitments and to restructure existing equipment leases and loans to maximize the value of the Company's assets.

### **Principal Business Location**

The Company's operations are primarily conducted through its principal office in Rosemont, Illinois which occupies leased short-term furnished executive office space.

### **Customers and Competition**

Due to the Company's limited business purpose, the Company does not expect to be dependent upon a single customer or group of customers to generate future investment or revenue opportunities. In addition, the Company's reorganization plan specifically prohibits the Company from engaging in any business activities inconsistent with its limited business purpose.

### **Employees**

On September 30, 2009, the Company had five U.S. employees (two full-time and three part-time). No employees are represented by a labor union. The Company anticipates further reductions in its workforce as the wind down continues. Approximately eight former employees continue to periodically assist the Company on a consulting basis.

### **Other**

The Company does not own any patents, trademarks, licenses, franchises or concessions that it considers to be material to the Company's business.

The Company's business is not seasonal; however, quarter-to-quarter results from operations can vary significantly.

On September 9, 2009, the Company closed the estate of Comdisco Investment Group, Inc. On September 11, 2009, in order to facilitate the wind down of the Company's foreign subsidiaries, the Company acquired all of the outstanding shares of Equiplease Limited ("Equiplease").

### **Financial Information about Geographic Areas**

See Note 10 of Notes to Consolidated Financial Statements, which is incorporated in this section by reference, for information about foreign and domestic operations.

## **ITEM 1A. RISK FACTORS**

The following risk factors and other information included in this Annual Report on Form 10-K should be carefully considered. The risks and uncertainties described below are not the only ones the Company confronts. Additional risks and uncertainties not presently known to it or that it currently deems immaterial also may impair the Company's business operations and the implementation of the Plan. If any of the following risks actually occurs, the Company's business, financial condition, operating results and the implementation of the Plan could be materially adversely affected.

### **Uncertainties Relating to the Bankruptcy Plan and the Limited Business Plan**

The Company has incurred and will continue to incur significant costs associated with the administration of the estate of Comdisco, Inc. and in completing the wind down of operations. The amount of these costs, which are being expensed as incurred, are expected to have a significant adverse affect on the results of operations and on the Company's cash position.

The Company's post-bankruptcy business plan is limited to an orderly run-off or sale of its remaining assets. Pursuant to the Plan and restrictions contained in its Certificate, the Company is specifically prohibited from

engaging in any business activities inconsistent with its limited business plan. This business plan is based on numerous assumptions including the anticipated future performance of the Company in running off its operations, the time frame for the run-off, general business and economic conditions, and other matters, many of which are beyond the control of the Company and some of which may not materialize. As a result, the Company's ability to effectively complete this business plan is inherently uncertain. In addition, unanticipated events and circumstances occurring subsequent to the date of this Annual Report may affect the actual financial results of the Company's operations.

### **Uncertainties Relating to the Wind Down of Operations**

The Company has reduced the size and complexity of its organizational and systems infrastructure concurrently with the monetization of its assets. The success of the Company's continuing wind down of operations and implementation of an Order entered by the Bankruptcy court authorizing the organizational systems infrastructure wind down is dependent on numerous factors, including the timing and amount of cash received from the monetization of its assets, the ability of the Disbursing Agent to fulfill the positions of the previous Board of Directors and executive officers and the ability of the Company to effectively consolidate its management structure and maintain its operations with limited personnel.

### **Impact of Recoveries by Litigation Trust on the Company's Obligation To Make Payments in Respect of Contingent Distribution Rights**

As the present value of distributions to certain C-4 creditors have reached the 100% threshold level of percentage recovery established pursuant to the Plan, holders of CDRs are entitled to receive payments from the Company equal to 37% of each dollar available to be distributed to Comdisco stakeholders in accordance with the Plan. All payments by the Company in respect of CDRs are made from the Company's available cash-on-hand and not from funds distributed by the Litigation Trust. The Company expects to maintain cash reserves sufficient to make any required payments pursuant to its CDR liability arising from either the Company's equity or net distributions from the Litigation Trust. Any actual net distributions by the Litigation Trust to the C-4 creditors will increase the Company's liability to CDR holders. As of the date of this filing, a reasonable estimate of future net distributions is not determinable.

### **Uncertainties Inherent in the CDR Liability Calculation**

The CDR liability is management's estimate of the amount of the net equity of the Company to be shared by holders of CDRs at the sharing percentage of 37%. The formula used to calculate the net equity of the Company includes variables (e.g. future operating costs and expenses, estimated future interest income, estimated recoveries, actual asset values realized, currency fluctuations, etc.) which are not under the control of the Company. Such variables are inherently uncertain due to the impact of influences such as time, inflation or deflation, interest rate changes, foreign currency exchange rate changes, third party credit risks, international and domestic events, court or tax rulings contrary to the Company's expectations, and timing and amounts of distributions to C-4 creditors by the Litigation Trust.

### **Uncertainties Inherent in the Determination of Fair Market Value of the Remaining Portfolio**

The determination of the fair value of the remaining portfolio of the Company is management's estimate of such fair value at a moment in time based on information available to management at that time. The estimate of fair value is inherently uncertain due to external factors that could impact the value of assets remaining in the portfolio. Some of the external factors include time, inflation and deflation, changes in interest and foreign currency exchange rates, third party credit risks, domestic and international events, court or tax rulings contrary to the Company's expectations, and liquidation events in the equity portfolio.

### **The Company's Liquidity is Dependent on a Number of Factors**

The Company's liquidity generally depends on cash on hand and cash provided by operating activities. The Company's cash flow from operating activities is dependent on a number of variables, including, but not limited to, market conditions for the sale of equity securities, global economic and political conditions, control of operating costs and expenses and the ability of the Company to dispose or otherwise convert to cash its remaining assets.

### **Market Conditions Have Made It Difficult and May Continue to Make it Difficult for the Company To Timely Realize the Value of its Warrant and Equity Securities (collectively, "Equity Investments")**

Market conditions have adversely affected, and could continue to adversely affect in the future, the opportunities for the acquisition/merger of the Internet-related, communications and other high technology and emerging growth companies that make up the substantial majority of the Company's Equity Investments. Additionally, the public market for high technology and other emerging growth companies is extremely volatile. Such volatility has adversely affected, and could continue to adversely affect, the ability of the Company to realize value from its Equity Investments. Exacerbating these conditions is the fact that some of the Equity Investments held by the Company may be subject to lockup agreements restricting its ability to sell until several months after an initial public offering. Without an available liquidity event, the Company may be unable to sell its Equity Investments. As a result, the Company, or Windspeed on behalf of the Company, may not be able to generate gains or receive proceeds from the sale of Equity Investments and the Company's business and financial results may suffer. Additionally, liquidation preferences may continue to be offered by companies in the Company's portfolio to parties willing to lend to such companies. The liquidation preferences have had, and could continue to have, an adverse impact on the value of the Company's Equity Investments. For those Equity Investments without a public trading market, the realizable value of the Company's Equity Investments could prove to be lower than the carrying value currently reflected in the financial statements.

The estimated fair market value of the Company's equity securities was determined in consultation with Windspeed based on a variety of factors, including, but not limited to, quoted trading levels for publicly-traded securities, last round valuation for privately held securities, industry and company multiples, industry acceptance in the market place, liquidity discounts due to lock ups, estimated revenue, and customer, product and market share growth by the respective companies in the portfolio. Substantially all of these factors are outside the control of the Company and are subject to significant volatility. There can be no assurance that the Company will be able to realize the estimated fair market value. Furthermore, the current estimated fair market value is subject to significant concentration risk, as of September 30, 2009, 96 percent of the estimated fair market value of the entire portfolio is concentrated in ten individual companies and approximately 80 percent of the estimated amount is in three individual companies.

### **Uncertainties in Collections and Recoveries**

The Company believes that its collections and recoveries on accounts previously written off could provide future but diminishing cash flows. The amount and timing of such collections and recoveries are dependent upon many factors including any offsets or counterclaims that may be asserted against the Company and the ability of a former lessee or debtor or its respective estate to pay the claim or any portion thereof. Some of these factors are beyond the control of the Company.

### **The Payment of Dividends and Distributions**

All funds generated from the Company's remaining asset portfolios are required by the Plan to be used to satisfy liabilities of the Company and, to the extent funds are available, to pay dividends on the Company's Common Stock and to make distributions with respect to the CDRs in the manner and priorities set forth in the Plan. Because of the composition and nature of its asset portfolios, the Company expects to generate funds from the sale or run-off of its asset portfolios at a decreasing rate over time. The Company has material restrictions on its ability, and does not expect or intend, to make any significant investments in new or additional assets. Accordingly, the amount of funds potentially available to pay dividends on the Company's Common Stock and to make distributions

with respect to the CDRs is limited to the funds in excess of the Company's liabilities that may be generated from the remaining asset portfolios.

### **The Company Faces a Number of Uncertainties Around the Settlement of Domestic and International Tax Positions.**

The Company continues to wind down its domestic and international operations. Prior to a subsidiary being dissolved, the Company may have to obtain tax clearances at the state level domestically and on an international level in the country in which the subsidiary was incorporated. The Company has estimated the amounts for such tax settlements; however, actual settlements could differ from such estimates and will be reflected as adjustments in future financial statements when probable and estimable. In conjunction with the wind down of its operations, the Company has outsourced the domestic and international tax functions to a third party service provider.

### **Limited Public Market for Common Stock**

There is currently a limited public market for the Company's Common Stock. Holders of the Company's Common Stock may, therefore, have difficulty selling their Common Stock, should they decide to do so. In addition, there can be no assurances that such markets will continue or that any shares of Common Stock which may be purchased may be sold without incurring a loss. Any such market price of the Common Stock may not necessarily bear any relationship to the Company's book value, assets, past operating results, financial condition or any other established criteria of value, and may not be indicative of the market price for the Common Stock in the future. Further, the market price of the Common Stock may be volatile depending on a number of factors, including the status of the Company's business performance, its limited business purpose, industry dynamics, news announcements or changes in general economic conditions.

### **Limited Public Market for Contingent Distribution Rights**

There is currently a limited public market for the Company's CDRs. Holders of the Company's CDRs may, therefore, have difficulty selling their CDRs, should they decide to do so. In addition, there can be no assurances that such markets will continue or that any CDRs which may be purchased may be sold without incurring a loss. Any such market price of the CDRs may not necessarily bear any relationship to the Company's book value, assets, past operating results, financial condition or any other established criteria of value, and may not be indicative of the market price for the CDRs in the future. Further, the market price of the CDRs may be volatile depending on a number of factors, including the status of the Company's business performance, industry dynamics, news announcements or changes in general economic conditions.

### **Impact of Interest Rates and Foreign Exchanges Rates**

Increases in interest rates could impact the value of certain of the Company's assets and a strengthening of the US dollar could impact the value of the Company's remaining net foreign assets consisting primarily of tax receivables and tax liabilities, a bank guarantee in the Netherlands and recoveries on two former lease receivables in Europe.

## **ITEM 1B. UNRESOLVED STAFF COMMENTS**

Not applicable.

## **ITEM 2. PROPERTIES**

Since October 31, 2004, the Company has leased short-term furnished executive office space for all of its operations at 5600 N. River Road in Rosemont, Illinois. The terms of its rental agreement provide the Company with the ability to match its actual leased space with its declining space requirements. The Company does not own any property.

### **ITEM 3. LEGAL PROCEEDINGS**

#### **Bankruptcy Proceeding**

The Company continues to appear before the Bankruptcy court from time to time to clarify and administer Plan matters and the wind down of the operations of the Company.

#### **SIP Joinder Action**

On January 27, 2006, certain of the SIP participants filed a joint action in the Circuit Court of Cook County, Illinois, County Department, Law Division, Case Number 2006L001006 and captioned Bryant Collins, et al v. Nicholas Pontikes, et al. against certain directors of the former Comdisco, Inc. During the quarter ended September 30, 2009, a settlement was reached in the action. All settlement documents have been executed, and a Stipulation and Agreed Order of Voluntary Dismissal With Prejudice was entered by the court on October 28, 2009. The nominal settlement amount was paid by the former Comdisco, Inc.'s directors and officer's insurance policy coverage.

#### **Litigation Trust Termination Motion**

On March 16, 2006, a motion was filed in the Bankruptcy court for the Northern District of Illinois on behalf of certain SIP Participants who had filed proofs of claim in the Comdisco, Inc. bankruptcy ("SIP Claimants"). The motion sought an order from the Bankruptcy court terminating the Litigation Trust. On July 20, 2006, the Bankruptcy court judge denied the motion of the SIP Claimants. On August 18, 2006, the SIP Claimants appealed the Bankruptcy court judge's denial of their motion. On January 30, 2007, the federal district court judge affirmed the denial of the motion. The SIP Claimants appealed the denial to the US Circuit Court of Appeals for the 7th Circuit. A mandatory mediation was held on April 20, 2007. The mediation was adjourned and no settlement was achieved by the parties. The parties briefed the appeal and oral arguments were held before the Appellate Court on November 26, 2007. On August 13, 2008, the Appellate Court ruled and dismissed the appeal for want of jurisdiction. As of the date of this filing, there have been no further proceedings on this matter.

#### **Litigation Trust Summary Judgments**

On September 24, 2008, a federal district court judge entered summary judgments against twenty-seven of the SIP Participants on their respective SIP Note obligations and the Litigation Trust has commenced collection actions against them. The SIP Participants have filed appeals on those judgments. The federal district court judge has entered orders in the federal cases ordering that certain CDRs and related proceeds held by the estate of Comdisco, Inc. and BNY Mellon (holder of CDRs) on behalf of those SIP Participants be turned over to the Litigation Trust. Pursuant to these orders, the Company has turned over CDRs and related proceeds and will continue to do so if additional orders are entered.

As of November 11, 2009, twelve of these twenty-seven SIP participants have settled their respective judgments with the Litigation Trust which is also in ongoing settlement discussions with some of the state and other federal SIP participants.

Additionally, the Litigation Trust has filed summary judgments against twenty-five SIP participants who are defendants in the pending state court actions. One state SIP Participant has settled.

Please refer to the quarterly reports filed by the Litigation Trust in the bankruptcy court for more details. Any proceeds collected by the Litigation Trust, net of expenses, will be considered Trust Assets and distributed in accordance with the Plan and litigation trust agreement.

#### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the three months ended September 30, 2009.

#### PART II

#### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

In connection with the September 30, 2002 initial distribution under the Plan, the Company issued approximately 3.74 million shares of Common Stock to holders of Allowed Claims in Class C-4. Also, approximately 460,000 additional shares of Common Stock were deposited in the Disputed Claims Reserve for future distribution pending the outcome of Disputed Claims. The last 1,600 shares in the Disputed Claims Reserve were distributed during two allowed claim distributions on November 14, 2007 and on July 10, 2008 and a final supplemental distribution on August 14, 2008. The Company's Common Stock currently trades on the Over-the-Counter Bulletin Board system under the symbol "CDCO.OB". In addition, the Contingent Distribution Rights currently trade on the Over-the-Counter Bulletin Board system under the symbol "CDCOR.OB". Over-the-Counter Bulletin Board quotations reflect inter-dealer prices, without retail mark-up, markdown or commission and may not necessarily represent actual transactions.

The Plan authorizes, but does not require, the issuance of additional shares of the Company's Common Stock to make distributions to holders of CDRs. The Company has chosen to distribute cash to holders of CDRs in lieu of shares of Common Stock (see discussion following for distributions made to holders of CDRs). More information on distributions to holders of CDRs can be found in a Registration Statement on Form 8-A filed by the Company on August 12, 2002 with the SEC and in the section Contingent Distribution Rights in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

##### Common Stock

As of December 1, 2009, there were 242 shareholders of record of the Company's Common Stock. The following table sets forth the dividend adjusted high and low sales prices for the Common Stock of Comdisco Holding Company, Inc. and cash dividends paid during fiscal 2009 and 2008.

Quarter	2009			2008		
	High	Low	Dividends	High	Low	Dividends
First	\$9.70	\$ 6.50	--	\$12.00	\$9.11	--
Second	8.00	6.70	--	10.00	6.61	--
Third	8.25	6.51	--	10.88	9.30	--
Fourth	8.50	7.00	--	10.01	9.01	--

The Company's transfer agent and registrar is BNY Mellon Shareowner Services, 480 Washington Boulevard Jersey City, New Jersey, 07310. The shareholder relations telephone number is (800) 851-9677 and the internet address is <http://www.melloninvestor.com>.

The Company intends to treat the dividend distributions for federal income tax purposes as part of a series of liquidating distributions in complete liquidation of the Company. Aggregate total dividend distributions on the Company's Common Stock were as follows (in thousands):

	Aggregate Payment
May 2003 .....	\$ 307,773
June 2003 .....	60,019
September 2003.....	199,782
December 2003 .....	50,365
May 2004 .....	48,267
March 2005 .....	52,447
January 2006 .....	20,172
December 2006 .....	25,748
	<u>\$ 764,573</u>

### Contingent Distribution Rights

For financial reporting purposes, the Company records CDRs as a liability and as an operating expense although the CDRs trade over-the-counter.

The Plan entitles holders of CDRs to share at increasing percentages in the proceeds realized from the Company's assets based upon the present value of distributions to certain C-4 creditors in the bankruptcy estate of Comdisco, Inc. As of September 30, 2009, the sharing percentage was 37%, which is the maximum sharing percent. As of December 1, 2009, there were 1,920 holders of record of the Company's CDRs and 148,448,188 outstanding CDRs.

The Company maintains sufficient cash reserves for operations and the potential CDR liability arising from either the Company's equity or any potential net distributions from the Litigation Trust to C-4 creditors. The outcome and timing of the actual net distributions from the Litigation Trust will impact both the timing and the amount of future dividends and CDR payments.

Aggregate total distributions with respect to the CDRs were as follows (in thousands):

	Aggregate Payment	Per CDR
May 2003 .....	\$ 2,730	\$.01793
June 2003 .....	2,468	.01621
September 2003.....	13,370	.08780
December 2003 .....	7,827	.05140
March 2004 .....	2,848	.01870
May 2004 .....	11,892	.07810
December 2004 .....	14,953	.09820
March 2005 .....	22,171	.14560
January 2006 .....	5,558	.03650
March 2006 .....	3,761	.02470
December 2006 .....	6,852	.04500
September 2007 .....	22,841	.15000
September 2008 .....	893	.00602
Total CDR payments before reallocation	<u>\$118,164</u>	<u>\$.77616</u>
September 2008 reallocation .....	\$ --	\$.01984
Total CDR payments .....	<u>\$118,164</u>	<u>\$.79600</u>

See “Critical Accounting Policies” and “Contingent Distribution Rights” in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for information on the CDR liability.

#### **Recent Sales of Unregistered Securities**

None.

#### **Repurchases of Common Stock**

There were no repurchases of Common Stock in the fourth quarter of fiscal 2009 or during the fiscal year 2009. The Company does not regularly repurchase shares nor does the Company have a share repurchase plan.

#### **ITEM 6. SELECTED FINANCIAL DATA**

Not applicable.

#### **ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and related notes included elsewhere in this Annual Report on Form 10-K for the fiscal year ended September 30, 2009. This discussion and analysis also contains forward-looking statements and should also be read in conjunction with the disclosures and information contained in the sections of this Annual Report on Form 10-K entitled “Disclosure Regarding Forward-Looking Statements” and “Risk Factors Relating to the Company.”

THE COMPANY EMERGED FROM CHAPTER 11 BANKRUPTCY PROCEEDINGS ON AUGUST 12, 2002. THE PURPOSE OF THE COMPANY IS TO SELL, COLLECT OR OTHERWISE REDUCE TO MONEY IN AN ORDERLY MANNER THE REMAINING ASSETS OF THE CORPORATION. PURSUANT TO THE COMPANY’S PLAN AND RESTRICTIONS CONTAINED IN THE COMPANY’S CERTIFICATE, THE COMPANY IS SPECIFICALLY PROHIBITED FROM ENGAGING IN ANY BUSINESS ACTIVITIES INCONSISTENT WITH ITS LIMITED BUSINESS PURPOSE. ACCORDINGLY, WITHIN THE NEXT FEW YEARS, IT IS ANTICIPATED THAT THE COMPANY WILL HAVE REDUCED ALL OF ITS ASSETS TO CASH AND MADE DISTRIBUTIONS OF ALL AVAILABLE CASH TO HOLDERS OF ITS COMMON STOCK AND CONTINGENT DISTRIBUTION RIGHTS IN THE MANNER AND PRIORITIES SET FORTH IN THE PLAN. AT THAT POINT, THE COMPANY WILL CEASE OPERATIONS. THE COMPANY FILED ON AUGUST 12, 2004 A CERTIFICATE OF DISSOLUTION WITH THE SECRETARY OF STATE OF THE STATE OF DELAWARE TO FORMALLY EXTINGUISH COMDISCO HOLDING COMPANY, INC.’S CORPORATE EXISTENCE WITH THE STATE OF DELAWARE EXCEPT FOR THE PURPOSE OF COMPLETING THE WIND DOWN CONTEMPLATED BY THE PLAN.

AS A RESULT OF THE REORGANIZATION AND THE IMPLEMENTATION OF FRESH-START REPORTING, AS FURTHER DESCRIBED HEREIN, THE COMPANY’S RESULTS OF OPERATIONS AFTER JULY 31, 2002 ARE NOT COMPARABLE TO RESULTS REPORTED IN PRIOR PERIODS FOR COMDISCO, INC.

## **General**

The Company's operations continued to wind down during fiscal year 2009 compared to prior years. The Company's assets at September 30, 2009 consist primarily of cash, tax receivables, and equity securities. The timing on collections on the tax receivables and the sale of equity securities is uncertain. The equity securities portfolio requires liquidity events before these assets can be converted to cash. The Company expects that proceeds from the disposition of equity securities will provide future cash flows in excess of the current carrying value of these assets. In addition, the Company, as a former lessor, has a number of leases in default whereby collection efforts are underway to support a recovery on the account. Receipts, if any, will be in excess of the carrying value of these assets because the related lease receivables were previously written-off.

**Equity Investments:** The Company holds common stock, preferred stock and warrants (collectively "Equity Investments"). The Company carries its common stock and preferred stock investments in public companies at fair market value and in private companies at the lower of cost or estimated fair market value in its financial statements. Any warrants held by the Company in private companies are carried at zero value. Any write-downs in the carrying value of such Equity Investments in private companies are considered permanent for financial reporting purposes. See Note 5 of Notes to Consolidated Financial Statements and "Critical Accounting Policies". It is management's expectation that the amount in private company investments ultimately realized on Equity Investments will, in the aggregate, exceed the amount reflected in the financial statements as of September 30, 2009, which is approximately \$1,029,000. The Company estimates that the realizable value, net of management fees and sharing, at September 30, 2009 for its Equity Investments in private companies is approximately \$2,215,000. The Company's estimate of the fair value of its private company investments was made in consultation with Windspeed Acquisition Fund GP, LLC ("Windspeed"), a professional investment management group which the Company engaged to manage the Company's Equity Investments on an ongoing basis in February 2004. As reported on a Current Report on Form 8-K filed by the Company on March 19, 2009, the Windspeed management agreement was extended on March 16, 2009 until February 20, 2011. There is no assurance as to the timing or the amount the Company will ultimately realize on the Equity Investments. Management's expectations are subject to the risk factors discussed in Item 1A. "Risk Factors", entitled "Market Conditions Have Made It Difficult and May Continue to Make It Difficult for the Company to Timely Realize on the Value of Its Warrant and Equity Securities."

**Collections and recoveries:** The Company has potential collections and recoveries on accounts previously written off. A substantial number of such recoveries involve prior lessees or debtors now in bankruptcy and in whose respective case the Company has filed and is pursuing a claim to maximize its recoveries. The Company's cost basis in these accounts is nominal. The amount and timing of such collections and recoveries, if any, are subject to the risk factors discussed in Item 1A. "Risk Factors", particularly the risk entitled "Uncertainties in Collections and Recoveries."

**Subsidiaries:** The Company has significantly reduced the number of its domestic and international subsidiaries from ninety-four to six subsidiaries as of December 1, 2009. To the extent that such subsidiaries were Reorganized Debtors, the Company has closed the related estates. On September 9, 2009, the Company closed the estate of Comdisco Investment Group, Inc. On September 11, 2009, in order to facilitate the wind down of the Company's foreign subsidiaries, the Company acquired all of the outstanding shares of Equiplease.

### **Disputed Claims relating to the Comdisco, Inc. Bankruptcy estate**

Since emerging from bankruptcy proceedings on August 12, 2002, the Company focused on the resolution of Disputed Claims. Upon emergence, and pursuant to the Plan, the Company established a Disputed Claims Reserve for Disputed Claims estimated in the amount of \$450 million. The Company has resolved all Disputed Claims, closed the Disputed Claims Reserve and distributed all the funds and shares in accordance with the Plan.

### **Trust Assets and Litigation Trust**

Pursuant to the Plan, the Litigation Trust is solely responsible for collecting from, and has filed lawsuits against, all SIP Participants who had not accepted relief. Any judgments against the SIP Participants, net of fees and expenses, are considered Trust Assets as defined in the Plan, and will be distributed by the Litigation Trust in

accordance with the Plan. The Litigation Trust files periodic reports with the Bankruptcy court. These reports provide more information on the litigation.

Holders of CDRs will earn an amount resulting from any distributions from the net proceeds of Trust Assets to C-4 creditors in accordance with the Plan. The Litigation Trust is solely responsible for distributing the net proceeds from Trust Assets to C-4 creditors, while the Company is solely responsible for making CDR payments. The Company maintains sufficient cash reserves for the potential CDR liability related to its equity and any potential net distributions by the Litigation Trust. The outcome and the timing of the actual net distributions by the Litigation Trust will impact both the timing and the amount of future dividends and CDR payments. See this Item 7 below for “Critical Accounting Policies” and Item 1A. “Risk Factors” for a discussion of the “Impact of Recoveries by Litigation Trust on the Company’s Obligation To Make Payments in Respect of Contingent Distribution Rights”, “Uncertainties Inherent in the CDR Liability Calculation” and “Uncertainties Inherent in the Determination of Fair Market Value of the Remaining Portfolio”.

### **Emergence from Bankruptcy**

Since the Company emerged from Chapter 11 bankruptcy proceedings on August 12, 2002, the Company’s business activities have been limited to the orderly sale or run-off of all of its existing asset portfolios. Pursuant to the Plan and restrictions contained in its Certificate, the Company is specifically prohibited from engaging in any business activities inconsistent with its limited business purpose. Since emerging from bankruptcy, the Company has not engaged in any new leasing or financing activities, except for previously existing customer commitments and to restructure existing equipment leases and loans to maximize the value of the Company’s assets.

All funds generated from the Company’s remaining asset portfolios are required by the Plan to be used to satisfy liabilities of the Company and, to the extent funds are available, to pay dividends on the Company’s Common Stock and to make distributions with respect to the CDRs in the manner and priorities set forth in the Plan. There were no payments to CDR holders in the fiscal year ended September 30, 2009 and \$893,000 in the fiscal year ended September 30, 2008. In addition, during the fiscal year ended September 30, 2008, the Company reallocated \$2,945,000 plus accrued interest of \$395,000 to CDR holders related to cash balances formerly held in reserve for the disputed interests reserve for Class C-5B Claims. No such reallocation was made during the fiscal year ended September 30, 2009. See Item 1. “General Terms of the Plan of Reorganization” and Part II, Item 5 “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities”. There were no dividends paid during the fiscal year ended September 30, 2009 and 2008. Because of the composition and nature of its remaining assets, the Company expects to generate funds from the sale or collection of its remaining assets at a decreasing rate over time.

The Company maintains sufficient cash reserves for the potential CDR liability related to its equity and any potential recoveries and net distributions by the Litigation Trust to C-4 creditors. The outcome and timing of the actual net distributions by the Litigation Trust will impact both the timing and the amount of future dividends and CDR payments. See Item 7 below for “Critical Accounting Policies” and Item 1A. “Risk Factors” for a discussion of the “Impact of Recoveries by Litigation Trust on the Company’s Obligation To Make Payments in Respect of Contingent Distribution Rights”, “Uncertainties Inherent in the CDR Liability Calculation” and “Uncertainties Inherent in the Determination of Fair Market Value of the Remaining Portfolio”.

The Company has material restrictions on its ability, and does not expect, to make significant investments in new or additional assets. The Company continually evaluates opportunities for the orderly sale and collection of its remaining assets. Accordingly, within the next few years, it is anticipated that the Company will have reduced all of its assets to cash, resolved all litigation and made distributions of all available cash to holders of its Common Stock and CDRs in the manner and priorities set forth in the Plan and completed all regulatory filings. At that point, the Company will cease operations.

### **Critical Accounting Policies**

The Company’s consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires the Company’s management to use estimates and assumptions that affect reported amounts of assets and liabilities, revenues and expenses and

disclosure of contingent assets and liabilities. These estimates are subject to known and unknown risks, uncertainties and other factors that could materially impact the amounts reported and disclosed in the consolidated financial statements.

The SEC issued Financial Reporting Release No. 60, "Cautionary Advice Regarding Disclosure About Critical Accounting Policies" which recommends that companies provide additional disclosure and analysis of those accounting policies considered most critical.

The Company believes the following to be among the most critical judgment areas in the application of its accounting policies:

- **CDRs and CDR Liability:** The Plan entitled holders of Comdisco Holding's CDRs to share at increasing percentages in the proceeds realized from the Company's assets based upon the present value of distributions to certain C-4 creditors pursuant to the bankruptcy estate of Comdisco, Inc.

The Company estimates the CDR liability based on the net equity of the Company after taking into consideration future operating costs and expenses, and other expected cash inflows in excess of book value, including estimated future interest income, estimated recoveries and any potential net distributions from the Litigation Trust which are currently estimated to be nominal. See the risk factors discussed in Item 1A. "Risk Factors", particularly the risks entitled "Uncertainties Inherent in the CDR Liability Calculation" and "Uncertainties Inherent in the Determination of Fair Market Value of the Remaining Portfolio."

- **Equity Investments In Private Companies:** Equity investments in private companies consist primarily of small investments in approximately 50 private companies. The Company carries its common stock and preferred stock investments in private companies at the lower of cost or estimated fair market value in the financial statements. Warrants in non-public companies are carried at zero value. The Company, in consultation with Windspeed, which provides ongoing management of the Company's portfolio in equity investments, regularly estimates the value of investments in private companies and adjusts carrying values when market and customer specific events and circumstances indicate that such assets might be impaired. All write-downs are considered permanent impairments for financial reporting purposes. At September 30, 2009, the carrying value of the Company's equity investments in private companies was approximately \$1,029,000 and the estimated fair market value was approximately \$2,215,000.
- **Income Taxes:** The Company establishes liabilities or reduces assets for uncertain tax positions when the Company believes certain tax positions are not more likely than not of being sustained if challenged. Each fiscal quarter, the Company evaluates these uncertain tax positions and adjusts the related tax assets and liabilities in light of changing facts and circumstances.

The above listing is not intended to be a comprehensive list of all the Company's accounting policies. Please refer to the Company's consolidated financial statements and notes thereto which contain the Company's significant accounting policies and other disclosures required by accounting principles generally accepted in the United States of America.

### **Basis of Presentation**

In this annual report on Form 10-K, references to "the Company," "Comdisco Holding," "we," "us" and "our" mean Comdisco Holding Company, Inc., its consolidated subsidiaries and Comdisco Ventures, Inc. (renamed to Comdisco Ventures Fund A LLC), and its predecessors, except in each case where the context indicates otherwise. References to "Comdisco, Inc." mean Comdisco, Inc. and its subsidiaries, other than the Prism entities, prior to the Company's emergence from bankruptcy on August 12, 2002, except where the context indicates otherwise.

## **Recent Developments**

### **SIP Joinder Action**

On January 27, 2006, certain of the SIP participants filed a joint action in the Circuit Court of Cook County, Illinois, County Department, Law Division, Case Number 2006L001006 and captioned Bryant Collins, et al v. Nicholas Pontikes, et al. against certain directors of the former Comdisco, Inc. During the quarter ended September 30, 2009, a settlement was reached in the action. All settlement documents have been executed, and a Stipulation and Agreed Order of Voluntary Dismissal With Prejudice was entered by the court on October 28, 2009. The nominal settlement amount was paid by the former Comdisco, Inc.'s directors and officer's insurance policy coverage.

### **Litigation Trust Termination Motion**

On March 16, 2006, a motion was filed in the Bankruptcy court for the Northern District of Illinois on behalf of certain SIP Participants who had filed proofs of claim in the Comdisco, Inc. bankruptcy ("SIP Claimants"). The motion sought an order from the Bankruptcy court terminating the Litigation Trust. On July 20, 2006, the Bankruptcy court judge denied the motion of the SIP Claimants. On August 18, 2006, the SIP Claimants appealed the Bankruptcy court judge's denial of their motion. On January 30, 2007, the federal district court judge affirmed the denial of the motion. The SIP Claimants appealed the denial to the US Circuit Court of Appeals for the 7th Circuit. A mandatory mediation was held on April 20, 2007. The mediation was adjourned and no settlement was achieved by the parties. The parties briefed the appeal and oral arguments were held before the Appellate Court on November 26, 2007. On August 13, 2008, the Appellate Court ruled and dismissed the appeal for want of jurisdiction. As of the date of this filing, there have been no further proceedings on this matter.

### **Litigation Trust Summary Judgments**

On September 24, 2008, a federal district court judge entered summary judgments against twenty-seven of the SIP Participants on their respective SIP Note obligations and the Litigation Trust has commenced collection actions against them. The SIP Participants have filed appeals on those judgments. The federal district court judge has entered orders in the federal cases ordering that certain CDRs and related proceeds held by the estate of Comdisco, Inc. and BNY Mellon (holder of CDRs) on behalf of those SIP Participants be turned over to the Litigation Trust. Pursuant to these orders, the Company has turned over CDRs and related proceeds and will continue to do so if additional orders are entered.

As of November 11, 2009, twelve of these twenty-seven SIP participants have settled their respective judgments with the Litigation Trust which is also in ongoing settlement discussions with some of the state and other federal SIP participants.

Additionally, the Litigation Trust has filed summary judgments against twenty-five SIP participants who are defendants in the pending state court actions. One state SIP Participant has settled.

Please refer to the quarterly reports filed by the Litigation Trust in the bankruptcy court for more details. Any proceeds collected by the Litigation Trust, net of expenses, will be considered Trust Assets and distributed in accordance with the Plan and litigation trust agreement.

### **Records Destruction**

On June 26, 2008, the Company obtained an order from the Bankruptcy court authorizing it to destroy or transfer certain of its stored paper and electronic records attributed to periods prior to January 1, 1997. As of the date of this filing, the Company destroyed substantially all of those records.

## Subsidiary Changes

On September 9, 2009, the Company closed the estate of Comdisco Investment Group, Inc. On September 11, 2009, in order to facilitate the wind down of the Company's foreign subsidiaries, the Company acquired all of the outstanding shares of Equilease.

## Results of Operations

Certain reclassifications and immaterial corrections have been made to the prior period financial statements as discussed in Note 2 of Notes to Consolidated Financial Statements.

### Fiscal Year Ended September 30, 2009 Compared to the Fiscal Year Ended September 30, 2008

Revenue (in thousands)	Year ended September 30,		Percent Increase (Decrease)	Explanation of Change
	2009	2008		
Gain on sale of equity and warrant securities	\$ 3,949	\$ 8,198	(52%)	Equity securities, which are managed by Windspeed, represent the primary remaining revenue generating asset. See "Overview" for additional information. (A)
Interest income	559	1,962	(72%)	Interest earned on cash balances. (B)
Miscellaneous income	25	76	(67%)	Miscellaneous receipts.
Total Revenue	\$ 4,533	\$ 10,236	(56%)	

A) The decrease in gains on sale of equity holdings for the year ended September 30, 2009 relates to a decrease in the liquidations of positions in public and private companies from October 1, 2008 through September 30, 2009 as compared to the period from October 1, 2007 through September 30, 2008.

B) Interest income earned in the fiscal year ended September 30, 2009 is lower due to lower interest rates.

Costs and Expenses (in thousands)	Year ended September 30,		Percent Increase (Decrease)	Explanation of Change
	2009	2008		
Selling, general and administrative	\$ 4,477	\$ 5,693	(21%)	SG&A costs have decreased with the continued wind-down of operations.
Write-down of privately held securities	22	1,564	(99%)	(A)
Contingent distribution rights	(1,038)	8,896	+100%	(B)
Bad debt recoveries	(2,741)	(1,336)	+100%	Collections & recoveries. (C)
Foreign exchange loss	207	95	+100%	Translation losses for foreign entities that have been substantially liquidated.
Minority interest	542	--	N/A	
	\$ 1,469	\$ 14,912	(90%)	

(A) The decrease in write-down of privately held securities during the fiscal year ended September 30, 2009 from the fiscal year ended September 30, 2008 was due to one company which ultimately filed an Assignment for Benefit of Creditors during 2008. See Item 7 "Critical Accounting Policies" for more information.

- (B) As a result of significant events and the resolution of various matters that occurred in the fourth quarter of fiscal year ended September 30, 2008, the Company's management revised the estimate of its liability to CDR holders as of September 30, 2008, resulting in significantly higher expense than in 2009. The reduction in CDR expense during 2009 is primarily the result of the lower estimated future interest income, higher estimated future selling, general and administrative costs and higher tax expense offset in part by higher gain on sale of equity investments. See Item 7 "Critical Accounting Policies" for a discussion of the potential liability from any future recoveries and distributions by the litigation trustee.
- (C) The increase in proceeds during the fiscal year ended September 30, 2009 is primarily due to a collection from a settlement agreement in the Just for Feet bankruptcy estate of approximately \$1,750,000 received in January 2009.

### Selling, General and Administrative Expenses

The following table summarizes selling, general and administrative expenses (in thousands):

	<b>Year ended</b>	
	<b>September 30,</b>	
	<b>2009</b>	<b>2008</b>
Compensation and benefits	\$ 1,941	\$ 2,323
Outside professional services	1,594	2,583
Other expenses	942	787
	<u>\$ 4,477</u>	<u>\$ 5,693</u>

### Income Taxes

See Note 4 – Income Taxes of Notes to Consolidated Financial Statements for details about the Company's income tax provision. Income taxes are subject to the risk factor "The Company Faces a Number of Uncertainties Around the Settlement of Domestic and International Tax Positions" discussed in Item 1A. "Risk Factors".

During the fiscal years ended September 30, 2009 and 2008, the Company recorded US tax expense of \$34,000 and \$89,000, respectively.

During the fiscal year ended September 30, 2009, the Company recorded a \$15,000 tax benefit for its Canadian operations as a result of increased interest income accruals and a settlement of an audit in Quebec. During the fiscal year ended September 30, 2008, the Company recorded a \$207,000 tax expense for its Canadian operations as a result of increased interest accruals.

During the fiscal year ended September 30, 2009, the Company recorded a \$601,000 tax expense for its Mexican operations as a result of the following events: 1) During the quarter ended December 31, 2008, the Company received an income tax refund from the Mexican Ministry of Finance in the amount of approximately \$128,000 and wrote down, for financial reporting purposes, the remaining income tax refund balance of approximately \$770,000, 2) During the quarter ended March 31, 2009, the Company re-filed with the Mexican Ministry of Finance providing additional documentation which, during the quarter ended June 30, 2009, resulted in the Company receiving approximately \$169,000 of the remaining balance which was recorded as income tax benefit. During the fiscal year ended September 30, 2008, the Company recorded a tax benefit of approximately \$88,000 related to its Mexican subsidiary, primarily as a result of an asset tax refund.

During the quarter ended September 30, 2009, the Company established liabilities of approximately \$360,000 to cover potential tax obligations for final tax clearance in various jurisdictions.

### Net Earnings (Loss)

Net earnings were approximately \$2,084,000, or \$0.52 per share-basic and diluted, for the fiscal year ended September 30, 2009 compared to net loss of approximately \$(4,884,000), or \$(1.21) per share-basic and diluted, for the fiscal year ended September 30, 2008.

### Off-Balance Sheet Arrangements

The Company does not maintain any off-balance sheet arrangements, transactions, obligations or other relationships with unconsolidated entities that would be expected to have a material current or future effect upon the Company's financial condition or results of operations.

### Liquidity and Capital Resources

The Company's liquidity generally depends on cash on hand and cash provided by operating activities. The Company's cash flow from operating activities is dependent on a number of variables, including, but not limited to, market conditions for the sale of Equity Investments, control of operating costs and expenses and the ability of the Company to dispose or otherwise convert to cash its remaining assets. All funds generated from the collection of remaining assets are required by the Plan to be used to satisfy liabilities of the Company and, to the extent funds are available, to pay dividends on the Company's Common Stock and to make distributions with respect to the CDRs in the manner and priorities set forth in the Plan. Because of the composition and nature of its remaining assets, the Company expects to generate funds from the sale or collection of its remaining assets at a decreasing rate over time.

At September 30, 2009, the Company had unrestricted cash and cash equivalents of approximately \$66,065,000, an increase of approximately \$8,511,000 compared to September 30, 2008. Net cash provided by operating activities for the fiscal year ended September 30, 2009 was \$7,889,000. The effect of exchange rate changes on cash balances held in foreign currencies was an increase in cash and cash equivalents of approximately \$782,000 for the fiscal year ended September 30, 2009. Net cash used by the Company in the acquisition of all of the outstanding shares of Equilease was \$160,000.

During the year, approximately \$3,475,000 of proceeds net of fees were generated from the Windspeed managed warrant and equity portfolio. Additionally, approximately \$5,762,000 of tax receipts were received related to the Company's Canadian and Mexican subsidiaries and approximately \$3,315,000 of proceeds were received from interest income, bad debt recoveries and other revenue. The Company's cash expenditures were primarily operating expenses of \$4,568,000 (principally professional services and compensation).

The Company's current and future liquidity depends on cash on hand, proceeds from the sale of Equity Investments, recoveries and interest income. The Company expects its cash on hand and cash flow from operations to be sufficient to fund operations and to meet its obligations (including its obligation to make payments to CDR holders) under the Plan for the foreseeable future.

Net cash provided by operating activities was \$7,889,000 in fiscal year 2009 compared to net cash provided by operating activities was \$9,353,000 in fiscal year 2008.

### Dividends

The Company intends to treat the dividend distributions for federal income tax purposes as part of a series of liquidating distributions in complete liquidation of the Company. Aggregate total dividend distributions on the Company's Common Stock were as follows (in thousands):

	<b>Aggregate Payment</b>
May 2003 .....	\$307,773
June 2003 .....	60,019
September 2003 .....	199,782

December 2003 .....	50,365
May 2004 .....	48,267
March 2005 .....	52,447
January 2006 .....	20,172
December 2006 .....	25,748
	\$764,573

### Contingent Distribution Rights

For financial reporting purposes, the Company records CDRs as a liability and as an operating expense although the CDRs trade over-the-counter.

The Plan entitles holders of CDRs to share at increasing percentages in the proceeds realized from the Company's assets based upon the present value of distributions to certain C-4 creditors in the bankruptcy estate of Comdisco, Inc. As of December 1, 2009, the sharing percentage was 37% which is the maximum sharing percent and there were 1,920 holders of record of the Company's CDRs and there were 148,448,188 outstanding CDRs.

The Company maintains sufficient cash reserves for operations and the potential CDR liability arising from either the Company's equity and any potential net distributions from the Litigation Trust to the C-4 creditors. The outcome and the timing of the actual net distributions from the Litigation Trust will impact both the timing and the amount of future dividends and CDR payments.

Aggregate total distributions with respect to the CDRs were as follows (in thousands):

	<b>Aggregate Payment</b>	<b>Per CDR</b>
May 2003 .....	\$ 2,730	\$.01793
June 2003 .....	2,468	.01621
September 2003 .....	13,370	.08780
December 2003 .....	7,827	.05140
March 2004 .....	2,848	.01870
May 2004 .....	11,892	.07810
December 2004 .....	14,953	.09820
March 2005 .....	22,171	.14560
January 2006 .....	5,558	.03650
March 2006 .....	3,761	.02470
December 2006 .....	6,852	.04500
September 2007 .....	22,841	.15000
September 2008 .....	893	.00602
Total CDR payments before reallocation	\$118,164	\$.77616
September 2008 reallocation .....	\$ --	\$.01984
Total CDR payments .....	\$118,164	\$.79600

During the quarter ended September 30, 2008, the Company revised certain estimates utilized in estimating the CDR liability as a result of significant events and the resolution of various matters that occurred in the fourth quarter of fiscal year ended 2008. Those events included: (i) the summary judgments in favor of the Litigation Trust against certain SIP Participants received on September 24, 2008, (ii) the distribution of the final Allowed Claim on July 10, 2008, (iii) the withdrawal or dismissal of all remaining claims in the fourth quarter of the fiscal year 2008, (iv) the closure of the Disputed Claims Reserve and the final supplemental distribution from the Disputed Claims Reserve on August 14, 2008, and (v) the cancellation of the Class C-5B shares in the Disputed Interests Reserve and the reallocation of the cash balances relating to those shares to the remaining CDR holders of record on September 25, 2008. As a result of those significant events that occurred in the fiscal quarter ended September 30, 2008 and as

a result of other facts and circumstances, the Company believes it is also better able to estimate certain future cash flows in excess of book value that were previously not considered estimable. However, due to the volatility in the markets for equity, the Company has not included its fair value estimates of its private equity investments in determining the CDR liability.

Since September 30, 2008, the Company has estimated, and will continue to estimate, the CDR liability based on the net equity of the Company after taking into consideration future operating costs and expenses, and other expected cash inflows in excess of book value, including estimated future interest income, estimated recoveries and any potential net distributions from the Litigation Trust which are currently estimated to be nominal. See the risk factors discussed in Item 1A. “Risk Factors”, particularly the risks entitled “Uncertainties Inherent in the CDR Liability Calculation” and “Uncertainties Inherent in the Determination of Fair Market Value of the Remaining Portfolio.”

#### **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

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## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of Comdisco Holding Company, Inc.:

We have audited the accompanying consolidated balance sheets of Comdisco Holding Company, Inc. and subsidiaries (the "Company") as of September 30, 2009 and 2008, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Comdisco Holding Company, Inc. and subsidiaries as of September 30, 2009 and 2008, and the results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 4 to the consolidated financial statements, the Company changed its method of accounting for uncertain tax positions effective October 1, 2007.

As discussed in Note 7 to the consolidated financial statements, the Company changed its method of accounting for financial instruments that are measured at fair value on a recurring basis effective October 1, 2008.

**/s/ KPMG LLP**

Chicago, Illinois  
December 11, 2009

**COMDISCO HOLDING COMPANY, INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(in thousands except per share data)**

	<u>Year ended</u> <u>September 30,</u> <u>2009</u>	<u>Year ended</u> <u>September 30,</u> <u>2008</u>
Revenue		
Gain on sale of equity and warrant securities, net of fees....	\$ 3,949	\$ 8,198
Interest income .....	559	1,962
Miscellaneous income .....	25	76
Total revenue.....	<u>4,533</u>	<u>10,236</u>
Costs and expenses		
Selling, general and administrative .....	4,477	5,693
Write-down of privately held securities .....	22	1,564
Contingent Distribution Rights .....	(1,038)	8,896
Bad debt recoveries .....	(2,741)	(1,336)
Foreign exchange loss .....	207	95
Minority interest .....	542	--
Total costs and expenses.....	<u>1,469</u>	<u>14,912</u>
Earnings (loss) before income taxes .....	3,064	(4,676)
Income tax expense .....	980	208
Net earnings (loss).....	<u>\$ 2,084</u>	<u>\$ (4,884)</u>
Basic and diluted earnings (loss) per common share.....	<u>\$ 0.52</u>	<u>\$ (1.21)</u>

See accompanying notes to consolidated financial statements.

**COMDISCO HOLDING COMPANY, INC.**

**CONSOLIDATED BALANCE SHEETS**  
**(in thousands except number of shares and per share data)**

	<u>September 30,</u> <u>2009</u>	<u>September 30,</u> <u>2008</u>
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 66,065	\$ 57,554
Cash – legally restricted.....	4,994	4,982
Equity investments.....	1,052	1,211
Income tax receivables.....	4,105	11,667
Receivables from securities sold.....	361	2
Other receivables.....	25	31
Other assets.....	288	17
Total assets.....	<u>\$ 76,890</u>	<u>\$ 75,464</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable.....	\$ 246	\$ 380
Income tax payables.....	10,235	10,139
Other liabilities:		
Accrued compensation.....	1,167	1,237
Contingent Distribution Rights.....	21,431	22,469
Other liabilities.....	346	187
Total other liabilities.....	<u>22,944</u>	<u>23,893</u>
Total liabilities.....	<u>33,425</u>	<u>34,412</u>
Stockholders' equity		
Common stock \$.01 par value. Authorized 10,000,000 shares; issued 4,200,000 shares; 4,029,055 shares outstanding at both September 30, 2009 and September 30, 2008.....	72	72
Additional paid-in capital.....	44,136	43,775
Accumulated other comprehensive income.....	23	55
Retained earnings.....	3,555	1,471
Common stock held in treasury, at cost; 170,945 shares at both September 30, 2009 and September 30, 2008.....	<u>(4,321)</u>	<u>(4,321)</u>
Total stockholders' equity.....	<u>43,465</u>	<u>41,052</u>
	<u>\$ 76,890</u>	<u>\$ 75,464</u>

See accompanying notes to consolidated financial statements.

COMDISCO HOLDING COMPANY, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY  
(in thousands)

	<u>Common Stock</u>	<u>Additional Paid-in capital</u>	<u>Accumulated other comprehensive income</u>	<u>Retained earnings</u>	<u>Common stock placed in treasury</u>	<u>Total</u>
Balance at September 30, 2007 .....	\$ 72	\$ 43,775	\$ 5,470	\$ 2,556	\$ (4,321)	\$ 47,552
Cumulative effect of adoption of ASC Subtopic 740-10.....				3,799		3,799
Net loss.....				(4,884)		(4,884)
Change in unrealized gain.....			(5,415)			(5,415)
Total comprehensive income .....						(10,299)
Balance at September 30, 2008 .....	72	43,775	55	1,471	(4,321)	41,052
Acquisition of minority interest.....		361				361
Net earnings.....				2,084		2,084
Change in unrealized gain.....			(32)			(32)
Total comprehensive income.....						2,052
Balance at September 30, 2009 .....	<u>\$ 72</u>	<u>\$ 44,136</u>	<u>\$ 23</u>	<u>\$ 3,555</u>	<u>\$ (4,321)</u>	<u>\$ 43,465</u>

See accompanying notes to consolidated financial statements.

**COMDISCO HOLDING COMPANY, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(in thousands)**

	<u>Year Ended September 30, 2009</u>	<u>Year Ended September 30, 2008</u>
Cash flows from operating activities:		
Equity and warrant proceeds net of fees .....	\$ 3,475	\$ 8,037
Interest, bad debt recoveries and other revenue .....	3,315	3,326
Selling, general and administrative expenses .....	(4,568)	(5,976)
Contingent distribution rights payments .....	--	(893)
Income tax receipts .....	5,762	4,859
Other, including cash acquired.....	(95)	--
	<u>7,889</u>	<u>9,353</u>
Net cash provided by operating activities .....		
Cash flows from investing/financing activities:		
Acquisition of Equiplease shares.....	(160)	--
Decrease in legally restricted cash .....	--	32
Net cash (used in) investing/provided by financing activities	<u>(160)</u>	<u>32</u>
Effective of exchange rates on cash and cash equivalents.....	782	--
Net increase in cash and cash equivalents .....	8,511	9,385
Cash and cash equivalents at beginning of period .....	<u>57,554</u>	<u>48,169</u>
Cash and cash equivalents at end of period .....	<u>\$ 66,065</u>	<u>\$ 57,554</u>

See accompanying notes to consolidated financial statements.

**COMDISCO HOLDING COMPANY, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(in thousands)**

	<b>Year Ended September 30, 2009</b>	<b>Year Ended September 30, 2008</b>
Reconciliation of net earnings (loss) to net cash provided by operating activities:		
Net earnings (loss).....	\$ 2,084	\$ (4,884)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Income tax receipts .....	6,741	4,651
Contingent Distribution Rights .....	(1,038)	8,003
Selling, general, and administrative expenses.....	(91)	(38)
Write-down of privately held securities.....	22	1,564
Receivables of securities sold .....	(361)	(2)
Minority interest expense, net of cash transfer.....	372	--
Other, including foreign exchange.....	160	59
Net cash provided by operating activities.....	<u>\$ 7,889</u>	<u>\$ 9,353</u>

See accompanying notes to consolidated financial statements.

**COMDISCO HOLDING COMPANY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**September 30, 2009, and 2008**

**Note 1 - Reorganization**

On July 16, 2001, Comdisco, Inc. and 50 of its domestic subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the Bankruptcy Court (consolidated case number 01-24795) (the "Filing"). Comdisco Holding Company, Inc., as the successor company to Comdisco, Inc., for SEC filing purposes, emerged from bankruptcy under a confirmed plan of reorganization (the First Amended Joint Plan of Reorganization (the "Plan")) that became effective on August 12, 2002 (the "Effective Date"). For financial reporting purposes only, however, the effective date for implementation of fresh-start reporting was July 31, 2002.

Implementation of the Plan resulted in the reorganization of Comdisco, Inc. and its domestic and foreign subsidiaries into Comdisco Holding Company, Inc. and three new primary subsidiaries: (i) Comdisco Global Holding Company, Inc. (dissolved on September 27, 2004), which managed the sale and run-off of the Company's reorganized European IT Leasing operations and assets; (ii) Comdisco, Inc., which managed the sale and run-off of the Company's reorganized US Leasing operations and assets; and (iii) Comdisco Ventures, Inc. (renamed Comdisco Ventures Fund A LLC), which managed the sale and run-off of the Company's venture financing operations and assets ("Ventures"). The Company's Corporate Asset Management group ("CAM") was responsible for the sale and run-off of certain assets that remained after certain pre-emergence bankruptcy asset sales. The CAM group's operations were managed through Comdisco, Inc. Implementation of the Plan also resulted in the reorganization of Prism Communication Services, Inc. and its subsidiaries ("Prism").

Comdisco Holding Company, Inc. was formed on August 8, 2002 for the purpose of selling, collecting or otherwise reducing to money in an orderly manner the remaining assets of the Company and all of its direct and indirect subsidiaries, including Comdisco, Inc. As more fully described in the Plan, the Company's business purpose is limited to the orderly sale or run-off of all its remaining assets. Pursuant to the Plan and restrictions contained in its Certificate, the Company is specifically prohibited from engaging in any business activities inconsistent with its limited business purpose.

Consummation of the Plan in August 2002 resulted in (i) the distribution of cash totaling approximately \$2.2 billion; (ii) the issuance of variable rate senior secured notes due 2004 in aggregate principal amount of \$400 million (the "Senior Notes"); (iii) the issuance of 11% subordinated secured notes due 2005 in aggregate principal amount of \$650 million (the "Subordinated Notes"); (iv) the issuance of 4.2 million shares of new common stock ("Common Stock"); (v) the issuance of contingent distribution rights (the "CDRs") to holders of the predecessor company's common stock; and (vi) the cancellation of the predecessor company's notes, notes payable, common stock and stock options.

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Presentation**

In this annual report on Form 10-K, references to "the Company," "Comdisco Holding," "we," "us" and "our" mean Comdisco Holding Company, Inc., its consolidated subsidiaries and Comdisco Ventures, Inc., and its predecessors, except in each case where the context indicates otherwise. References to "Comdisco, Inc." mean Comdisco, Inc. and its subsidiaries, other than the Prism entities, prior to the Company's emergence from bankruptcy on August 12, 2002, except where the context indicates otherwise.

During the quarter ended December 31, 2008, management determined that it had not correctly accounted for one of the inputs of the CDR liability calculation and certain severance costs of a limited number of remaining employees. As a result, the financial position and results of operations for the twelve months ended September 30, 2009 reflect an increase to contingent distribution rights expense and corresponding contingent distribution rights liability in the amount of approximately \$219,000 and a reduction to selling, general and administrative expenses and accrued compensation of approximately \$52,000.

During the quarter ended March 31, 2009, management determined that it had not correctly accounted for a minority interest in a limited partnership. During the Company's review and financial analysis of the wind-down of its Canadian entities, the Company determined that, since the inception of a certain Canadian limited partnership in 1988, it had not properly accounted for the minority interest held in that partnership. Based on financial records of the Canadian limited partnership, the Company recorded minority interest expense of approximately \$549,000 (including the foreign exchange impact) and a corresponding decrease to contingent distribution rights expense and contingent distribution rights liability in the amount of approximately \$203,000, resulting in a net reduction in earnings of approximately \$346,000 for the twelve months ended September 30, 2009.

During the quarter ended September 30, 2009, management determined that a liability to cover potential tax obligations for final tax clearance in various jurisdictions should have been recorded in a prior period. Based on financial records, the Company has recorded income tax expense of \$360,000 and a reduction in CDR liability expense of \$133,000 for a net earnings impact of \$227,000.

Management determined that the impact of these errors on previously issued interim and annual consolidated financial statements was not material and determined that the impact of correcting these errors in the interim and annual consolidated financial statements was not material, and therefore reflected the corrections in the respective quarterly periods.

The Company's policy is to expense legal costs as they are incurred.

#### **Nature of Operations**

Comdisco Holding Company, Inc. was formed on August 8, 2002 for the purpose of selling, collecting or otherwise reducing to money in an orderly manner the remaining assets of the Company and all of its direct and indirect subsidiaries, including Comdisco, Inc. Prior to the bankruptcy, Comdisco, Inc. provided technology services worldwide to help its customers maximize technology functionality, predictability, and availability, while freeing them from the complexity of managing their technology. Comdisco, Inc. offered leasing to key vertical industries, including semiconductor manufacturing and electronic assembly, healthcare, telecommunications, pharmaceutical, biotechnology and manufacturing. Through its Comdisco Ventures group, Comdisco, Inc. provided equipment leasing and other financing and services to venture capital-backed companies.

On September 11, 2009, in order to facilitate the wind down of the Company's foreign subsidiaries, the Company acquired all of the outstanding shares of Equiplease, which owns a 1% interest in one of the Company's Canadian subsidiaries.

#### **Use of Estimates**

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany accounts and transactions have been eliminated.

#### **Translation Adjustments**

All assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date. Revenues, costs and expenses are translated at average rates of exchange prevailing during the period. Due to the substantially complete liquidation of its foreign subsidiaries, translation adjustments are

included in revenue if the adjustments are a gain and in cost and expenses if the adjustments are a loss in the consolidated statements of operations.

### **Income Taxes**

The Company uses the asset and liability method to account for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial settlement carrying amount of existing assets and liabilities and their respective tax basis. The Company continues to provide a valuation allowance for the remaining value of the deferred tax assets due to uncertainties regarding future earnings. The Company establishes liabilities or reduces assets for uncertain tax positions when the Company believes certain tax positions are not more likely than not of being sustained if challenged. Each fiscal quarter, the Company evaluates these uncertain tax positions and adjusts the related tax assets and liabilities in light of changing facts and circumstances.

### **Cash and Cash Equivalents**

Cash and cash equivalents are comprised of highly liquid debt instruments with original maturities of 90 days or less.

### **Equity Investments**

Marketable equity securities: The Company classifies all marketable equity securities as available-for-sale. These marketable equity securities are carried at fair value, based on quoted market prices, with unrealized gains and losses excluded from earnings and reported in accumulated other comprehensive income (loss).

Equity investments in private companies: Equity investments in private companies for which there is no readily determinable fair value are carried at the lower of cost or estimated fair market value as determined by the Company in consultation with Windspeed Acquisition Fund GP, LLC (“Windspeed”). The Company, in consultation with Windspeed, identifies and records losses on equity investments in private companies when market and company specific events and circumstances indicate that such assets might be impaired. The Company recorded a write-down of equity securities for the year ended September 30, 2009 for approximately \$22,000. The Company recorded a write-down of equity securities for the year ended September 30, 2008 for approximately \$1,564,000 related to primarily one investment. All write-downs are considered permanent impairments for financial reporting purposes.

Warrants: The Company’s investments in warrants (received in connection with its lease or other financings) are initially recorded at zero cost and carried in the consolidated financial statements as follows:

- Warrants that meet the criteria for classification as available-for-sale are carried at fair value based on quoted market prices with unrealized gains excluded from earnings and reported in accumulated other comprehensive income.
- Warrants that do not meet the criteria for classification as available-for-sale continue to be carried at zero value.

### **Contingent Distribution Rights**

The Company estimates the CDR liability based on the net equity of the Company after taking into consideration future operating costs and expenses, and other expected cash inflows in excess of book value, including estimated future interest income, estimated recoveries and the potential net distributions from the Litigation Trust which are currently estimated to be nominal. See the risk factors discussed in Item 1A. “Risk Factors”, particularly the risks entitled “Uncertainties Inherent in the CDR Liability Calculation” and “Uncertainties Inherent in the Determination of Fair Market Value of the Remaining Portfolio.”

## Earnings Per Common Share

Earnings per common share-basic are computed by dividing the net earnings (loss) to common stockholders by the weighted average number of common shares outstanding for the period.

### Note 3 - Changes in Accounting

Effective October 1, 2007, the Company adopted ASC Subtopic 740-10, "Accounting for Uncertainty in Income Taxes" which clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. ASC Subtopic 740-10 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The impact of adopting this standard is discussed in Note 4 - Income Taxes of Notes to Consolidated Financial Statements.

Effective October 1, 2008, the Company adopted the FASB ASC Subtopic 820-10, "Fair Value Measurements" ("ASC Subtopic 820-10"). ASC Subtopic 820-10 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. ASC Subtopic 820-10 applies to previous accounting pronouncements that require or permit fair value measurements. The disclosures required by ASC Subtopic 820-10 are included in Note 7 – Fair Value Measurements of Notes to Consolidated Financial Statements.

On October 1, 2008, the Company adopted ASC Subtopic 825-10 "The Fair Value Option for Financial Assets and Financial Liabilities. ASC Subtopic 825-10 permits entities to choose to elect, at specified election dates, to measure eligible financial instruments at fair value. The adoption of ASC Subtopic 825-10 did not have a material impact on the Company's financial condition or results of operations. The disclosures required by ASC Subtopic 825-10 are included in Note 7 – Fair Value Measurements of Notes to Consolidated Financial Statements.

On April 1, 2009, the Company adopted ASC Subtopic 855-10, "Subsequent Events" ("ASC Subtopic 855-10"), which establishes general standards of accounting and disclosure for events that occur after the balance sheet date but before financial statements are issued. ASC Subtopic 855-10 sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. The adoption of ASC Subtopic 855-10 did not have a material impact on the Company's financial condition or results of operations. The impact of adopting this standard is discussed in Note 11 – Subsequent Events of Notes to Consolidated Financial Statements.

In June 2009, the FASB issued statement No. 168 "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles" ("ASU 2009-01") which establishes the FASB Accounting Standards Codification to become the source of authoritative U.S. generally accepted accounting principles to be applied by nongovernmental entities. The Accounting Standards Codification (the "Codification") will supersede all existing non-SEC accounting and reporting standards. The Codification is effective for interim or annual financial periods ending after September 15, 2009. The adoption did not have a material impact on the Company's financial condition or results of operations.

### Note 4 - Income Taxes

The geographical sources of earnings (loss) before income taxes were as follows (in thousands):

	Year ended September 30,	
	2009	2008
United States	\$ 3,936	\$ (3,779)
Outside United States	(872)	(897)
	<u>\$ 3,064</u>	<u>\$ (4,676)</u>

The components of the income tax expense were as follows (in thousands):

	<b>Year ended September 30,</b>	
	<b>2009</b>	<b>2008</b>
Current:		
United States	\$ 34	\$ 89
Outside United States	946	119
Deferred:	--	--
United States	--	--
Outside United States	--	--
	<u>\$ 980</u>	<u>\$ 208</u>

The Company had zero income tax payments in the fiscal year end September 30, 2009 and paid \$100,000 in the fiscal year end September 30, 2008.

The reasons for the difference between the U.S. federal income tax rate and the effective income tax rate for earnings were as follows:

	<b>Year ended September 30,</b>	
	<b>2009</b>	<b>2008</b>
U.S. federal income tax rate	34.00%	(34.00)%
Increase (reduction) resulting from:		
State income taxes, net of U.S. federal tax benefit	0.00	(4.80)
Foreign income tax rate differential	40.57	9.99
Non-deductible CDR expenses	(11.52)	64.69
Unrealized gain on foreign exchange	(8.12)	0.69
Change in valuation allowance	(16.82)	(29.54)
Adjustment to deferred tax assets	(4.88)	--
Other, net	(1.25)	(2.58)
Effective income tax rate	<u>31.98%</u>	<u>4.45%</u>

Deferred tax assets at September 30, 2009 and 2008 were as follows (in thousands):

	<b>2009</b>	<b>2008</b>
Deferred tax assets:		
Foreign loss carryforwards .....	\$ 6,486	\$ 7,029
U.S. NOL C/F - 382 Limit .....	--	--
U.S. and state NOL carryforward .....	132,098	132,643
AMT credit carryforwards .....	74,547	74,519
Gross deferred tax assets	213,131	214,191
Less: valuation allowance .....	(213,131)	(214,191)
Net deferred tax assets .....	<u>\$ --</u>	<u>\$ --</u>

In connection with fresh-start accounting, Comdisco, Inc.'s assets and liabilities were recorded at their respective fair market values. Deferred tax assets and liabilities were recognized for the tax effects of the differences

between the fair values and the tax bases of the Company's assets and liabilities. In addition, deferred tax assets were recognized for future use of the company's net operating losses and other tax credits.

The Company's emergence from bankruptcy on July 31, 2002 for financial statement purposes, constituted an ownership change under section 382 of the Internal Revenue Code and the use of any of the Company's NOLs and tax credits generated prior to the ownership change, that were not reduced pursuant to the provisions discussed above, would be subject to an overall annual limitation. The Company believes the section 382 NOL limitation should have been reduced to zero in prior years as the Company has been winding down and no longer is operating its trade or business that generated the NOL. In the 2008 and 2009 financial statements, the Company has written off the NOLs, subject to limitation under section 382, which has no impact on income tax expense or the consolidated balance sheet due to the full valuation allowance on the NOL. The Company continues to provide a valuation allowance for the remaining value of the deferred tax assets due to uncertainties regarding future earnings.

For financial reporting purposes, the Company has \$40,247,000 of foreign net operating loss carryforwards, most of which have no expiration date. The Company has recognized a valuation allowance of \$6,486,000 to offset this deferred tax asset. At September 30, 2009, the Company has available for U.S. federal income tax purposes the following carryforwards (in thousands):

<u>Year scheduled to expire</u>	<u>Net operating loss</u>
2022	\$ 35,423
2023	256,578
2024	37,101
2025	34,055
	<u>\$ 363,157</u>

For U.S. federal income tax purposes, the Company has \$74,547,000 of alternative minimum tax ("AMT") credit carryforwards available to reduce regular taxes in future years. AMT credit carryforwards do not have an expiration date. The Company does not believe that it is more likely than not that the Company will generate sufficient future taxable income exclusive of reversing temporary differences to realize the benefit of the AMT credit carryforwards. As such, the Company has recognized a valuation allowance of \$74,547,000 to offset this deferred tax asset.

The Company files income tax returns in the U.S. federal jurisdiction, the State of Illinois and foreign jurisdictions. As discussed in Note 3, Changes in Accounting of Notes to Consolidated Financial Statements, the Company adopted ASC Subtopic 740-10 effective October 1, 2007 (which is the first day of the Company's current fiscal year).

As of the date of this filing, the only federal tax years open to exam are fiscal years ended September 30, 2005 through September 30, 2008.

As of September 30, 2009, in the State of Illinois, the Company was under audit for the tax years ended September 30, 2006 and 2007. The Company does not expect any additional tax payments to be due as a result of this audit. There are no other significant state audits in progress.

During the year ended September 30, 2009, the Company established liabilities of approximately \$360,000 to cover potential tax obligations for final tax clearance in various jurisdictions.

The Company's Canadian subsidiary, Comdisco Canada Limited, currently is in the process of resolving several tax matters with federal and provincial tax authorities in Canada. The more significant tax matters include, but are not limited to, a tax audit performed by the Canada Revenue Agency ("CRA") for tax years ended September 30, 2001 through 2003 which was completed on September 29, 2008 and amended tax returns and "Notices of Objection" to reassessments which were filed for several other tax years. The Company continues to advance matters with the provinces of Ontario and Quebec in respect of Notices of Objection and amended tax returns filed

for several tax years in those provinces. The open federal tax years for the Canadian subsidiary are tax years ended September 30, 1998, 1999, 2002, and 2005 through 2008. The open tax years for the province of Ontario are tax years ended September 30, 1998 and 2004 through 2008. The open tax year for the province of Quebec is the tax year ended September 30, 1999. The open tax year for the province of Alberta is the tax year ended September 30, 1999.

During the fiscal year ended September 30, 2008, the Company's Canadian subsidiary received tax refunds totaling approximately USD \$5,000,000 from the Canadian taxing authorities. During the fiscal year ended September 30, 2009, the Company's Canadian subsidiary received tax refunds totaling approximately USD \$6,000,000 from the Canadian taxing authorities. However, such receipts are anticipated to be used to satisfy Canadian taxes payable.

The Company's UK subsidiary, Equiplease, has open tax years in Canada for the years ended August 19, 1990 through August 19, 2009. The open tax year in the UK is the year ended August 19, 2008.

The Company adopted the provisions of ASC Subtopic 740-10 effective October 1, 2007. As a result of the implementation of ASC Subtopic 740-10, the Company recognized a cumulative decrease in its liability for taxes of \$3,799,000, which was accounted for as an increase to the October 1, 2007 balance of retained earnings. As of September 30, 2007, the Company reported a net receivable balance for its Canadian subsidiary. As part of the adoption of ASC Subtopic 740-10, the Company now reports a gross receivable and a gross payable.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	<b>September 30,</b>	<b>September 30,</b>
	<b>2009</b>	<b>2008</b>
Beginning balance	\$ 4,640,000	5,652,000
Decreases related to settlements of certain tax audits	(274,000)	443,000
Decreases related to prior year tax positions	--	(1,170,000)
Increases related to prior year tax positions	360,000	--
Other	(205,000)	(285,000)
Ending balance	\$4,521,000	4,640,000

The entire balance of \$4,521,000, if not realized, would impact the effective tax rate.

In the next twelve months, the Company's effective tax rate and the amount of unrecognized tax benefits could be affected positively or negatively by the resolution of ongoing tax audits and the expiration of certain statutes of limitations. The Company is unable to project the potential range of tax impacts at this time.

The Company recognizes interest and penalties accrued related to income tax reserves in respect of uncertain tax positions in the income tax provision. As of September 30, 2009, accrued interest and penalties amounted to \$3,064,000. As of September 30, 2008, interest expense and penalties amounted to \$2,655,000. For the year ended September 30, 2009, interest income and the settlement of the Quebec audit, less interest expense and penalties in the statement of operations totaled \$15,000. For the year ended September 30, 2008, interest expense and penalties in the statement of operations totaled \$207,000.

## **Note 5 – Equity Investments**

On February 23, 2004, the Company announced that its subsidiary, Comdisco, Inc., entered into agreements (collectively, the "Agreements") with Windspeed for the ongoing management and liquidation of Comdisco Ventures, Inc.'s warrant and equity investment portfolio. The Agreements include substantially all of the Company's warrant and equity investment portfolio. Windspeed is entitled to certain fixed and declining management fees. Additionally, Windspeed shares in the net receipts from the sale of the Company's investments in equity securities at a set percentage. The Company has received approximately \$67,856,000 in proceeds (prior to

management fees, sharing and a receivable from securities sold with Windspeed) since the inception of the management agreement with Windspeed. Windspeed has received a combined \$11,426,000 in management fees and sharing through September 30, 2009. Management fees are expensed when incurred and realized gains on the sale of Equity Investments are reduced by sharing amounts under the management agreement. Copies of the Amended and Restated Limited Liability Company Agreement of Comdisco Ventures Fund A, LLC (the former Comdisco Ventures, Inc.), dated as of February 20, 2004 by and among Comdisco, Inc., Windspeed and Comdisco Ventures Fund B, LLC and the Limited Liability Company Agreement of Comdisco Ventures Fund B, LLC, dated as of February 20, 2004, by and among Comdisco, Inc., Windspeed and Windspeed Acquisition Fund, L.P. were filed with the SEC on a Current Report on Form 8-K pursuant to Item 5 on February 23, 2004. As reported on the Current Report on Form 8-K filed by the Company on April 11, 2006, the management agreement was extended for an additional two years, until February 20, 2009. As reported on the Current Report on Form 8-K filed by the Company on March 19, 2009, the management agreement was extended for an additional two years, until February 20, 2011. As a result of the Agreements, the ongoing management of the Company's equity investments in public and private companies is being provided by Windspeed.

Marketable equity investments:

The Company's available-for-sale security holdings were as follows (in thousands):

	<u>Cost</u>	<u>Gross unrealized gains</u>	<u>Gross unrealized losses</u>	<u>Market value</u>
September 30, 2009	\$--	\$ 23	\$--	\$ 23
September 30, 2008	\$--	\$ 55	\$--	\$ 55

Changes in the valuation of available-for-sale securities are included as changes in the unrealized holding gains (losses) in accumulated other comprehensive income. At September 30, 2009, the Company held securities in three publicly-traded companies one of which is to be held in escrow until December 23, 2009. The Company's practice is to sell its marketable equity securities within a reasonable period of time after the lock-up period ends.

Realized gains or losses are recorded on the trade date based upon the difference between the proceeds and the cost basis determined using the specific identification method. Realized gains, net of sharing and fees, are included in revenue in the consolidated statements of operations. During the fiscal year ended September 30, 2009, the Company received \$3,475,000 in proceeds (after sharing, management fees and a receivable from securities sold) and realized a gain of \$3,949,000 on the sale of marketable equity securities.

Equity investments in private companies:

The Company's policy for assessing the carrying value of equity investments in privately held companies is, in consultation with Windspeed, to regularly review the assumptions underlying the operating performance and cash flow forecasts. The Company identifies and records impairment losses on Equity Investments when market and customer specific events and circumstances indicate the carrying value might be impaired. All write-downs are considered permanent impairments for financial reporting purposes. The carrying value of the Company's equity investments in private companies was \$1,029,000 at September 30, 2009 and \$1,156,000 at September 30, 2008. Write-downs of equity securities were \$22,000 and \$1,564,000 during fiscal years 2009 and 2008, respectively.

#### **Note 6 - Common Stock and Other Comprehensive Income**

When the Company emerged from bankruptcy, 4,200,000 shares of new common stock were issued. As of September 30, 2009, the Company had 4,029,055 shares of common stock outstanding and 170,945 shares of common stock held in treasury.

Consistent with past practices, the Company intends to treat any future dividend distribution for federal income tax purposes as part of a series of liquidating distributions in complete liquidation of the Company.

The Company's Common Stock share amounts for basic and diluted earnings per share calculations were as follows (in thousands):

	<b>Year ended September 30,</b>	
	<b>2009</b>	<b>2008</b>
Average common shares issued	4,200	4,200
Average common shares held in treasury	(171)	(171)
	<u>4,029</u>	<u>4,029</u>
Net earnings (loss) to common stockholders	<u>\$ 2,084</u>	<u>\$ (4,884)</u>
Basic and diluted earnings (loss) per common share	<u>\$ 0.52</u>	<u>\$(1.21)</u>

Accumulated other comprehensive income (loss) consists of changes in the unrealized gains related to the Company's holdings in available-for-sale investments. Total comprehensive income (loss) is as follows (in thousands):

	<b>Year ended September 30,</b>	
	<b>2009</b>	<b>2008</b>
Unrealized gains (losses) on investments:		
Unrealized holding gains (losses) arising during the period.....	\$ 3,666	\$ (379)
Reclassification adjustment for gains included in earnings before income taxes .....	<u>(3,698)</u>	<u>(5,036)</u>
Change in net unrealized gains (losses) (A) .....	(32)	(5,415)
Net earnings (loss).....	<u>2,084</u>	<u>(4,884)</u>
Total comprehensive income (loss) .....	<u>\$ 2,052</u>	<u>\$ (10,299)</u>

Note (A): No income tax effect on these gains (losses)

#### **Note 7 - Fair Value Measurements**

On October 1, 2008, the Company adopted ASC Subtopic 820-10 for all financial instruments and non-financial instruments accounted for at fair value on a recurring basis. Fair value is defined by ASC Subtopic 820-10 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Subtopic 820-10 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets and liabilities.
- Level 2 – Quoted prices in active markets for similar assets and liabilities, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

All of the Company's financial assets that are measured at fair value on a recurring basis are measured using Level 1 inputs. However, the Company records the carrying value of its private equity investments at lower of cost or fair market value which is measured using Level 3 inputs. The Company has not included a tabular disclosure as the Company's only financial assets that are measured at fair value on a recurring basis in the consolidated balance sheet as of September 30, 2009 are money market funds comprising approximately \$55,579,000 of the cash and cash equivalents balance and equity investments in three public companies, which are measured at fair value based upon Level 1 inputs. The Company holds no financial liabilities that are measured at fair value on a recurring basis.

On October 1, 2008, the Company adopted ASC Subtopic 825-10 but did not elect the fair value option.

Fair values were determined as follows:

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

In accordance with the provisions of ASC Topic 320, "Accounting for Certain Investments in Debt and Equity Securities," marketable equity investments (equity investments having a readily determinable fair value) have a carrying value and a fair value based on quoted market prices. The Company's investment in warrants of public companies were valued at the bid quotation. The Company's practice is to sell its marketable equity investments upon the expiration of the lock-up period.

Equity investments in private companies consist primarily of small investments in approximately 50 private companies. Common stock and preferred stock investments are carried at the lower of cost or fair market value in the Company's financial statements. Warrants in non-public companies are carried at zero value. The carrying value of equity investments in private companies is \$1,029,000 and the fair market value measured using Level 3 inputs is \$2,215,000. These investments are subject to significant volatility and are difficult to value. The fair value of the Company's equity investments in private companies, including warrants, was determined in consultation with Windspeed based on a variety of factors, including, but not limited to, quoted trading levels for publicly-traded securities in similar industries and/or markets, industry and company multiples, industry acceptance in the market place, liquidity discounts due to lock ups, estimated revenue, and customer, product and market share growth by the respective companies in the portfolio. Substantially all of these factors are outside the control of the Company and are subject to significant volatility. There can be no assurance that the Company will be able to realize the estimated fair market value. Furthermore, the current estimated fair market value is subject to significant concentration risk, since as of September 30, 2009, 96 percent of the estimated fair market value of the entire portfolio is concentrated in ten individual companies and approximately 80 percent of the estimated amount is in three individual companies.

#### Note 8 - Quarterly Financial Data (Unaudited)

Summarized quarterly financial data for the fiscal years ended September 30, 2009 and 2008, are as follows (in thousands except per share data):

	Quarter ended							
	December 31,		March 31,		June 30,		September 30,	
	2008	2007	2009	2008	2009	2008	2009	2008
Total revenue	\$ 381	\$ 6,552	\$ 282	\$ 2,356	\$ 973	\$ 758	\$ 2,897	\$ 571
Net earnings (loss)	\$ (72)	\$ 1,848	\$ 37	\$ 1,186	\$ (144)	\$ (1,021)	\$ 2,263	\$ (6,897)
Basic and diluted earnings (loss) per common share	\$(0.02)	\$0.46	\$0.01	\$0.29	\$(0.04)	\$(0.25)	\$0.57	\$(1.71)

## Note 9 - Other Financial Information

Legally restricted cash represents cash and cash equivalents that are related to the Company's employee incentive compensation plans, and cash and cash equivalents held in escrow or in similar accounts to ensure indemnification obligations of the Company. Legally restricted cash is comprised of the following (in thousands):

	<b>September 30, 2009</b>	<b>September 30, 2008</b>
Incentive compensation escrows	\$ 455	\$ 453
Indemnification reserve	4,000	4,000
Other escrows	539	529
	<u>\$ 4,994</u>	<u>\$ 4,982</u>

The incentive compensation escrow is deferred compensation defined by the Plan held until an employee terminates with the Company. The indemnification reserve is a specific reserve set aside by the Company for any potential indemnified losses in lieu of the litigation trustee purchasing insurance coverage. Other escrows include management fee escrows and a bank guaranty held in the Netherlands.

Other liabilities consist of the following (in thousands):

	<b>September 30, 2009</b>	<b>September 30, 2008</b>
Accrued compensation	\$ 1,167	\$ 1,237
CDRs	21,431	22,469
Other liabilities	346	187
	<u>\$ 22,944</u>	<u>\$ 23,893</u>

Accrued compensation: The liability for accrued compensation includes payroll and estimated amounts payable under the Company's Bankruptcy court approved compensation plans.

CDR's: As of September 30, 2008, the Company revised certain estimates utilized in estimating the CDR liability as a result of significant events and the resolution of various matters that occurred in the fourth quarter of fiscal year ended 2008. Those events included: (i) the summary judgments in favor of the Litigation Trust against certain SIP Participants received on September 24, 2008, (ii) the distribution of the final Allowed Claim on July 10, 2008, (iii) the withdrawal or dismissal of all remaining claims in the fourth quarter of the fiscal year 2008, (iv) the closure of the Disputed Claims Reserve and the final supplemental distribution from the Disputed Claims Reserve on August 14, 2008, and (v) the cancellation of the Class C-5B shares in the Disputed Interests Reserve and the reallocation of the cash balances relating to those shares to the remaining CDR holders of record on September 25, 2008. As a result of those significant events that occurred in the fiscal quarter ended September 30, 2008 and as a result of other facts and circumstances, the Company believes it is also better able to estimate certain future cash flows in excess of book value that were previously not considered estimable. However, due to the volatility in the markets for equity, the Company has not included its fair value estimates in determining the CDR liability.

As of September 30, 2008, the Company has estimated, and will continue to estimate, the CDR liability based on the net equity of the Company after taking into consideration future operating costs and expenses, and other expected cash inflows in excess of book value, including estimated future interest income, estimated recoveries and the potential net distributions from the Litigation Trust which are currently estimated to be nominal. See the risk factors discussed in Item 1A. "Risk Factors", particularly the risks entitled "Uncertainties Inherent in the CDR Liability Calculation" and "Uncertainties Inherent in the Determination of Fair Market Value of the Remaining Portfolio."

## Note 10 - Operations by Geographic Areas

The following table presents total revenue by geographic location based on the location of the Company's offices (in thousands):

	Year ended September 30,	
	2009	2008
North America	\$4,528	\$10,227
Europe	5	9
	<u>\$4,533</u>	<u>\$10,236</u>

The following table presents total assets and cash by geographic location based on the location of the Company's offices as of September 30 (in thousands):

	2009		2008	
	Total Assets	Cash	Total Assets	Cash
North America	\$76,427	\$70,648	\$75,077	\$62,149
Europe	463	411	387	387
Total	<u>\$76,890</u>	<u>\$71,059</u>	<u>\$75,464</u>	<u>\$62,536</u>

## Note 11 - Subsequent Events

The Company has evaluated events and transactions subsequent to the balance sheet date through the filing date of these Consolidated Financial Statements on Form 10-K with the United States Securities and Exchange Commission on December 11, 2009. Based on this evaluation, the Company is not aware of any events or transactions that occurred subsequent to the balance sheet date but prior to filing that would require recognition or disclosure in its Consolidated Financial Statements.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## ITEM 9A. CONTROLS AND PROCEDURES

### (1) Evaluation of Disclosure Controls and Procedures

Randolph I. Thornton, the sole officer of the Company, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, the Company's sole officer has concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act.

### (2) Management Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) under the

Exchange Act as a process designed by, or under the supervision of, the Company's sole officer and effected by the Company's board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and the sole director of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of September 30, 2009. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*.

Based on management's assessment, management believes that, as of September 30, 2009, the Company's internal control over financial reporting is effective.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission, and extensions thereby, that permit the Company to provide only management's report in this annual report.

### (3) Change in Internal Controls

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## **ITEM 9B. OTHER INFORMATION**

Not applicable.

## **PART III**

## **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

### **Directors and Executive Officers**

As discussed in Part I above, all the individuals serving on the Board of Directors resigned their position as directors on August 12, 2004 except for Randolph I. Thornton who has continued on as sole director. Also, on the same date, all the officers of the Company resigned their respective officer positions. Before resigning their

positions as directors, the Board of Directors appointed Randolph I. Thornton as Chief Executive Officer, President and Secretary of the Company. Mr. Thornton's appointment as the Company's Initial Disbursing Agent also became effective at this time. As Initial Disbursing Agent, Mr. Thornton has assumed the roles and responsibilities performed by the former Board of Directors and officers of the Company, including all measures which are necessary to complete the administration of the reorganized Debtors' Plan and Chapter 11 cases. The Company's Board of Directors took this action as the next step in the wind down of operations pursuant to the Plan. Because the Company's equity securities are not listed on any stock exchange or traded on Nasdaq, the Company is not required to comply with the corporate governance requirements mandated by stock exchanges and Nasdaq.

### **Sole Officer and Director**

#### **Randolph I. Thornton (Age 64 - Director since August 2002)**

Effective August 12, 2004, Mr. Thornton was appointed Chief Executive Officer, President and Secretary of the Company as well as Initial Disbursing Agent and sole director. Prior to his retirement in January 2004, he was a Managing Director and Senior Credit Officer of Citigroup, Inc. where he managed hundreds of corporate reorganization matters in a thirty-three year career. He currently serves as non-executive Chairman for National Energy & Gas Transmission, Inc. and Core-Mark International, Inc.

### **Audit Committee Financial Expert**

Until August 12, 2004, the Audit Committee of the Board of Directors was comprised entirely of independent outside directors. Since August 12, 2004, Mr. Thornton has been performing the functions of the Audit Committee. Mr. Thornton qualifies as an "audit committee financial expert," as defined in Item 407(d)(5)(ii) of Regulation S-K, but is not considered independent as that term is defined in Item 407 of Regulation S-K. The Company is not required to have a three-person audit committee consisting of independent directors because its equity securities are not listed on a stock exchange or traded on Nasdaq.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our director and executive officer, and persons who beneficially own more than 10 percent of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our Common Stock and any changes in that ownership with the SEC. Based solely on our review of copies of the reports filed with the SEC and written representations of our director and officer, we believe all persons subject to Section 16(a) reporting filed the required reports on time in fiscal year 2009.

### **Code of Ethics**

On December 3, 2007, the Company updated and made effective its revised Code of Conduct Applicable to the Chief Executive Officer and Authorized Representatives. The Company updated and made effective its revised Code of Conduct for its employees in June 2009. Copies are available on the Company's website. Any waivers from the Codes of Conduct, or amendments thereto, by the Company will be disclosed through its website at [www.comdisco.com](http://www.comdisco.com) and in future filings. To date, the Company has granted no such waivers.

## **ITEM 11. EXECUTIVE COMPENSATION**

Effective August 12, 2004, Randolph I. Thornton was appointed Chief Executive Officer, President and Secretary of the Company as well as Initial Disbursing Agent and sole director. Mr. Thornton is the sole executive officer and is referred to in this section as the "named executive officer."

### **Compensation Discussion and Analysis**

All payments to Mr. Thornton are made pursuant to the Disbursing Agent Agreement. The Board of Directors determined that the most efficient way to wind down the business was to adopt the compensation program

set forth in the Disbursing Agent Agreement which specifies an hourly rate for the services provided by the Disbursing Agent. This approach is consistent with the Company's overall objective of efficiently selling, collecting and otherwise reducing to money the remaining assets of the Company and its subsidiaries. The Board of Directors set the hourly wage paid to the Disbursing Agent at \$400 per hour in 2004. The rate does not vary and does not depend on corporate performance.

### Summary Compensation Table

Name and Principal Position	Fiscal Year	Salary(\$)	All Other	Total (\$)
			Compensation(\$) Note (1)	
Randolph I. Thornton	2009	--	115,100	115,100
Chief Executive Officer,	2008	--	94,400	94,400
President and Secretary	2007	--	111,100	111,100

(1) Amount reflects total payments earned by Mr. Thornton pursuant to the Disbursing Agent Agreement at the rate of \$400 per hour.

### Plan-Based Awards, Equity Awards and Options

The Company does not have any plan-based awards, equity awards or stock options available to the named executive officer. Accordingly, no plan-based awards, equity awards or stock options were outstanding or aggregated by the named executive officer during fiscal year 2009. The Company does not plan to issue any plan-based awards, equity awards or stock options to the named executive officer in the future.

### Pension Benefits, Deferred Compensation and Potential Payments

The Company did not provide any pension benefits or deferred compensation to the named executive officer during fiscal year 2009. The Company does not plan to provide any pension benefits or deferred compensation to the named executive officer in the future. The Disbursing Agent Agreement does not provide for any potential payments other than the hourly rate described above.

### Compensation of Directors

The Disbursing Agent's compensation for the fiscal year ended September 30, 2009 is set forth in the compensation table above. Mr. Thornton did not receive additional compensation for serving as a director in fiscal year 2009.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDERS MATTERS

### Common Stock Owned by Certain Beneficial Owners

The following table reflects the number of shares of Common Stock beneficially owned on December 1, 2009 by all persons whom we know to be beneficial owners of 5 percent or more of our Common Stock, based on a review of public filings.

## Stockholders Owning at Least 5 percent of the Company's Common Stock

Name and Address		Shares Beneficially Owned	Percent of Class
Berkshire Hathaway, Inc. 1440 Kiewit Plaza Omaha, Nebraska 68131	(1)	1,538,377	38.18%
Davidson Kempner Partners 885 Third Avenue New York, New York 10022	(2)	946,753	23.50%
Kinetics Asset Management, Inc. 470 Park Avenue South 4th Floor South, New York, NY, 10016	(3)	203,400	5.05%
Haphazard Investors LLC 141 Heather Lane Mill Neck, NY 11765	(4)	204,495	5.08%

- (1) The information with respect to 1,538,377 shares of Common Stock beneficially owned by Berkshire Hathaway, Inc. is based on its amended Report on Schedule 13F-HR for the period ended September 30, 2009, filed with the SEC on November 24, 2009.
- (2) The information with respect to 946,753 shares of Common Stock beneficially owned by Davidson Kempner Partners is based on a Report on its amended Schedule 13G, dated and filed with the SEC on February 14, 2006.
- (3) The information with respect to 203,400 shares of Common Stock beneficially owned by Kinetics Asset Management, Inc. is based on its Report on Schedule 13F-HR for the period ended September 30, 2009, filed with the SEC on November 12, 2009.
- (4) The information with respect to 204,495 shares of Common Stock beneficially owned by Haphazard Investors LLC is based on a Report on its Schedule 13G, dated and filed with the SEC on December 31, 2008.

### Common Stock Owned by Directors and Executive Officers

Mr. Thornton (who is the Company's sole officer and director) does not beneficially own any shares of the Company's common stock in the Company as of December 1, 2009. The address of the sole director and named executive officers is c/o Comdisco Holding Company, Inc., 5600 North River Road, Rosemont, Illinois 60018.

### Equity Compensation Plan Information

The Company has not reserved any equity securities for compensation to its employees or its sole officer.

### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

During the Company's prior fiscal year, the Company did not participate in any transaction in which any related person had or would have a direct or indirect material interest. No such transaction is currently proposed. Section 3.4 of the Disbursing Agent Agreement prohibits the Disbursing Agent from directly or indirectly selling or otherwise transferring any of the assets of the Company to a related person.

Randolph I. Thornton, sole director of the Company, is not considered independent as that term is defined in Item 407 of Regulation S-K.

## ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

### Audit Committee of the Board of Directors

The Audit Committee and the Board of Directors adopted a charter, setting forth the structure, powers and responsibilities of the Audit Committee. The Audit Committee met four times in fiscal year 2009. Mr. Thornton, as sole director and Initial Disbursing Agent, performed the functions of the Audit Committee for the fiscal year 2009. The Company is not required to have a three-person committee consisting of independent directors because its equity securities are not listed on a stock exchange or trade on Nasdaq.

One of Mr. Thornton's primary responsibilities is to provide oversight of the integrity of the Company's financial statements and financial reporting process. To fulfill these oversight responsibilities, Mr. Thornton has reviewed and discussed with management and the independent auditors the audited financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2009, and has reviewed and discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 114, The Auditor's Communication With Those Charged With Governance, as amended. In addition, Mr. Thornton received from the independent auditors written reports disclosing that they are not aware of any relationships between the auditors and the Company that, in their professional judgment, may reasonably be thought to bear on their independence, consistent with Independence Standards Board Standard Number 1, Independence Discussions with Audit Committees. Mr. Thornton also reviewed and discussed with the independent auditors all relationships the auditors have with the Company to determine and satisfy itself regarding the auditors' objectivity and independence. Mr. Thornton has also considered whether the provision of non-audit services by the independent auditors to the Company for the most recent fiscal year and the fees and costs billed and expected to be billed by the independent auditors for those services are compatible with maintaining their independence.

Based on the review and discussions described in this report, Mr. Thornton determined that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2009, for filing with the SEC.

Mr. Thornton, as sole director and Disbursing Agent, appointed KPMG LLP as independent auditors for the Company for the fiscal year 2010.

### Principal Accountant Audit Fees and Services Fees

The following table describes fees for professional audit services rendered by KPMG, the Company's principal accountant, for the audit of our annual financial statements for the fiscal years ended September 30, 2009 and September 30, 2008 and fees billed for other services rendered by KPMG during those periods.

<u>Type of Fee</u>	<u>2009</u>	<u>2008</u>
Audit Fees (1)	\$375,000	\$360,700
Audit Related Fees	--	--
Tax Fees (2)	--	20,375
All Other Fees	--	--
Total	<u>\$375,000</u>	<u>\$381,075</u>

- (1) Audit Fees, including those for statutory audits, include the aggregate fees paid by the Company during the fiscal year indicated for professional services rendered by KPMG for the audit of the Company's annual financial statements and review of financial statements included in the Company's Forms 10-Q.
- (2) Tax Fees include the aggregate fees paid by the Company during the fiscal year indicated for professional services rendered by the principal accountant for tax compliance, tax advice and tax planning.

Procedures For Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor

Pursuant to its charter, the Audit Committee of Comdisco Holding Company's Board of Directors is responsible for reviewing and approving, in advance, any audit and any permissible non-audit engagement or relationship between Comdisco and its independent auditors. Mr. Thornton, as sole director and Initial Disbursing Agent, has assumed that responsibility. KPMG's engagement to conduct the audit of Comdisco Holding Company, Inc. was approved by the Audit Committee. Additionally, each permissible non-audit engagement or relationship between Comdisco and KPMG has been reviewed and approved by the Audit Committee, as provided in its charter.

We have been advised by KPMG that all of the work done in conjunction with its audit of Comdisco Holding Company's financial statements for the most recently completed fiscal year was performed by permanent full time employees and partners of KPMG.

## PART IV

### ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) List of documents filed as part of this report:

#### Financial Statements

See Index to Financial Statements contained in Item 8, Financial Statements and Supplementary Data, above.

#### Financial Statement Schedules

All Financial Statement Schedules have been omitted because (i) the required information is not present in amounts sufficient to require submission of the schedule, (ii) the information required is included in the Financial Statements or the Notes thereto or (iii) the information required in the schedules is not applicable to the Company.

#### 3. Exhibits

The following exhibits are filed herewith or are incorporated by reference to exhibits previously filed with the Commission:

Exhibit No.	Description of Exhibit
2.1	Joint Plan of Reorganization of Comdisco, Inc. and its Affiliated Debtors and Debtors in Possession (Incorporated by reference to Exhibit 99.3 filed with Comdisco, Inc.'s Current Report on Form 8-K dated April 26, 2002, as filed with the Commission on May 10, 2002, File No. 1-7725).
2.2	First Amended Joint Plan of Reorganization of Comdisco, Inc. and its Affiliated Debtors and Debtors in Possession (Incorporated by reference to Exhibit 2.2 filed with Comdisco, Inc.'s Current Report on Form 8-K dated July 30, 2002, as filed with the Commission on August 9, 2002, File No. 1-7725).
2.3	Findings of Fact, Conclusions of Law, and Order Under 11 U.S.C. ss.ss.1129(a) and (b) and Fed. R. Bankr. P. 3020 Confirming the First Amendment Plan of Reorganization of Comdisco, Inc. and its Affiliated Debtors and Debtors in Possession (Incorporated by reference to Exhibit 2.1 filed with Comdisco, Inc.'s Current Report on Form 8-K dated July 30, 2002, as filed with the Commission on August 9, 2002, File No. 1-7725).
3.1	Certificate of Incorporation of Registrant, dated August 8, 2002 and amended as of August 12, 2004 (Incorporated by reference to Exhibit 3.1 filed with the Company's Annual Report on Form 10-K dated September 30, 2004, as filed with the Commission on December 14, 2004, File No. 0-49968).
3.2	By-Laws of Registrant, adopted as of August 9, 2002 (Incorporated by reference to Exhibit 3.2 filed with the Company's Annual Report on Form 10-K dated September 30, 2002, as filed with

Exhibit No.	Description of Exhibit
	the Commission on January 14, 2003, File No. 0-49968).
4.1	Rights Agent Agreement between the Registrant and Mellon Investor Services L.L.C., as Rights Agent, dated as of August 12, 2002 (Incorporated by reference to Exhibit 4.5 filed with the Company's Annual Report on Form 10-K dated September 30, 2002, as filed with the Commission on January 14, 2003, File No. 0-49968)
10.1*	Motion, dated as of May 24, 2002, and Order, dated as of June 18, 2002, Pursuant to 11 U.S.C. Sections 105(a) and 363(b)(1) Approving and Authorizing the Debtors' Stay Bonus Plan and Management Incentive Plan, dated June 18, 2002 (Incorporated by reference to Exhibit 10.1 filed with the Company's Annual Report of Form 10-K dated September 30, 2002, as filed with the Commission on January 14, 2003, File No. 0-49968).
10.2*	First Letter from Ronald C. Mishler to the Official Committee of Unsecured Creditors of Comdisco, Inc., dated May 29, 2002 (Incorporated by reference to Exhibit 10.2 filed with the Company's Annual Report of Form 10-K dated September 30, 2002, as filed with the Commission on January 14, 2003, File No. 0-49968).
10.3*	Second Letter from Ronald C. Mishler to the Official Committee of Unsecured Creditors of Comdisco, Inc., dated July 3, 2002 (Incorporated by reference to Exhibit 10.3 filed with the Company's Annual Report of Form 10-K dated September 30, 2002, as filed with the Commission on January 14, 2003, File No. 0-49968).
10.4	Motion for an Order in Furtherance of the First Amended Joint Plan of Reorganization of Comdisco, Inc. and its Affiliates Seeking Authority to Complete the Administration of the Reorganized Debtors' Reorganization Plan and Chapter 11 Cases, dated February 17 2004, (Incorporated by reference to Exhibit 99.2 filed with the Company's Report on Form 8-K dated February 17, 2004, as filed with the Commission on February 18, 2004, File No. 0-49968)
10.5	Amended and Restated Limited Liability Company Agreement of Comdisco Ventures Fund A, LLC, dated as of February 20, 2004, by and among Comdisco, Inc., Windspeed Acquisition Fund GP, LLC and Comdisco Ventures Fund B, LLC (Incorporated by reference to Exhibit 99.1 filed with the Company's Report on Form 8-K dated February 23, 2004, as filed with the Commission on February 23, 2004, File No. 0-49968)
10.6	Limited Liability Company Agreement of Comdisco Ventures Fund B, LLC, dated as of February 20, 2004, by and among Comdisco, Inc., Windspeed Acquisition Fund GP, LLC and Windspeed Acquisition Fund, L.P (Incorporated by reference to Exhibit 99.2 filed with the Company's Report on Form 8-K dated February 23, 2004, as filed with the Commission on February 23, 2004, File No. 0-49968)
10.7*	Disbursing Agent Agreement. (Incorporated by reference to Exhibit 10.9 filed with the Company's Annual Report on Form 10-K dated December 14, 2004 as filed with the commission on December 14, 2004, File No. 0-49968.)
10.8	Second Amended and Restated Limited Liability Company Agreement of Comdisco Ventures Fund A, LLC, dated as of April 11, 2006, by and among Comdisco, Inc., Windspeed Acquisition Fund GP, LLC and Comdisco Ventures Fund B, LLC (Incorporated by reference to Exhibit 10.1 filed with the Company's Report on Form 8-K dated April 11, 2006, as filed with the Commission on April 11, 2006, File No. 0-49968)
10.9	Amended and Restated Limited Liability Company Agreement of Comdisco Ventures Fund B, LLC, dated as of April 11, 2006, by and among Comdisco, Inc., Windspeed Acquisition Fund GP, LLC and Windspeed Acquisition Fund, L.P. (Incorporated by reference to Exhibit 10.2 filed with the Company's Report on Form 8-K dated April 11, 2006, as filed with the Commission on April 11, 2006, File No. 0-49968)
10.10	Third Amended and Restated Limited Liability Company Agreement of Comdisco Ventures Fund A, LLC, dated as of March 16, 2009, by and among Comdisco, Inc., Windspeed Acquisition Fund GP, LLC and Comdisco Ventures Fund B, LLC (Incorporated by reference to Exhibit 10.1 filed with the Company's Report on Form 8-K dated March 19, 2009, as filed with the Commission on March 19, 2009, File No. 0-49968)
21.1	Subsidiaries of the registrant (Filed herewith).
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the

Exhibit No.	Description of Exhibit
32.1	Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Filed herewith). Certification of the Chief Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Furnished herewith).

\* Management contract or compensatory plan or arrangement.

### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

#### COMDISCO HOLDING COMPANY, INC.

Dated: December 11, 2009

By: /s/ Randolph I. Thornton  
Name: Randolph I. Thornton  
Title: Chief Executive Officer and President  
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities indicated on December 11, 2009.

SIGNATURE

DATE

/s/ Randolph I. Thornton

December 11, 2009

Name: Randolph I. Thornton  
Title: Chief Executive Officer and President  
(Principal Financial and Accounting  
Officer)  
Sole Director

**Comdisco Holding Company, Inc.  
Subsidiaries of the Registrant as of December 1, 2009**

**Subsidiary State or Sovereign Power of Incorporation**

**Subsidiaries included in the Registrant's consolidated financial statements:**

Comdisco Canada Ltd .....	Ontario
Comdisco Canada Equipment Finance Limited Partnership .....	Ontario
Equiplease Limited.....	United Kingdom
Comdisco, Inc. ....	Delaware
Comdisco Ventures Fund A, LLC .....	Delaware
Comdisco de Mexico, S.A. de C.V.....	Mexico

**CERTIFICATION**  
**Certification of Principal Executive Officer**  
**AND**  
**Certification of Principal Financial Officer**

I, Randolph I. Thornton, Chief Executive Officer, President and sole officer of the registrant, certify that:

1. I have reviewed this annual report on Form 10-K of Comdisco Holding Company, Inc.;
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. As the sole officer of the registrant, I am 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. As the sole officer of the registrant, I have disclosed, based on my 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.

Dated: December 11, 2009

By: /s/ Randolph I. Thornton  
Name: Randolph I. Thornton  
Title: Chief Executive Officer and President  
(Principal Financial and Accounting  
Officer)

**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 Form 10-K of Comdisco Holding Company, Inc. (the "Company") for the period ending September 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version 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.

Dated: December 11, 2009

By: /s/ Randolph I. Thornton  
Name: Randolph I. Thornton  
Title: Chief Executive Officer and President

Dated: December 11, 2009

By: /s/ Randolph I. Thornton  
Name: Randolph I. Thornton  
Title: Chief Executive Officer and President  
(Principal Financial and Accounting  
Officer)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.