

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the quarterly period ended March 31, 2011

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
Suite 800
Rosemont, Illinois 60018
(Address of principal executive offices) (Zip code)

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

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 Web site, 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 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 (check one):

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 4,028,951 shares of the registrant's Common Stock, \$0.01 par value per share, were outstanding on April 30, 2011.

COMDISCO HOLDING COMPANY, INC.
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PART I. FINANCIAL INFORMATION

Forward-Looking Statements

This quarterly report on Form 10-Q 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 or any authorized representative, 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.

In this quarterly report on Form 10-Q, 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 entities, prior to the Company’s emergence from bankruptcy on August 12, 2002, except where the context indicates otherwise.

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 below in Part II, 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.

ITEM 1. FINANCIAL STATEMENTS

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 AND NO FURTHER DISTRIBUTIONS WILL BE MADE. 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. CAPITALIZED TERMS USED BUT NOT DEFINED IN THIS QUARTERLY REPORT ON FORM 10-Q HAVE THE MEANINGS AS DEFINED IN THE PLAN.

Comdisco Holding Company, Inc.**Consolidated Statements of Operations – Three and six months ended March 31, 2011 and 2010 (Unaudited)**

(in thousands except per share data)

	Three months ended		Six months ended	
	March 31,		March 31,	
	2011	2010	2011	2010
Revenue				
Gain on sale of equity and warrant securities	\$ 128	\$ 25	\$ 236	\$ 33
Interest income	30	33	63	60
Foreign exchange gain	185	116	351	260
Miscellaneous income	10	3	16	5
Total revenue	<u>353</u>	<u>177</u>	<u>666</u>	<u>358</u>
Costs and expenses				
Selling, general and administrative	774	1,151	1,835	2,559
Write-down of equity securities	90	--	90	16
Contingent distribution rights	(64)	322	138	262
Bad debt recoveries	(38)	(115)	(245)	(143)
Total costs and expenses	<u>762</u>	<u>1,358</u>	<u>1,818</u>	<u>2,694</u>
(Loss) before income taxes	(409)	(1,181)	(1,152)	(2,336)
Income tax expense (benefit)	111	(1,199)	(1,043)	(1,118)
Net earnings (loss)	\$ <u>(520)</u>	\$ <u>18</u>	\$ <u>(109)</u>	\$ <u>(1,218)</u>
Basic and diluted earnings (loss) per common share	\$ <u>(0.13)</u>	\$ <u>0.00</u>	\$ <u>(0.03)</u>	\$ <u>(0.30)</u>

See accompanying notes to consolidated financial statements.

Comdisco Holding Company, Inc.
Consolidated Balance Sheets – March 31, 2011 (Unaudited) and September 30, 2010 (Audited)
(in thousands except share data)

	March 31, 2011	September 30, 2010
ASSETS		
Cash and cash equivalents.....	\$ 51,129	\$ 52,826
Cash – legally restricted.....	4,861	4,877
Short-term investments.....	3,085	2,916
Equity investments.....	1,145	1,335
Income tax receivables.....	3,171	2,997
Other assets.....	316	199
Total assets.....	<u>\$ 63,707</u>	<u>\$ 65,150</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable.....	\$ 240	\$ 275
Income tax payables.....	859	2,146
Other liabilities		
Accrued compensation.....	1,155	1,196
Contingent distribution rights.....	21,039	20,901
Other.....	359	464
Total other liabilities.....	<u>22,553</u>	<u>22,561</u>
Total liabilities.....	23,652	24,982
Stockholders' equity		
Common stock \$.01 par value. Authorized 10,000,000 shares; issued 4,200,000 shares; 4,028,951 shares outstanding at March 31, 2011 and 4,029,055 shares outstanding at September 30, 2010.....	70	72
Additional paid-in capital.....	39,817	44,136
Accumulated other comprehensive income.....	--	4
Retained earnings.....	168	277
Common stock held in treasury, at cost; 0 shares at March 31, 2011 and 170,945 shares at September 30, 2010.....	--	(4,321)
Total stockholders' equity.....	<u>40,055</u>	<u>40,168</u>
Total liabilities and stockholders' equity.....	<u>\$ 63,707</u>	<u>\$ 65,150</u>

See accompanying notes to consolidated financial statements.

Comdisco Holding Company, Inc.
Consolidated Statements of Cash Flows – Six months ended March 31, 2011 and 2010 (Unaudited)
(in thousands)

	Six months ended March 31,	
	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Equity and warrant proceeds net of fees	\$ 165	\$ 44
Interest, bad debt recoveries and other revenue	295	190
Selling, general and administrative expenses	(1,930)	(2,361)
Income tax receipts (payments).....	<u>(286)</u>	<u>(7,031)</u>
Net cash (used in) operating activities	<u>(1,756)</u>	<u>(9,158)</u>
Cash flows from investing/financing activities:		
Short-term investment.....	<u>--</u>	<u>(40,000)</u>
Net cash (used in) investing activities.....	--	(40,000)
Effect of exchange rates on cash and cash equivalents.....	59	663
Net (decrease) in cash and cash equivalents	(1,697)	(48,495)
Cash and cash equivalents at beginning of period	<u>52,826</u>	<u>66,065</u>
Cash and cash equivalents at end of period	<u>\$ 51,129</u>	<u>\$ 17,570</u>

See accompanying notes to consolidated financial statements.

Comdisco Holding Company, Inc.
Consolidated Statements of Cash Flows (Unaudited) - Continued
(in thousands)

	Six months ended	
	March 31,	
	<u>2011</u>	<u>2010</u>
Reconciliation of net loss to net cash (used in) operating activities:		
Net (loss).....	\$ (109)	\$ (1,218)
Adjustments to reconcile net (loss) to net cash (used in) operating activities:		
Income tax (payments) receipts.....	(278)	(8,150)
Reversal of income tax liability.....	(1,165)	--
Contingent distribution rights.....	138	262
Receivables.....	(63)	11
Selling, general and administrative.....	(27)	182
Write-down of equity securities.....	90	16
Non-cash gain from the new extended Windspeed agreement...	(93)	--
Amortization of prepaid	7	--
Windspeed expense		
Other, including foreign exchange.....	<u>(256)</u>	<u>(261)</u>
Net cash (used in) operating activities.....	\$ <u>(1,756)</u>	\$ <u>(9,158)</u>

See accompanying notes to consolidated financial statements.

COMDISCO HOLDING COMPANY, INC.
Notes to Consolidated Financial Statements (Unaudited)
March 31, 2011

The following discussion and analysis should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Item 2 in Part I and in the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2010, and with the Consolidated Financial Statements and related notes in the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2010.

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 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. For financial reporting purposes only, however, the effective date for implementation of fresh-start reporting was July 31, 2002.

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 collection 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.

Litigation Trust: In February 1998, pursuant to the Shared Investment Plan (“SIP”), the participants in 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. The Plan and the litigation trust agreement provided that, under certain circumstances, subrogation rights that the Company may have against the SIP Participants who participated in the SIP and their respective promissory notes be placed in a trust for the benefit of the 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. Nine of the SIP Participants filed personal bankruptcy. On February 4, 2005, the Litigation Trust commenced both state and federal lawsuits to collect on the remaining SIP Participants’ promissory notes.

A federal district court judge has entered summary judgments (and amended judgments) against all but one of the SIP Participants who are defendants in the federal cases on their respective SIP promissory notes, and the Litigation Trust has commenced collection actions against them. Additionally, the federal district court judge has entered orders 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. The SIP Participants have filed appeals on those judgments. A hearing before the U.S. Court of Appeals, Seventh Circuit on the summary judgments in the federal case was held on April 6, 2010. The Seventh Circuit ruled on October 18, 2010 affirming rulings in favor of the Litigation Trust, but remanding certain fraud issues to the trial court. On November 1, 2010, the SIP defendants filed a petition for a hearing before the full appellate panel. The Litigation Trust filed a response to the petition on November 18, 2010. As of the date of this filing, no hearing has been scheduled.

The Litigation Trust filed summary judgments against all of the SIP Participants who are defendants in the state cases. On December 18, 2009, the SIP Participants filed their response, and the Litigation Trust filed its reply on February 11, 2010. Three of the SIP Participants filed Cross Motions for Summary Judgment. A hearing in the Circuit Court of Cook County on all of the summary judgment motions in the state cases was held on May 12, 2010, and the proceedings were continued to June 15, 2010. On June 15, 2010, the judge issued an opinion granting the summary judgments in favor of the Litigation Trust and denied the various motions for summary judgments filed by the SIP Participants. The proceedings were continued to July 14, 2010 at which time judgments were to be entered against the SIP participants. However, on July 12, 2010, the SIP Participants filed a Motion for a Temporary Stay of Proceedings until the Seventh Circuit rules on the appeal of the federal judgments. The Litigation Trust filed its response to the Motion on July 28, 2010. On August 10, 2010, the judge granted a temporary stay of the proceedings until November 29, 2010. On November 29, 2010, the judge continued the proceedings until January 27, 2011. On January 27, 2011, Judge Sanjay Tailor was assigned to the matter. Judge Tailor has since continued the Motion to Stay each month, and the next hearing date is scheduled for May 24, 2011.

As reported in the Twenty-Sixth Status Report of Comdisco Litigation Trustee, filed on May 2, 2011, twenty-seven of the SIP Participants in federal court and three of the SIP Participants in the state court have settled with the Litigation Trust.

Please refer to the quarterly reports filed by the Litigation Trustee 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.

2. Basis of Presentation and Recently Issued Accounting Pronouncements

The accompanying unaudited interim consolidated financial statements have been prepared pursuant to the rules of the SEC for quarterly reports on Form 10-Q and do not include all of the information and note disclosures required by accounting principles generally accepted in the United States of America. The information furnished herein includes all adjustments, consisting of normal recurring adjustments except where indicated, which are, in the opinion of management, necessary for a fair presentation of the results of operations for these interim periods.

The results of operations for the six months ended March 31, 2011 are not necessarily indicative of the results to be expected for the entire fiscal year ending September 30, 2011.

These financial statements should be read in conjunction with our audited consolidated financial statements and notes thereto as of and for the fiscal year ended September 30, 2010 included in the Annual Report on Form 10-K, as filed by us with the SEC on December 10, 2010.

The preparation of 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 amounts reported in the consolidated financial statements and the related notes. Actual results could differ from these estimates and may affect future results of operations and cash flows. We have evaluated subsequent events through the date of this filing. We do not believe there are any material subsequent events which would require further disclosure.

During the quarter ended March 31, 2010, management determined that it had not accounted correctly for a liability for potential tax obligations relating to final tax clearance in Canada that should have been reported in the cumulative effect of the adoption of ASC Subtopic 740-10 "Accounting for Uncertainty in Income Taxes" in the quarter ended December 31, 2007. The Company recorded income tax expense of \$1,452,000 and a resulting reduction in CDR liability of \$537,000 for a net earnings impact, in the three and six months ended March 31, 2010, of \$915,000. Management determined that the impact of these errors on previously issued interim and annual consolidated financial statements was not material to the financial statements taken as a whole, and therefore, the corrections are reflected in the quarter ended March 31, 2010.

In June 2009, the FASB issued SFAS No. 167, "Amendments to FASB Interpretation No. 46(R)," ("ASU 2009-17"). The standard amends previous guidance regarding the reporting of variable interest entities to require a company to analyze whether its interest in a variable interest entity ("VIE") gives it a controlling financial interest. A company must assess whether it has an implicit financial responsibility to ensure that the VIE operates as

designed when determining whether it has the power to direct the activities of the VIE that significantly impact its economic performance. Ongoing reassessments of whether a company is the primary beneficiary are also required by the standard. ASU 2009-17 amends the criteria to qualify as a primary beneficiary as well as how to determine the existence of a VIE. The standard also eliminates certain exceptions that were available under previous guidance regarding variable interest entities. This Statement was effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009 (i.e. the Company's fiscal year beginning October 1, 2010), for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. This statement did not have a material impact on the Company's consolidated financial statements or results of operations upon adoption and is not expected to have a material impact in future periods.

On September 29, 2010, the Company was granted a two-year continuing hardship exemption from the SEC from the requirement to provide its financial information to the SEC in an interactive data format using eXtensible Business Reporting Language ("XBRL"). The Company would have otherwise had to comply with the XBRL requirement beginning in the quarter ending June 30, 2011.

3. Equity Investments

Windspeed Acquisition Fund GP, LLC ("Windspeed"), a professional management group which the Company engaged in February 2004, manages the Company's investments in equity securities on an ongoing basis. Windspeed shares in the net receipts from the sale of the Company's investments in equity securities at a set percentage in certain designated portions of the portfolio of companies. Prior to February 21, 2011, Windspeed received fixed and declining management fees. The Windspeed management agreement was extended on April 5, 2011 (with an effective date of February 21, 2011) until February 20, 2013. Under the terms of the extended management agreement, Windspeed will not be paid any management fees. In lieu of such management fee payment, 100% of any proceeds from certain companies in the portfolio will go to Windspeed. As a result of such arrangement, and as of February 21, 2011, the Company established a prepaid expense in the amount of \$131,000, representing the estimated fair market value of the companies for which Windspeed will be entitled to 100% of the proceeds and recognized a non-cash gain of \$93,000, representing the excess of the fair value of the companies over their respective cost basis, and amortized \$7,000 of the prepaid expense as of March 31, 2011. Since February 21, 2011, prepaid management fee expense is being amortized over the two year agreement, and realized gains on the sale of equity securities continue to be reduced by sharing amounts under the management agreement. Through March 31, 2011, the Company had received approximately \$68,436,000 in proceeds (prior to Windspeed's management fees, sharing and target bonus award) since the inception of the management agreement with Windspeed. Windspeed has received approximately \$11,584,000 in combined management fees, sharing and target bonus award through March 31, 2011.

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. Net realized gains are included in revenue in the consolidated statements of operations.

Marketable equity securities:

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

	Cost	Gross unrealized gains	Market value
September 30, 2010	\$ -	\$ 4	\$ 4
December 31, 2010	\$ -	\$ -	\$ -
March 31, 2011	\$ -	\$ -	\$ -

Changes in the valuation of available-for-sale securities are included as changes in the unrealized holding gains (losses) in accumulated other comprehensive income (loss) (see Note 5 of Notes to Consolidated Financial Statements). At March 31, 2011, the Company did not own any publicly-traded companies.

The Company's practice is to work in conjunction with Windspeed to sell its marketable equity securities upon the expiration of the lockup period utilizing various timing strategies which seek to maximize the return to the Company. However, there is no assurance as to whether or not the Company either will be able to liquidate such positions held for any lock-up period or realize any amount on such positions.

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 and estimate the fair value of these securities. The Company identifies and records impairment losses on equity securities 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 Company recorded a write-down during the quarter ended March 31, 2011 of \$90,000 in investments other than the Windspeed portfolio.

4. Income Taxes

The Company's income tax expense/benefit for the three and six months ended March 31, 2011 includes approximately \$112,000 of income tax expense for a notice of assessment received for its Canadian subsidiary. The Company's income tax expense/benefit includes approximately \$2,224,000 of income tax benefit for its Canadian subsidiary for the three and six months ended March 31, 2010 as a result of the wind-down transactions in Canada.

The Company's income tax expense/benefit includes approximately \$1,020,000 of U.S. federal income tax expense primarily as a result of the wind-down transactions for its Canadian subsidiaries for the three and six months ended March 31, 2010.

The Company's income tax expense/benefit includes approximately \$1,160,000 of income tax benefit for its Mexican subsidiary for the reversal of a tax liability for the six months ended March 31, 2011.

The Company files income tax returns in the U.S. federal jurisdiction, the State of Illinois and foreign jurisdictions.

As of the date of this filing, the federal tax years open to examination are fiscal years ended September 30, 2007 through September 30, 2009.

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, amended tax returns and "Notices of Objection" to reassessments which were filed for several tax years. The Company continues to advance matters with the Canada Revenue Agency ("CRA") and the province of Ontario in respect of Notices of Objection filed for several tax years. The open federal tax years for the Canadian subsidiary are tax years ended September 30, 1998, 1999, 2002, and 2006 through 2009, as well as March 31, 2010. The open tax years for the province of Ontario are tax years ended September 30, 1998 and 2005 through 2009, as well as March 31, 2010. The open tax year for the provinces of Quebec and Alberta is the tax year ended September 30, 1999.

The Company's UK subsidiary, Equiplease Limited, has open tax years in Canada for the tax years ended August 19, 1990 through August 19, 2009 and September 10, 2009 and 2010. The open tax years in the UK are the tax years ended August 19, 2009 and 2010 and February 28, 2011.

Comdisco, Inc., as a result of its former business operations in Puerto Rico, has open tax years in Puerto Rico for the tax years ended September 30, 2001 through September 30, 2009.

During the quarter ended June 30, 2009, the Company was contacted by the Mexican Ministry of Finance to perform an audit of the 2003 tax year. The field work for the tax audit was completed during the quarter ended June 30, 2010, and the Company recorded an estimated income tax liability in the amount of \$1,418,000 which was recorded in income tax expense. During the quarter ended December 31, 2010, the tax audit for 2003 was closed and the Company made a payment for income taxes in the amount of \$268,000 and recorded a reduction in tax

expense for \$1,160,000. The open tax years for the Mexican subsidiary are the tax years ended December 31, 2005 through December 31, 2010.

As of March 31, 2011, the Company has recorded liabilities for uncertain tax positions in the amount of approximately \$444,000. The entire balance, if 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 any potential future tax audits and the expiration of certain statutes of limitation. The Company currently is unable to project the potential range of tax impacts.

The Company recognizes accrued interest and penalties related to uncertain tax positions in the income tax provision. As of March 31, 2011, accrued interest and penalties amounted to approximately \$209,000.

5. Stockholders' Equity

When the Company emerged from bankruptcy, 4,200,000 shares of Common Stock were issued. As of March 31, 2011, the Company had 4,028,951 shares of Common Stock outstanding. 170,945 shares of Common Stock that were held in treasury were retired during the quarter ended March 31, 2011.

On April 1, 2011, the Company issued a press release announcing that its Board of Directors had declared a cash dividend of \$3.1273 per share on the outstanding shares of its Common Stock (an aggregate distribution of approximately \$12.6 million), payable on April 21, 2011 to common stockholders of record on April 11, 2011. Comdisco 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.

Stockholders' equity consists of the following (in thousands):

	Common stock	Additional paid-in capital	Accumulated other comprehensive income	Retained earnings	Common stock in treasury	Total
Balance at September 30, 2010	\$ 72	\$ 44,136	\$ 4	\$ 277	\$ (4,321)	\$ 40,168
Net earnings				(109)		(109)
Treasury Stock retired	(2)	(4,319)			4,321	
Change in net unrealized gains			(4)			(4)
Balance at March 31, 2011	\$ 70	\$ 39,817	\$ --	\$ 168	\$ --	\$ 40,055

Total comprehensive income (loss) consists of the following (in thousands):

	Three months ended		Six months ended	
	March 31,		March 31,	
	2011	2010	2011	2010
Unrealized gains (losses) on securities:				
Unrealized holding gains arising during the period	\$ --	\$ 3	\$ --	\$ 4
Reclassification adjustment for gains included in earnings before income taxes	--	(23)	(4)	(23)
Change in net unrealized gains (losses) (A)	--	(20)	(4)	(19)
Other comprehensive income (loss)	--	(20)	(4)	(19)
Net earnings (loss)	(520)	18	(109)	(1,218)
Total comprehensive income (loss)	\$ (520)	\$ (2)	\$ (113)	\$ (1,237)

(A) – No income tax effect on these gains (losses)

6. Other Financial Information

Legally restricted cash is comprised of the following at March 31, 2011 and September 30, 2010 (in thousands):

	March 31,	September 30,
	2011	2010
Incentive compensation escrow	\$ 456	\$ 455
Indemnification reserve	4,000	4,000
Other escrows	405	422
	\$ 4,861	\$ 4,877

The incentive compensation escrow is deferred compensation as defined by the Plan and is 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):

	March 31,	September 30,
	2011	2010
Accrued compensation	\$ 1,155	\$ 1,196
CDRs	21,039	20,901
Other liabilities	359	464
	\$ 22,553	\$ 22,561

The liability for accrued compensation includes payroll and estimated amounts payable under the Plan. Other liabilities include an accrued liability of approximately \$184,000 for a bank guaranty held in the Netherlands. The decrease in other liabilities was a result of a payment made during the quarter ended December 31, 2010 for a value added tax liability in Mexico.

The amounts due to CDR holders follow the formula described in Part I, Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies”.

7. Financial Information by Geographic Area

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

	Three months ended		Six months ended	
	March 31,		March 31,	
	2011	2010	2011	2010
North America	\$ 405	\$ 177	\$ 691	\$ 357
Europe	(52)	-	(25)	1
Total	\$ 353	\$ 177	\$ 666	\$ 358

The loss in Europe is the result of a net liability denominated in Euros and a loss on an investment in the Company's UK subsidiary that was liquidated during the quarter ended March 31, 2011.

The following table presents total assets and cash and cash-equivalents and short-term investments by geographic location based on the location of the Company's offices (in thousands):

	March 31, 2011		September 30, 2010	
	Total Assets	Cash and Cash Equivalents and Short-term investments	Total Assets	Cash and Cash Equivalent and Short-term investments
North America	\$ 63,333	\$ 58,701	\$ 64,734	\$ 60,203
Europe	374	374	416	416
Total	\$ 63,707	\$ 59,075	\$ 65,150	\$ 60,619

8. Fair Value Measurements

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.

The Company's financial assets that are measured at fair value on a recurring basis are measured using Level 1 and Level 2 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's financial assets, which

are measured at fair value based upon Level 1 inputs in the consolidated balance sheet as of March 31, 2011, are cash and cash equivalents in money market funds of approximately \$49,889,000. In addition, the Company has \$3,085,000 invested in a certificate of deposit in Canada with a maturity which is within 360 days of March 31, 2011. This investment is measured for disclosure purposes at fair value based upon Level 2 inputs. The Company estimates that the fair value at March 31, 2011, net of sharing with and transfer of assets to Windspeed, for its private equity investments, is approximately \$3,767,000, based upon Level 3 inputs. However, there is no assurance as to the timing or the amount the Company will ultimately realize on these investments. The Company holds no financial liabilities that are measured at fair value on a recurring basis.

Fair values were determined by the carrying amounts of cash and cash equivalents as such amounts approximate 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.

9. Subsequent Events

On April 1, 2011, the Company issued a press release announcing that its Board of Directors had declared a cash dividend of \$3.1273 per share on the outstanding shares of its Common Stock (an aggregate distribution of approximately \$12.6 million), payable on April 21, 2011 to common stockholders of record on April 11, 2011.

On April 1, 2011, the Company also announced that it would make a cash payment of \$0.04985 per CDR, (an aggregate distribution of approximately \$7.4 million), payable on April 21, 2011 to CDR holders of record on April 11, 2011.

As of April 21, 2011, after the distribution of the \$20 million combined dividend and CDR payment, the balance of unrestricted cash decreased from \$51.1 million, as of March 31, 2011, to \$31.1 million.

ITEM 2. 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 Quarterly Report on Form 10-Q and in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2010, and with the information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2010.

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 AND NO FURTHER DISTRIBUTIONS WILL BE MADE. 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.

General

Wind-Down of Operations

Since emerging from bankruptcy proceedings on August 12, 2002, the Company has, pursuant to the Plan, focused on the monetization of its remaining 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. Capitalized terms used but not defined in this section shall have the meanings as defined in the Plan.

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 the date of this filing, the Company had a total of five employees (one full-time and four part-time), a decrease of approximately 99 percent from approximately 600 employees upon emergence on August 12, 2002. Approximately eight former employees continue to periodically assist the Company on a consulting basis.

On August 12, 2004, Randolph I. Thornton's appointment as Initial Disbursing Agent became effective. As Initial Disbursing Agent, he 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.

See "Risk Factors Relating to the Company-Uncertainties Relating to the Wind-down of Operations" in Part II, Item 1A.

Overview

On July 16, 2001, Comdisco, Inc. and 50 of its domestic subsidiaries voluntarily filed for bankruptcy.

Comdisco Holding Company, Inc., as the successor company to Comdisco, Inc., emerged from bankruptcy under a confirmed plan of reorganization that was effective on August 12, 2002. In accordance with the Plan, Comdisco Holding Company, Inc. became the successor to Comdisco, Inc.

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.

The Company maintains sufficient cash reserves for the potential CDR liability including any potential liability arising from any net distributions by the Litigation Trust to C-4 creditors. The outcome and timing of any actual net distributions by the Litigation Trust will impact both the timing and the amount of future dividends and CDR payments. See below for "Critical Accounting Policies" and the risk factors discussed in Part II, Item 1A, "Impact of Recoveries by Litigation Trust on the Company's Obligation To Make Payments in Respect of Contingent Distribution Rights," and "Uncertainties Inherent in the CDR Liability Calculation".

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.

The Company's revenues are generated primarily by sales of equity securities and interest income on cash balances. Because of the Company's declining assets, revenue will continue to decline and, because of the Company's limited business purpose, this trend is expected to continue. The Company's expenses are primarily selling, general and administrative expenses and CDRs. As a result of the wind-down of operations, the Company expects total costs and expenses to remain at, or slightly less than current levels, subject to volatility in the amount of expense associated with the liability for CDRs and the timing of payments related to selling, general and administrative expenses.

The Company's operations continued to wind-down during the six months ended March 31, 2011 compared to prior periods. The Company's assets at March 31, 2011 consisted primarily of cash and cash-equivalents, short-term investments, tax receivables, and equity securities. The timing of collections on the tax receivables and the sale of equity securities is uncertain. The equity securities portfolio requires liquidity events before certain of these assets can be converted to cash. The Company expects that proceeds from the disposition of equity securities will provide future but diminishing cash flows in excess of the current carrying value of these assets. In addition, the Company, as a former lessor, has a few remaining leases in default whereby collection efforts are underway to support a recovery on those limited number of accounts. Receipts, if any, will be in excess of the respective 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 in other companies (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 3 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 March 31, 2011, which is approximately \$1,145,000. 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 management group which the Company engaged to manage the Company's Equity Investments on an ongoing basis in February 2004. The Windspeed management agreement was extended on April 5, 2011 (with an effective date of February 21, 2011) until February 20, 2013. Under the terms of the extended management agreement, Windspeed will not be paid any management fees. In lieu of such management fee payment, 100% of any proceeds from certain companies in the portfolio will go to Windspeed. As a result of such arrangement, and as of February 21, 2011, the Company established a prepaid expense in the amount of \$131,000, representing the estimated fair market value of

the companies for which Windspeed will be entitled to 100% of the proceeds and recognized a non-cash gain of \$93,000, representing the excess of the fair value of the companies over their respective cost basis, and amortized \$7,000 of the prepaid expense as of March 31, 2011.

The Company estimates that the realizable value for its Equity Investments in private companies, net of transferred assets and sharing with Windspeed (see table below), at March 31, 2011 is approximately \$3,767,000. However, 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 Part II, Item 1A, "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."

The following table summarizes the changes in the value of the Company's Equity Investments since September 30, 2010 (in thousands):

	Public Companies (1) (3)	Private Companies (2) (3)
September 30, 2010 estimated realizable value	\$ 4	\$ 3,539
Realized – net of fees	(4)	(104)
Increase (decrease) in unrealized estimated value	<u>-</u>	<u>629</u>
December 31, 2010 estimated realizable value	-	4,064
Realized – net of fees	-	(35)
(Decrease) due to impairment of assets	-	(90)
(Decrease) due to transfer of assets	-	(131)
(Decrease) in unrealized estimated value	<u>-</u>	<u>(41)</u>
March 31, 2011 estimated realizable value	<u>\$ -</u>	<u>\$ 3,767</u>

- (1) Carrying value of public companies for financial statements is market value. See Note 3 of Notes to Consolidated Financial Statements.
- (2) Carrying value of private companies for financial statements is the lower of cost or fair value, or approximately \$1,145,000. The increase in unrealized estimated value is a result of changes in marketability.
- (3) Net of sharing with Windspeed and transferred assets pursuant to the new extended management agreement terms.

Collections and recoveries: The Company has potential collections and recoveries on a limited number of remaining accounts previously written off. Recoveries involve prior lessees or debtors now in bankruptcy and against whom the Company has filed and is pursuing claims to maximize its recoveries. The Company's cost basis in these accounts is nominal. Additionally, the Company, periodically, recovers unclaimed property from various states. The amount and timing of such collections and recoveries, if any, are subject to the risk factors discussed in Part II, Item 1A, "Uncertainties in Collections and Recoveries."

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 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 entitles holders of Comdisco Holding's CDRs 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 general unsecured creditors in 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, as of the date of this filing, a reasonable estimate of future net distributions is not determinable. See the risk factors discussed in Part II, Item 1A, 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 five private companies (approximately fifteen of the portfolio companies have been transferred to Windspeed under the new extended agreement). 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, 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 March 31, 2011, the carrying value of the Company's equity investments in private companies was approximately \$1,145,000, and the estimated fair market value was approximately \$3,767,000.
- 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.

Recent Developments

Dividend and CDR Payment

On April 1, 2011, the Company announced that its Board of Directors had declared a cash dividend of \$3.1273 per share on the outstanding shares of its Common Stock (an aggregate distribution of approximately \$12.6 million), payable on April 21, 2011 to common stockholders of record on April 11, 2011.

On April 1, 2011, the Company also announced that it would make a cash payment of \$0.04985 per CDR, (an aggregate distribution of approximately \$7.4 million), payable on April 21, 2011 to CDR holders of record on April 11, 2011.

As of April 21, 2011, after the distribution of the \$20 million combined dividend and CDR payment, the balance of unrestricted cash decreased from \$51.1 million, as of March 31, 2011, to \$31.1 million.

Equity Investments

On May 10, 2011, The Active Network, Inc. announced terms for its IPO and on May 11, 2011, Tripwire Inc. announced that it had been acquired by the private equity firm Thoma Bravo LLC. The Company has estimated that the impact of these events will be a reduction of approximately \$200,000 in the fair market value of its equity investments as disclosed in this filing.

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 lack of jurisdiction. As of the date of this filing, there have been no further proceedings on this matter.

Litigation Trust Summary Judgments

The Plan and the litigation trust agreement provided that, under certain circumstances, subrogation rights that the Company may have against the SIP Participants who participated in the SIP and their respective promissory notes be placed in a trust for the benefit of the 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. Nine of the SIP Participants filed personal bankruptcy. On February 4, 2005, the Litigation Trust commenced both state and federal lawsuits to collect on the remaining SIP Participants’ promissory notes.

A federal district court judge has entered summary judgments (and amended judgments) against all but one of the SIP Participants who are defendants in the federal cases on their respective SIP promissory notes and the Litigation Trust has commenced collection actions against them. Additionally, the federal district court judge has entered orders 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. The SIP Participants have filed appeals on those judgments. A hearing before the U.S. Court of Appeals, Seventh Circuit on the summary judgments in the federal case was held on April 6, 2010. The Seventh Circuit ruled on October 18, 2010 affirming rulings in favor of the Litigation Trust, but remanding certain fraud issues to the trial court. On November 1, 2010, the SIP defendants filed a petition for a hearing before the full

appellate panel. The Litigation Trust filed a response to the petition on November 18, 2010. As of the date of this filing, no hearing has been scheduled.

The Litigation Trust filed summary judgments against all of the SIP Participants who are defendants in the state cases. On December 18, 2009, the SIP Participants filed their response and the Litigation Trust filed its reply on February 11, 2010. Three of the SIP Participants filed Cross Motions for Summary Judgment. A hearing in the Circuit Court of Cook County on all of the summary judgment motions in the state cases was held on May 12, 2010, and the proceedings were continued to June 15, 2010. On June 15, 2010, the judge issued an opinion granting the summary judgments in favor of the Litigation Trust and denied the various motions for summary judgments filed by the SIP Participants. The proceedings were continued to July 14, 2010 at which time judgments were to be entered against the SIP participants. However, on July 12, 2010, the SIP Participants filed a Motion for a Temporary Stay of Proceedings until the Seventh Circuit rules on the appeal of the federal judgments. The Litigation Trust filed its response to the Motion on July 28, 2010. On August 10, 2010, the judge granted a temporary stay of the proceedings until November 29, 2010. On November 29, 2010, the judge continued the proceedings until January 27, 2011. On January 27, 2011, Judge Sanjay Tailor was assigned to the matter. Judge Tailor has since continued the Motion to Stay each month, and the next hearing date is scheduled for May 24, 2011.

As reported in the Twenty-Sixth Status Report of Comdisco Litigation Trustee, filed on May 2, 2011, twenty-seven of the SIP Participants in federal court and three of the SIP Participants in the state court have settled with the Litigation Trust.

Please refer to the quarterly reports filed by the Litigation Trustee 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.

XBRL Exemption

On September 29, 2010, the Company was granted a two-year continuing hardship exemption from the SEC from the requirement to provide its financial information to the SEC in an interactive data format using eXtensible Business Reporting Language (“XBRL”). The Company would have otherwise had to comply with the XBRL requirement beginning in the quarter ending June 30, 2011.

Results of Operations

Three Months Ended March 31, 2011 compared to the Three Months Ended March 31, 2010 Revenue

Changes in total revenue for the three months ended March 31, 2011 compared to the three months ended March 31, 2010 were as follows (in thousands):

	Three months ended March 31,		Percent Increase (Decrease)	Explanation of Change
	2011	2010		
Gain on sale of equity and warrant securities	\$ 128	\$ 25	+100%	Equity securities, which are managed by Windspeed, represent the primary remaining revenue generating asset. See "Overview" for additional information. (A)
Interest income	30	33	(9)%	Interest earned on cash balances.
Foreign exchange gain	185	116	59%	Translation gains for foreign entities that have been substantially liquidated or are currently in process of liquidation. (B)
Miscellaneous income	10	3	+100%	Miscellaneous receipts.
Total revenue	\$ 353	\$ 177	99%	

(A) The increase in gains on sale of equity holdings for the quarter ended March 31, 2011 is a result of the non-cash gain from the new extended management agreement and slightly higher liquidations of positions held compared to the quarter ended March 31, 2010.

(B) Increase in foreign exchange gain primarily relates to the weakening of the U.S. dollar against the Canadian Dollar as the Company's Canadian subsidiary held monetary assets denominated in that currency.

Costs and Expenses

Changes in total costs and expenses for the three months ended March 31, 2011 compared to the three months ended March 31, 2010 were as follows (in thousands):

	Three months ended March 31,		Percent Increase (Decrease)	Explanation of Change
	2011	2010		
Selling, general and administrative	\$ 774	\$ 1,151	(33)%	Lower consultants, professional and accounting fees incurred during the quarter ended March 2011 compared to the quarter ended March 2010.
Contingent distribution rights	(64)	322	+(100)%	(A)
Bad debt recoveries	(38)	(115)	(67)%	Collections and recoveries.
Write down of equity securities	90	--	N/A	
Total costs and expenses	\$ 762	\$ 1,358	(44)%	

(A) The decrease in CDR expense is primarily the result of projected lower future estimated interest income from a reduced future cash balance as a result of the dividend and CDR distribution made on April 21, 2011, offset slightly by the equity income and foreign exchange gain in the quarter ended March 31, 2011. See "Management's Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies" for more information.

Income Taxes

The Company recorded no U.S. federal income tax expense for the three months ended March 31, 2011 and \$1,020,000 U.S. federal income tax expense the three months ended March 31, 2010 (primarily as a result of the wind-down transactions for its Canadian subsidiaries).

The Company recorded approximately \$112,000 of income tax expense for its Canadian subsidiary for a notice of assessment for the three months ended March 31, 2011. The Company recorded approximately \$2,224,000 of income tax benefit for its Canadian subsidiary for the three months ended March 31, 2010. See Note 4 of Notes to Consolidated Financial Statements for information on the wind-down transactions in Canada.

The Company recorded \$1,000 income tax benefit for its UK subsidiary, Equipluse Limited, for the three months ended March 31, 2011 and \$5,000 of tax expense for the three months ended March 31, 2010.

Net earnings (loss)

Net loss was approximately (\$520,000), or (\$0.13) per share-basic and diluted, for the three months ended March 31, 2011 compared to net earnings of approximately \$18,000, or \$0.00 per share-basic and diluted, for the three months ended March 31, 2010.

Six Months Ended March 31, 2011 Compared to the Six Months Ended March 31, 2010

Revenue

Changes in total revenue for the six months ended March 31, 2011 compared to the six months ended March 31, 2010 were as follows (in thousands):

	Six months ended March 31,		Percent Increase (Decrease)	Explanation of Change
	2011	2010		
Gain on sale of equity and warrant securities	\$ 236	\$ 33	+100%	Equity securities, which are managed by Windspeed, represent the primary remaining revenue generating asset. See "Overview" for additional information. (A)
Interest income	63	60	5%	Interest earned on cash balances. (B)
Foreign exchange gain	351	260	35%	(C)
Miscellaneous income	16	5	+100%	Miscellaneous receipts.
Total revenue	<u>\$ 666</u>	<u>\$ 358</u>	<u>86%</u>	

(A) The increase in gains on sale of equity holdings for the six months ended March 31, 2011 is a result of the non-cash gain from the new extended management agreement and slightly higher liquidations of positions held compared to the six months ended March 31, 2010.

(B) Interest income earned in the six months ended March 31, 2011 is slightly higher compared to the prior year due to short-term investments.

(C) Foreign exchange gain primarily relates to the weakening of the U.S. dollar against the Canadian Dollar as the Company's Canadian subsidiary held monetary assets denominated in that currency.

Costs and Expenses

Changes in total costs and expenses for the six months ended March 31, 2011 compared to the six months ended March 31, 2010 were as follows (in thousands):

	Six months ended March 31,		Percent Increase (Decrease)	Explanation of Change
	2011	2010		
Selling, general and administrative	\$ 1,835	\$ 2,559	(28%)	Decrease in professional fees incurred during the six months primarily related to the continued wind-down of operations.
Write-down of equity securities	90	16	+100%	Impairment of asset.
Contingent distribution rights	138	262	(47%)	(A)
Bad debt recoveries	(245)	(143)	71%	Collections and recoveries.(B)
Total costs and expenses	\$ 1,818	\$ 2,694	(33%)	

(A) The decrease in CDR expense is primarily the result of projected lower future estimated interest income from a reduced future cash balance as a result of the dividend and CDR distribution made on April 21, 2011, offset slightly by the equity income and foreign exchange gain in the six months ended March 31, 2011. See "Management's Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies" for a discussion of the potential liability from any future recoveries and distributions by the litigation trustee.

(B) Slightly higher recoveries in the six months ended March 31, 2011 compared to the prior year.

Income taxes

The Company recorded no U.S. federal income tax expense for the six months ended March 31, 2011 compared to \$1,020,000 U.S. federal income tax expense primarily as a result of the wind-down transactions for its Canadian subsidiaries for the six months ended March 31, 2010.

The Company recorded approximately \$118,000 of income tax expense for its Canadian subsidiary for the six months ended March 31, 2011 and recorded approximately \$2,143,000 of income tax benefit for its Canadian subsidiary for the six months ended March 31, 2010. See Note 4 of Notes to Consolidated Financial Statements for information on the wind-down transactions in Canada.

The Company recorded approximately \$1,160,000 of income tax benefit for its Mexican subsidiary for the reversal of a tax liability for the six months ended March 31, 2011 and no income tax expense for the six months ended March 31, 2010.

The Company recorded \$1,000 income tax benefit for its UK subsidiary, Equiplease Limited, for the six months ended March 31, 2011 and \$5,000 of tax expense for the six months ended March 31, 2010.

Net Loss

Net loss was approximately (\$109,000), or (\$0.03) per share-basic and diluted, for the six months ended March 31, 2011 compared to a net loss of approximately (\$1,218,000), or (\$0.30) per share-basic and diluted, for the six months ended March 31, 2010.

Off-Balance Sheet Arrangements

The Company does not maintain any off-balance sheet arrangements, transactions, obligations or other relationships with unconsolidated entities that could 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. The Company's cash flow from operating activities is dependent on a number of variables, including, but not limited to, operating costs and expenses to affect the wind down, income tax obligations, market conditions for the sale of Equity Investments 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 March 31, 2011, the Company had unrestricted cash and cash equivalents of approximately \$51,129,000 a decrease of approximately \$1,697,000 compared to September 30, 2010. Net cash used in operating activities for the six months ended March 31, 2011 was approximately \$1,756,000. The effect of exchange rate changes on cash balances held in foreign currencies was an increase in cash and cash equivalents of approximately \$59,000 for the six months ended March 31, 2011.

During the six months ended March 31, 2011, approximately \$165,000 of proceeds were generated from the equity portfolios and approximately \$295,000 was received from interest income, bad debt recoveries and other revenue. The Company paid U.S. federal taxes of approximately \$10,000 and paid taxes to the Mexican Ministry of Finance of approximately \$268,000 and paid taxes to the CRA for \$8,000. The Company's cash expenditures were primarily operating expenses of approximately \$1,930,000 (principally professional services and employees' compensation).

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

The Company paid out approximately \$20 million in combined dividends and CDR payments on April 21, 2011, which reduced the balance of unrestricted cash from \$51.1 million, as of March 31, 2011, to \$31.1 million as of that date.

See "Risk Factors Relating to the Company-The Company's Liquidity is Dependent on a Number of Factors" in Part II, Item 1A.

Dividends

There were no dividends paid during the quarter ended March 31, 2011. However, on April 1, 2011, the Company issued a press release announcing that its Board of Directors had declared a cash dividend of \$3.1273 per share on the outstanding shares of its Common Stock (an aggregate distribution of approximately \$12.6 million), payable on April 21, 2011 to common stockholders of record on April 11, 2011. Comdisco 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.

See "Risk Factors Relating to the Company-The Payment of Dividends and Distributions and Limited Public Market for Common Stock" in Part II, Item 1A.

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.

There were no CDR payments during the quarter ended March 31, 2011. However, on April 1, 2011 the Company announced that it would make a cash payment of \$0.04985 per CDR, (an aggregate payment of approximately \$7.4 million), payable on April 21, 2011 to CDR holders of record on April 11, 2011.

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 March 31, 2011, the sharing percentage was 37%, which is the maximum sharing percent. As of the date of this filing, there were 1,854 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 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.

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, as of the date of this filing, a reasonable estimate of future net distributions is not determinable. See "Risk Factors Relating to the Company" in Part II, Item 1A, 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" and "Limited Public Market for Contingent Distribution Rights."

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Randolph I. Thornton, the principal executive officer and principal financial 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, Mr. Thornton concluded that the Company's disclosure controls and procedures are effective as of March 31, 2011 to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act (i) is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to the Company's management, including its president and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting

There has not been any change in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Section 13(a)-15 or 15(d)-15 under the Exchange Act that occurred during the Company's second fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations-Recent Developments" for a discussion of the motion of certain SIP claimants to terminate the Litigation Trust and the motion by the Litigation Trust to obtain summary judgments against certain SIP Participants who are defendants in the lawsuits.

ITEM 1A. RISK FACTORS RELATING TO THE COMPANY

The following risk factors and other information included in this Quarterly Report on Form 10-Q 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 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.

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 C-4 creditors 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.

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, in consultation with its third party tax service providers, 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.

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.

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 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 March 31, 2011, 97% of the estimated fair market value of the entire portfolio is concentrated in three individual companies and approximately 76% of the estimated amount is in two individual companies.

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.

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.

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 Quarterly 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 the 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.

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

The Company's liquidity generally depends on cash on hand. 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.

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 fluctuations in 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 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Securities

None.

Repurchases of Common Stock

The Company does not regularly repurchase shares nor does the Company have a share repurchase plan.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. [RESERVED]

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
3.1	Certificate of Incorporation of Registrant dated August 8, 2002 and as Amended August 12, 2004 (Incorporated by reference to Exhibit 3.1 filed with the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2004, as filed with the SEC 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 for the fiscal year ended September 30, 2002, as filed with the SEC on January 14, 2003, File No. 0-49968).
11.1	Statement re computation of per share earnings (Filed herewith).
31.1	Certification of Principal Executive Officer and Principal Financial Officer, Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Filed herewith).
32.1	Certification of the Principal 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 (Filed herewith).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COMDISCO HOLDING COMPANY, INC.

Dated: May 16, 2011

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

Exhibit 11.1

COMDISCO HOLDING COMPANY, INC.

COMPUTATION OF EARNINGS (LOSS) PER COMMON SHARE

(in thousands except per share data)

Average common shares used in computing earnings (loss) per common and common equivalent share were as follows:

	Three months ended		Six months ended	
	March 31,		March 31,	
	2011	2010	2011	2010
Average common shares issued	4,200	4,200	4,200	4,200
Effect of dilutive options	-	-	-	-
Average common shares held in treasury	-	(171)	-	(171)
Average common shares retired	(171)	-	(171)	-
Total	<u>4,029</u>	<u>4,029</u>	<u>4,029</u>	<u>4,029</u>
Net earnings (loss) to common stockholders	\$ <u>(520)</u>	\$ <u>18</u>	\$ <u>(109)</u>	\$ <u>(1,218)</u>
Basic and diluted earnings (loss) per common share	\$ <u>(0.13)</u>	\$ <u>0.00</u>	\$ <u>(0.03)</u>	\$ <u>(0.30)</u>

CERTIFICATION

I, Randolph I. Thornton, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, 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;
 - (c) 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
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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: May 16, 2011

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

Exhibit 32.1

**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-Q of Comdisco Holding Company, Inc. (the "Company") for the period ending March 31, 2011 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: May 16, 2011

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

Dated: May 16, 2011

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.