

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, 2008

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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and smaller reporting company in rule 12b-2 of the Exchange Act

Large accelerated filer

Accelerated filer

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

Smaller reporting company

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 4,029,066 shares of the registrant's Common Stock, \$0.01 par value per share, were outstanding on April 30, 2008.

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.

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 Item 1A in Part II Other Information. 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 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.

Comdisco Holding Company, Inc.
Consolidated Statements of Earnings – Three and six months ended March 31, 2008 and 2007 (Unaudited)
(in thousands except per share data)

	Three months ended March 31,		Six months ended March 31,	
	2008(A)	2007(A)	2008 (A)	2007 (A)
Revenue				
Gain on sale of equity and warrant securities	\$ 1,803	\$ 67	\$ 7,457	\$ 4,480
Interest income	548	922	1,401	2,140
Miscellaneous income	5	671	50	682
Foreign exchange gain (loss)	(90)	8	(67)	(20)
Total revenue	2,266	1,668	8,841	7,282
Costs and expenses				
Selling, general and administrative	1,423	1,946	2,904	3,880
Write down of equity securities	1,325	--	1,325	--
Contingent distribution rights	(445)	891	997	(644)
Bad debt recoveries	(144)	(1,876)	(329)	(2,312)
Total costs and expenses	2,159	961	4,897	924
Earnings before income taxes	107	707	3,944	6,358
Income taxes	(1,080)	62	909	90
Net earnings	\$ 1,187	\$ 645	\$ 3,035	\$ 6,268
Basic and diluted earnings per common share	\$ 0.29	\$ 0.16	\$ 0.75	\$ 1.56

See accompanying notes to consolidated financial statements.

Note (A): Beginning with the December 31, 2007 Form 10-Q, the Company reports its consolidated financial statements in thousands.

Comdisco Holding Company, Inc.
Consolidated Balance Sheets – March 31, 2008 (Unaudited) and September 30, 2007 (Audited)
(in thousands except share data)

	(Unaudited) March 31, 2008 (A)	(Audited) September 30, 2007 (A)
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents.....	\$ 54,031	\$ 48,169
Cash – legally restricted.....	5,146	5,002
Equity securities.....	2,070	8,216
Income tax receivable (B).....	15,392	2,859
Receivables from securities sold.....	672	--
Other receivables.....	40	47
Other assets.....	21	29
	<u>\$ 77,372</u>	<u>\$ 64,322</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable.....	\$ 837	\$ 1,021
Income taxes (B).....	11,147	--
Other liabilities:		
Accrued compensation.....	1,300	1,283
Contingent distribution rights.....	15,464	14,466
	<u>16,764</u>	<u>15,749</u>
Total other liabilities.....	16,764	15,749
Total liabilities.....	28,748	16,770
Stockholders' equity		
Common stock \$.01 par value. Authorized 10,000,000 shares; issued 4,200,000 shares; 4,029,066 shares outstanding at March 31, 2008 and September 30, 2007.....	72	72
Additional paid-in capital.....	43,775	43,775
Accumulated other comprehensive income.....	649	5,470
Retained earnings (B).....	8,449	2,556
Common stock held in treasury, at cost; 170,934 shares at March 31, 2008 and September 30, 2007.....	(4,321)	(4,321)
	<u>48,624</u>	<u>47,552</u>
Total stockholders' equity.....	\$ 48,624	\$ 47,552
	<u>\$ 77,372</u>	<u>\$ 64,322</u>

See accompanying notes to consolidated financial statements.

Note (A): Beginning with the December 31, 2007 Form 10-Q, the Company reports its consolidated financial statements in thousands.

Note (B): The March 31, 2008 Balance Sheet reflects the adoption of FIN 48 as of October 1, 2007 as discussed in Note 5 - Income Taxes.

Comdisco Holding Company, Inc.
Consolidated Statements of Cash Flows – Six months ended March 31, 2008 and 2007 (Unaudited)
(in thousands)

	Six months ended March 31,	
	2008(A)	2007(A)
Cash flows from operating activities:		
Equity and warrant proceeds.....	\$ 6,695	\$ 4,395
Interest, recoveries and other revenue.....	1,551	5,197
Selling, general and administrative expenses.....	(3,039)	(3,679)
Contingent distribution rights payments.....	--	(6,852)
Income taxes.....	655	(1,359)
Net cash provided (used) by operating activities	<u>5,862</u>	<u>(2,298)</u>
Cash flows from financing activities:		
Dividends paid on Common Stock.....	--	(25,748)
(Increase) in legally restricted cash.....	--	(20)
Net cash (used) in financing activities.....	<u>--</u>	<u>(25,768)</u>
Net increase (decrease) in cash and cash equivalents.....	5,862	(28,066)
Cash and cash equivalents at beginning of period.....	<u>48,169</u>	<u>97,557</u>
Cash and cash equivalents at end of period.....	<u>\$ 54,031</u>	<u>\$ 69,491</u>

See accompanying notes to consolidated financial statements.

Note (A): Beginning with the December 31, 2007 Form 10-Q, the Company reports its consolidated financial statements in thousands.

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

	Six months ended	
	March 31,	
	<u>2008(A)</u>	<u>2007(A)</u>
Reconciliation of net earnings to net cash provided (used) by operating activities:		
Net earnings.....	\$ 3,035	\$ 6,268
Adjustments to reconcile net earnings to net cash provided (used) by operating activities:		
Income taxes.....	1,368	(1,269)
Contingent distribution rights.....	997	(7,496)
Write down on equity securities.....	1,325	--
Receivables from securities sold.....	(762)	(85)
Selling, general and administrative.....	(135)	200
Other, net.....	34	84
	<u>5,862</u>	<u>(2,298)</u>
Net cash provided (used) by operating activities.....	\$ <u>5,862</u>	\$ <u>(2,298)</u>

See accompanying notes to consolidated financial statements.

Note (A): Beginning with the December 31, 2007 Form 10-Q, the Company reports its consolidated financial statements in thousands.

COMDISCO HOLDING COMPANY, INC.
Notes to Consolidated Financial Statements (Unaudited)
March 31, 2008 and 2007

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, 2007, 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, 2007.

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 a confirmed plan of reorganization (the First Amended Joint Plan of Reorganization (the "Plan")) that became effective on August 12, 2002 (the "Effective Date"). For financial reporting purposes only, however, the effective date for implementation of fresh-start reporting was July 31, 2002.

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 of incorporation, the Company is specifically prohibited from engaging in any business activities inconsistent with its limited business purpose.

Shared Investment Plan ("SIP") Bankruptcy Claims: In February 1998, pursuant to the SIP, the SIP Participants took out full recourse, personal loans to purchase approximately six million shares of Comdisco, Inc.'s common stock. In connection therewith, Comdisco, Inc. executed a guaranty dated February 2, 1998 (the "Guaranty") providing a guaranty of the loans in the event of default by the SIP Participants to the lenders under the SIP (the "SIP Lenders"). On November 29, 2001, the SIP Lenders filed a master proof of claim in the Comdisco, Inc. bankruptcy in the amount of \$133 million ("SIP Guaranty Claim"). The Company and the SIP Lenders subsequently reached a settlement that was approved by the Bankruptcy court on December 9, 2004. As of that date, 48 proofs of claim had been filed by certain SIP Participants in the bankruptcy estate of Comdisco, Inc. The Company objected to such proofs of claim. The Company is responsible for its legal fees and expenses related to these matters. Pursuant to an order entered on May 16, 2007 by the Bankruptcy court subordinating the claims of the SIP Participants, any resolution of the SIP proofs of claim would have been handled through the disputed interests reserve which is a specific pool of CDRs allocated for the allowed claims in the C-5B Class. However, on September 20, 2007, the attorneys representing 43 of the SIP claimants (the "Certain SIP Claimants") filed a motion to withdraw their respective SIP claims in the Comdisco, Inc. bankruptcy without prejudice. On November 8, 2007, after negotiations among the parties, the Bankruptcy court entered an order that allowed for the withdrawal of such claims without prejudice subject to specific conditions, including a bar to re-filing, amending or reinstating such claims, or any other claims related to the SIP, and the execution of a covenant not to sue. All of the Certain SIP Claimants have withdrawn their claims and executed covenants not to sue. Additionally, as of the date of this filing, three additional SIP claimants or their bankruptcy trustees have withdrawn their SIP claims, and, if appropriate, executed a covenant not to sue. As of the date of this filing, there are five Disputed Claims remaining, two of which are SIP claims.

SIP Relief: Pursuant to the Plan, the Company was authorized to provide various levels of relief (the "SIP Relief") to the SIP Participants on account of any subrogation claims which the Company may have against the SIP Participants. On November 27, 2002, the Bankruptcy court approved the offering by the Company of SIP Relief of 70 percent to seventy-two terminated employees and 80 percent to twenty-three go-forward employees who remained with the Company following its emergence from bankruptcy, provided that such employees executed waivers and releases in favor of the Company, made irrevocable and unconditional agreements to pay their unreleased SIP Subrogation Claims (as defined in the Plan) and fulfilled certain other conditions. The SIP Relief

offer generally expired on December 31, 2002 and five of seventy-two terminated employees and twenty-one of twenty-three go-forward employees executed a Waiver, Release And Settlement Agreement to pay and provided additional documentation in support of the fulfillment of certain other conditions. Once the Company settled with the SIP Lenders, the Company notified the twenty-six participants who accepted relief of their amount due. The Company collected from twenty-three of the twenty-six who previously agreed to settle with the Company. Two of the three remaining SIP Participant's notes were transferred to the litigation trust (see below) because they did not fulfill their obligation under the terms of the settlement agreement. The Company is still pursuing the collection of one European participant who accepted the enhanced SIP relief. The European participant's SIP obligation was assumed by his employer. The Company is in continuing discussions with the employer regarding the method of payment.

Litigation Trust: The Plan provided that, under certain circumstances, subrogation rights that the Company may have against the SIP Participants who participated in the SIP and their respective promissory notes be placed in a trust for the benefit of the general unsecured 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. The litigation trustee has commenced both state and federal lawsuits to collect on such SIP Participants' promissory notes. Five of the SIP Participants have filed personal bankruptcy. Also, two SIP Participants who previously settled with the Company were transferred to the litigation trust because of their inability to fulfill the terms of their respective settlement agreement and the litigation trustee has commenced lawsuits against them. One of those two SIP Participants settled with the litigation trust. 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. The litigation trust files periodic reports with the Bankruptcy court. The Company has a limited indemnification obligation to the litigation trustee under the litigation trust agreement.

2. Basis of Presentation

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.

During the quarter ended December 31, 2007, the Company changed the presentation in the Form 10-Q financial statements to be stated in thousands instead of millions.

The Company reclassified approximately \$42,000, or (\$0.01) per share basic and diluted, of expense from discontinued operations to continuing operations in the consolidated statement of earnings for the three months ended March 31, 2007 and reclassified approximately \$70,000, or (\$0.02) per share basic and diluted, of expense from discontinued operations to continuing operations in the consolidated statement of earnings for the six months ended March 31, 2007. These expenses relate to the finalization of pre-bankruptcy tax matters, which are considered to be part of the ongoing operations of the Company, and had no impact on net earnings or net earnings per common share, basic and diluted. Management determined that the impact on the previously issued consolidated financial statements was not material and therefore has reflected the correction in those statements.

During the quarter ended December 31, 2007, management determined that it had not accounted correctly for the substantially complete liquidation of three of its foreign subsidiaries, which resulted in related foreign currency effects being recorded as a component of accumulated other comprehensive income instead of earnings. Management determined that the impact on the previously issued consolidated financial statements was not material and therefore reflected the correction in those statements. As a result, foreign exchange gain (loss) was increased by \$3,000 and \$342,000 in the consolidated statement of earnings for the three and six months ended March 31, 2007, respectively, accumulated other comprehensive income was decreased and retained earnings were increased by \$708,000 for the consolidated balance sheet at September 30, 2007. Additionally, in adjustments to reconcile net earnings to net cash provided (used) by operating activities, for the consolidated statement of cash flows for the six months ended March 31, 2007, net earnings were increased and other, net were decreased by \$342,000, respectively.

3. Changes in Accounting

Effective October 1, 2007, the Company adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109" ("FIN 48") which clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The impact of adopting this standard is discussed in Note 5 - Income Taxes of Notes to Consolidated Financial Statements.

4. Equity Securities

Windspeed Acquisition Fund GP, LLC ("Windspeed") manages the Company's investments in equity securities. Windspeed receives fixed and declining management fees. Additionally, Windspeed shares in the net receipts from the sale of the Company's investments in equity securities at various percentages. As of March 31, 2008, the Company has received approximately \$61,903,000 in proceeds (prior to management fees and sharing with Windspeed) since the inception of the management agreement with Windspeed. Windspeed has received approximately \$10,204,000 in combined management fees and sharing through March 31, 2008. Management fees are expensed when incurred, and realized gains on the sale of equity securities are reduced by sharing amounts under the management agreement. As reported on a Form 8-K filed by the Company on April 11, 2006, the management arrangement was extended for an additional two years, to February 20, 2009. During January 2008, Windspeed achieved its target bonus award level thus earning an additional fee of \$400,000 that was disclosed in the extended agreement. This bonus was paid in the second fiscal quarter of 2008.

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 earnings.

Marketable equity securities:

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

	Cost	Gross unrealized gains	Market value
September 30, 2007	\$ -	\$ 5,470	\$ 5,470
December 31, 2007	\$ -	\$ 2,726	\$ 2,726
March 31, 2008	\$ -	\$ 649	\$ 649

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 6 of Notes to Consolidated Financial Statements). At March 31, 2008, the Company held securities of two publicly-traded companies: Akamai Technologies, Inc. and Internet Brands, Inc. These holdings are subject to lockup periods which restrict the Company's ability to sell in the near term but not greater than one year. Additionally, as of the date of this filing, the Company holds minor positions in two other public companies.

The Company sold certain equity securities during March 2008 for which the cash proceeds were not distributed to the Company until April 2008 and are classified as receivables from securities sold on the consolidated balance sheet in the amount of approximately \$672,000 with an amount due to Windspeed in accounts payable for the sharing portion of approximately \$101,000.

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.

Equity investments in private companies:

The Company's policy for assessing the carrying value of equity investments in privately held companies is, in consultation with Windspeed, to regularly review the assumptions underlying the operating performance and cash flow forecasts. The Company identifies and records impairment losses on equity securities when market and customer specific events and circumstances indicate the carrying value might be impaired. The Company recorded a write-down of equity securities in the quarter ended March 31, 2008 for approximately \$1,325,000 related to primarily one investment. All write-downs are considered permanent impairments for financial reporting purposes.

5. Income Taxes

The Company files income tax returns in the U.S. federal jurisdiction, State of Illinois and foreign jurisdictions. As discussed in Note 3, Changes in Accounting, of Notes to Consolidated Financial Statements, the Company adopted FIN 48 effective October 1, 2007 (which is the first day of the Company's current fiscal year).

The Internal Revenue Service ("IRS") has examined the Company's 2001 U.S. Federal Income Tax Returns. As of the date of this filing, the only open federal tax years are years ended September 30, 2004 through September 30, 2006.

In the State of Illinois, the Company is currently under audit for the tax years ended September 30, 2004 and 2005. There are no other significant state audits in progress.

The Company's Canadian subsidiary, Comdisco Canada Limited, currently is in the process of resolving several tax matters with federal and provincial tax authorities in Canada. The more significant tax matters include, but are not limited to, a tax audit being performed by the Canada Revenue Agency ("CRA") for tax years ended September 30, 2001 through 2003 and amended tax returns and "Notices of Objection" to reassessments filed for several tax years. The Company continues to advance matters with the provinces of Ontario and Quebec in respect of Notices of Objection and amended tax returns filed for several years in those provinces. The open federal tax years for the Canadian subsidiary are tax years ended September 30, 1998, 1999, and 2002 through 2007. The open tax years for the province of Ontario are tax years ended September 30, 1998, and 2002 through 2007. The open tax years for the province of Quebec are tax years ended September 30, 1999, 2003 and 2004. The open tax years for the province of Alberta are tax years ended September 30, 1999, 2003 and 2004.

The Company adopted the provisions of FIN 48 effective October 1, 2007. As a result of the implementation of FIN 48, the Company has recognized a cumulative decrease in its liability for taxes of approximately \$2,858,000, which was accounted for as an increase to the October 1, 2007 balance of retained earnings. As of September 30, 2007, the Company reported a net receivable balance for its Canadian subsidiary. As part of the adoption of FIN 48, the Company is now reporting a gross receivable and a gross payable.

As of March 31, 2008, the Company has recorded reserves in respect of uncertain tax positions in the amount of approximately \$5,867,000. The entire balance of approximately \$5,867,000 in tax reserves, if not realized, would impact the effective tax rate.

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

The Company recognizes interest and penalties accrued related to tax reserves in respect of uncertain tax positions in the income tax provision. As of March 31, 2008, accrued interest and penalties amounted to approximately \$2,549,000.

In addition, the Company anticipates realizing an approximately \$1,167,000 receivable relating to a refund of taxes paid to the Mexican tax authorities.

6. Stockholders' Equity

When the Company emerged from bankruptcy, 4,200,000 shares of Common Stock were issued. As of March 31, 2008, the Company had 4,029,066 shares of Common Stock outstanding and 170,934 shares of Common Stock held in treasury.

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, 2007	\$ 72	\$ 43,775	\$ 5,470	\$ 2,556	\$ (4,321)	\$ 47,552
Cumulative effect of adoption of FIN 48				2,858		2,858
Net earnings				3,035		3,035
Change in net unrealized gains			(4,821)			(4,821)
Total comprehensive income (loss)						(1,786)
Balance at March 31, 2008	\$ 72	\$ 43,775	\$ 649	\$ 8,449	\$ (4,321)	\$ 48,624

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

	Three months ended March 31,		Six months ended March 31,	
	2008	2007	2008	2007
Unrealized gains (losses) on securities:				
Unrealized holding gains (losses) arising during the period	\$ (586)	\$ (92)	\$ (228)	\$ 2,339
Reclassification adjustment for gains included in earnings before income taxes	(1,491)	--	(4,593)	(4,128)
Change in net unrealized gains (losses) (A)	(2,077)	(92)	(4,821)	(1,789)
Other comprehensive income (loss)	(2,077)	(92)	(4,821)	(1,789)
Net earnings	1,187	645	3,035	6,268
Total comprehensive income (loss)	\$ (890)	\$ 553	\$ (1,786)	\$ 4,479

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

7. Other Financial Information

Legally restricted cash is comprised of the following at March 31, 2008 and September 30, 2007 (in thousands):

	March 31, 2008	September 30, 2007
Incentive compensation escrows	\$ 480	\$ 471
Indemnification reserve	4,000	4,000
Other escrows	666	531
	\$ 5,146	\$ 5,002

Other liabilities consist of the following (in thousands):

	March 31, 2008	September 30, 2007
Accrued compensation	\$ 1,300	\$ 1,283
CDRs	15,464	14,466
	<u>\$ 16,764</u>	<u>\$ 15,749</u>

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

The amounts due to CDR holders follow the formula described in Critical Accounting Policies.

8. 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 March 31,		Six months ended March 31,	
	2008	2007	2008	2007
North America	\$ 2,263	\$ 1,667	\$ 8,836	\$ 7,280
Europe	<u>3</u>	<u>1</u>	<u>5</u>	<u>2</u>
Total	<u>\$ 2,266</u>	<u>\$ 1,668</u>	<u>\$ 8,841</u>	<u>\$ 7,282</u>

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

	March 31, 2008		September 30, 2007	
	Total		Total	
	Assets	Cash	Assets	Cash
North America	\$ 76,954	\$ 54,031	\$ 63,948	\$ 48,169
Europe	<u>418</u>	<u>--</u>	<u>374</u>	<u>--</u>
Total	<u>\$ 77,372</u>	<u>\$ 54,031</u>	<u>\$ 64,322</u>	<u>\$ 48,169</u>

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, 2007, 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, 2007.

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 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.

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 (two full-time and three part-time), a decrease of approximately 99 percent from approximately 600 employees upon emergence from bankruptcy proceedings on August 12, 2002. Approximately fifteen former employees continue to periodically assist the Company on a consulting basis. During 2008, the Company intends to seek permission to begin the process of abandoning and destroying certain of its and Prism's stored paper and electronic records.

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 Item 1A in Part II Other Information.

During the quarter ended December 31, 2007, the Company changed the presentation in the Form 10-Q financial statements to be stated in thousands instead of millions.

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 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 collection of all of its remaining assets. Pursuant to the Plan and restrictions contained in its certificate of incorporation, 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 the restructuring of existing equipment leases and loans to maximize the value of the Company's assets. See "Risk Factors Relating to the Company--Uncertainties Relating to the Bankruptcy Plan and the Limited Business Plan".

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 CDRs, and selling, general and administrative expenses (including legal costs associated with the administration

and/or litigation of Disputed Claims). As a result of the wind-down of operations, the Company expects continued declines in total costs and expenses, subject to volatility in the amount of expense associated with the liability for CDRs.

All funds generated from the Company's 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.

The Company is required to maintain sufficient cash reserves for the potential CDR liability associated with the eventual allowance or disallowance of the remaining Disputed Claims and recoveries and distributions by the litigation trust. The outcome and the timing of the resolution of the remaining Disputed Claims and recoveries and distributions by the litigation trust will impact both the timing and the amount of future dividends and CDR payments. See "Critical Accounting Policies" in this section and "Risk Factors Relating to the Company" in Item 1A in Part II Other Information for a discussion of the impact of Recoveries by Litigation Trust on the distributions.

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, substantially or completely resolved the Disputed Claims in the bankruptcy estate of Comdisco, Inc. 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. At that point, the Company will cease operations and no further distributions will be made.

The Company's operations slowed considerably during the second quarter of fiscal year 2008, except for the gain on sale of equity securities, compared to prior years. The Company's periodic billing continues to decline and assets at March 31, 2008 consisted primarily of cash, tax receivables, and equity securities. The timing of collections on the tax receivables and the sale of equity securities is uncertain. In certain cases, tax receivables will not be processed until a tax audit is conducted. 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 cash flows in excess of the current carrying value of these assets. In addition, the Company, as a former lessor, has a number of leases in default whereby collection efforts are underway to support a recovery on the account. Receipts, if any, will be in excess of the carrying value of these assets because the related leases were previously written-off.

Equity Securities: The Company holds common stock, preferred stock and warrants (collectively "Equity Investments"). The Company carries its common stock and preferred stock investments in public companies at fair market value and in private companies at the lower of cost or estimated fair market value in its financial statements. Any warrants held by the Company in private companies are carried at zero value. Any write-downs in the carrying value of such Equity Investments in private companies are considered permanent for financial reporting purposes. See Note 4 of Notes to Consolidated Financial Statements and "Critical Accounting Policies". It is management's expectation that the amount ultimately realized on Equity Investments will, in the aggregate, exceed the amount reflected in the financial statements as of March 31, 2008. The Company's estimate 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 arrangement was extended on April 11, 2006 to February 20, 2009. The Company estimates that the realizable value, net of fees and sharing with Windspeed (see table below), at March 31, 2008 for its Equity Investments in private companies is approximately \$3,402,000. 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 Item 1A in Part II Other Information, entitled "Market Conditions Have Made It Difficult and May Continue to Make It Difficult for the Company to Timely Realize on the Value of Its Warrant and Equity Securities."

The following table summarizes the changes in the value of the Company's equity securities since September 30, 2007 (in thousands):

	Public Companies (1) (3)	Private Companies (2) (3)
September 30, 2007 estimated realizable value	\$ 5,470	\$ 9,136
Realized—net of fees	(3,102)	(2,552)
Increase (decrease) in unrealized estimated value	<u>358</u>	<u>(1,139)</u>
December 31, 2007 estimated realizable value	\$ 2,726	\$ 5,445
Realized – net of fees	(1,491)	(312)
Increase (decrease) in unrealized estimated value	<u>(586)</u>	<u>(1,731)</u>
March 31, 2008 estimated realizable value	<u>\$ 649</u>	<u>\$ 3,402</u>

(1) Carrying value of public companies for financial statements is market value. See Note 4 of Notes to Consolidated Financial Statements.

(2) Carrying value of private companies for financial statements is cost, or approximately \$1,421,000.

(3) Net of fees and sharing with Windspeed.

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

Critical Accounting Policies

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. 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.

Management has adopted a methodology for estimating the amount due to CDR holders following the provisions of Statement of Financial and Accounting Standards No. 5, "Accounting For Contingencies" ("SFAS No. 5"). Under SFAS No. 5, a liability must be booked that is probable and reasonably estimable as of the balance sheet date.

The amount due to CDR holders is based on the amount and timing of distributions made to former creditors of the Company's predecessor, Comdisco, Inc., and is impacted by both the value received

from the orderly sale or collection of Comdisco Holding's assets and the resolution of Disputed Claims still pending in the bankruptcy estate of Comdisco, Inc. While the amount does not reflect any potential recoveries and distributions by the litigation trustee to the general unsecured creditors (as such additional recoveries and distributions, if any, are neither probable nor reasonably estimable at this time), the Company is of the opinion that it retains sufficient cash to satisfy such liability.

The Company is not able to definitively estimate either the ultimate value to be received for the remaining assets or the final resolution of the remaining Disputed Claims. Accordingly, the Company does not forecast these outcomes in calculating the liability. Instead, the liability calculation uses the Company's book equity value as the basis for remaining asset value, reduced for estimated future operating expenses. During the quarter ending March 31, 2008, the Company continued to forecast its operating expenses to allow for projected costs and the projected duration of the ongoing wind-down of the Company's remaining assets.

In addition, the liability for CDRs is calculated assuming Disputed Claims are allowed at the amount estimated for the Disputed Claim. Any estimates exceeding the approved claims would be considered disallowed for purposes of the CDR liability. The amounts due to CDR holders will be greater to the extent that Disputed Claims are disallowed. The disallowance of a Disputed Claim results in a distribution from the Disputed Claims Reserve to previously allowed creditors that is entirely in excess of the minimum percentage recovery threshold, above which recoveries to general unsecured creditors are shared with CDR holders. In contrast, the allowance of a Disputed Claim results in a distribution to a newly allowed creditor that is only partially in excess of the minimum percentage recovery threshold.

Estimated Disputed Claims consisted of approximately \$1 million as of March 31, 2008. The Disputed Claims Reserve consisted of approximately \$1 million in cash and approximately 1,600 shares of Common Stock. For purposes of the CDR liability, this approximately \$1 million of estimated Disputed Claims has been considered allowed. If the \$1 million is ultimately ruled as disallowed, the CDR liability would increase by approximately \$581,000. As of the date of this filing, there are five Disputed Claims remaining.

- **Equity Investments In Private Companies:** Equity investments in private companies consist primarily of small investments in approximately 80 private companies. The Company carries its common stock and preferred stock investments in private companies at the lower of cost or estimated fair market value in the financial statements. Warrants in non-public companies are carried at zero value. The Company, in consultation with Windspeed, which provides ongoing management of the Equity Investment Portfolio, 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. The Company recorded a write-down of equity securities in the quarter ended March 31, 2008 for approximately \$1,325,000. The carrying value of the Company's equity investments in private companies was approximately \$1,421,000 at March 31, 2008.
- **Income Taxes:** Effective October 1, 2007, the Company adopted FIN 48. The impact of adopting this standard is discussed in Note 5, Income Taxes, of Notes to Consolidated Financial Statements.

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.

Recently Issued Professional Accounting Standards

In September 2006, the FASB issued SFAS 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS 157 applies to previous accounting pronouncements that

require or permit fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007. The Company is evaluating the effect the adoption of SFAS 157 will have on its financial condition or results of operations for its fiscal year ending September 30, 2009.

Recent Developments

SIP Joinder Action

On January 27, 2006, certain of the SIP claimants filed a joint action in the Circuit Court of Cook County, Illinois, County Department, Law Division, Case Number 2006L001006 and captioned Bryant Collins, et al v. Nicholas Pontikes, et al. against certain directors of the former Comdisco, Inc. The defendants filed a Motion to Dismiss the suit on December 5, 2006 and the parties have fully briefed the motion. At the hearing held on March 11, 2008, the judge dismissed the complaint with leave for the plaintiffs to replead by April 8, 2008. On April 2, 2008, the plaintiffs filed a motion to transfer the case to another judge, which was denied at a hearing held on April 7, 2008. The plaintiffs filed an emergency motion on April 8, 2008 to extend the filing date for their amended complaint. At a hearing held on April 8, 2008, the judge granted the plaintiffs until June 9, 2008 to file their amended complaint.

The matter has been referred to the former Comdisco, Inc.'s directors and officers' insurance policy carriers. On November 8, 2007, the Company received a reservation of rights letter (dated October 16, 2007) from the carriers asserting that the carriers were reserving the right to deny coverage based on certain allegations in the complaint and due to the fact that a former officer of Comdisco was a named plaintiff. On December 4, 2007, the Company responded to the letter challenging the reservation of rights by the carriers. On December 11, 2007, the carriers reaffirmed their reservation of rights. As of the date of this filing, the Company and the carriers have not resolved the dispute. However, the amended complaint when it is filed could impact the dispute. The Company may owe a duty of indemnification to some of the defendant directors. However, the amount of such indemnification, if any, is not reasonably estimable at this time.

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 judge denied the motion of the SIP Claimants. On August 18, 2006, the SIP Claimants appealed the Bankruptcy judge's denial of their motion. On January 30, 2007, the District Court judge affirmed the denial of the Motion. The SIP Claimants have 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 have briefed the appeal and oral arguments were held before the Appellate Court on November 26, 2007. As of the date of this filing, there has been no ruling by the Appellate Court.

Withdrawal/Resolution of Disputed Claims

As of the date of this filing, there are five Disputed Claims remaining. Since the filing of the last Form 10-Q for the quarterly period ended December 31, 2007 on February 14, 2008, the Company has negotiated the withdrawal of two Disputed Claims and the withdrawal of two state tax claims (which were deemed non-disputed). The Company is continuing its efforts to resolve and effectuate the withdrawal of the remaining Disputed Claims.

Litigation Trust Summary Judgments

On December 27, 2007, the litigation trust received favorable rulings on motions it filed in two cases in the US District Court For the Northern District of Illinois Eastern Division, against James Duncan and Lyssa Kaye Paul seeking summary judgments on their respective SIP note obligations. On January 31, 2008, the judge continued the matter to a hearing scheduled for March 6, 2008. At the hearing held on March 6, 2008, the judge allowed the plaintiffs to file certain additional defenses. As of the date of this filing, the judge has not issued his ruling on the pending motions for summary judgments. In addition, the litigation trust has filed summary judgments against all of

the remaining domestic SIP Claimants in the federal court action and has filed summary judgments against all of the SIP claimants who are defendants in the pending state court action.

Results of Operations

Three Months Ended March 31, 2008 Compared to the Three Months Ended March 31, 2007

Revenue

Changes in total revenue for the three months ended March 31, 2008 compared to the three months ended March 31, 2007 were as follows (in thousands):

	Three months ended		Percent Increase (Decrease)	Explanation of Change
	2008	March 31, 2007		
Gain on sale of equity and warrant securities	\$ 1,803	\$ 67	+100%	Equity securities, which are managed by Windspeed, represent the primary remaining revenue generating asset. See "Overview" for additional information.
Interest income	548	922	(41%)	Interest earned on cash balances.
Miscellaneous income	5	671	(99%)	Miscellaneous receipts.
Foreign exchange gain (loss)	(90)	8	+(100%)	Foreign entity liquidation.
Total Revenue	\$ 2,266	\$ 1,668	36%	

Costs and Expenses

Changes in total costs and expenses for the three months ended March 31, 2008 compared to the three months ended March 31, 2007 were as follows (in thousands):

	Three months ended		Percent Increase (Decrease)	Explanation of Change
	2008	March 31, 2007		
Selling, general and administrative	\$ 1,423	\$ 1,946	(27%)	SG&A costs have decreased with the continued winddown of operations.
Write-down of equity securities	1,325	--	N/A	Impairment of asset.
Contingent distribution rights	(445)	891	+(100%)	(A)
Bad debt recoveries	(144)	(1,876)	(92%)	Collections & recoveries.
	\$ 2,159	\$ 961	+100%	

(A) Decrease in CDR expense is primarily the result of corresponding change in adjusted equity for the period. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Critical Accounting Policies" for a discussion on the potential liability of any future recoveries and distributions by the litigation trustee.

Income taxes

The Company recorded no U.S. federal income tax expense for the three months ended March 31, 2008 and nominal U.S. federal income tax expense for the three months ended March 31, 2007. The Company recorded a net income tax benefit for its Canadian subsidiary of approximately \$1,080,000 for the three months ended March 31, 2008. See Note 5 in Notes to Consolidated Financial Statements for information on the adoption of FIN 48.

Net Earnings

Net earnings were approximately \$1,187,000, or \$0.29 per share-basic and diluted, for the three months ended March 31, 2008 compared to net earnings of approximately \$645,000, or \$0.16 per share-basic and diluted, for the three months ended March 31, 2007.

Six Months Ended March 31, 2008 Compared to the Six Months Ended March 31, 2007

Revenue

Changes in total revenue for the six months ended March 31, 2008 compared to the six months ended March 31, 2007 were as follows (in thousands):

	Six months ended		Percent Increase (Decrease)	Explanation of Change
	2008	March 31, 2007		
Gain on sale of equity and warrant securities	\$ 7,457	\$ 4,480	66%	Equity securities, which are managed by Windspeed, represent the primary remaining revenue generating asset. See "Overview" for additional information.
Interest income	1,401	2,140	(35%)	Interest earned on cash balances.
Miscellaneous income	50	682	(93%)	Miscellaneous receipts.
Foreign exchange (loss)	(67)	(20)	100%	Foreign entity liquidation.
Total Revenue	\$ 8,841	\$ 7,282	21%	

Costs and Expenses

Changes in total costs and expenses for the six months ended March 31, 2008 compared to the six months ended March 31, 2007 were as follows (in thousands):

	Six months ended		Percent Increase (Decrease)	Explanation of Change
	2008	March 31, 2007		
Selling, general and administrative	\$ 2,904	\$ 3,880	(25%)	SG&A costs have decreased with the continued winddown of operations.
Write-down of equity securities	1,325	--	N/A	Impairment of asset.
Contingent distribution rights	997	(644)	+100%	(A)
Bad debt recoveries	(329)	(2,312)	(86%)	Collections & recoveries.
	\$ 4,897	\$ 924	+100%	

(A) Increase in CDR expense is primarily the result of corresponding change in adjusted equity for the period. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Critical Accounting Policies" for a discussion on the potential liability of any future recoveries and distributions by the litigation trustee.

Income taxes

The Company recorded nominal U.S. federal income tax expense for the six months ended March 31, 2008 and 2007. The Company recorded income tax expense for its Canadian subsidiary of approximately \$804,000 for the

six months ended March 31, 2008. See Note 5 in Notes to Consolidated Financial Statements for information on the adoption of FIN 48.

Net Earnings

Net earnings were approximately \$3,035,000, or \$0.75 per share-basic and diluted, for the six months ended March 31, 2008 compared to net earnings of approximately \$6,268,000, or \$1.56 per share-basic and diluted, for the six months ended March 31, 2007.

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

At March 31, 2008, the Company had unrestricted cash and cash equivalents of approximately \$54,031,000, an increase of approximately \$5,862,000 compared to September 30, 2007. Net cash provided by operating activities for the six months ended March 31, 2008 was approximately \$5,862,000.

The Company's operating activities during the six months ended March 31, 2008 were funded by cash on hand. During the six months ended March 31, 2008, approximately \$6,695,000 of proceeds were generated from the Windspeed managed warrant and equity portfolio, approximately \$1,551,000 was received from interest income and bad debt recoveries and approximately \$655,000 was received from an income tax refund related to the Company's Canadian subsidiary. The Company's cash expenditures were primarily operating expenses of approximately \$3,039,000 (principally professional services and compensation).

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

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

Dividends

There were no dividends paid this quarter. The Company intends to treat any future 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 Item 1A in Part II Other Information.

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.

Gross cash distributions (including the redemption of the Company's Senior Notes and Subordinated Notes and dividends to date) related to general unsecured claims totaled \$4.091 billion through March 31, 2008. The distributions funded claims allowed on the initial distribution date and the Disputed Claims Reserve where cash and Common Stock are being held pending the outcome of the remaining Disputed Claims. A portion of the original Disputed Claims have been allowed subsequent to the initial distribution date. As of April 30, 2008, there is approximately \$1 million in cash and 1,600 shares in the Disputed Claims Reserve.

Pursuant to the Rights Agent Agreement that established the terms of the CDRs distributed in accordance with the Plan, the Company agreed to provide information in its annual and quarterly reports regarding the Present Value of Distributions (as defined in the Rights Agent Agreement) made to certain former creditors of Comdisco, Inc. The Present Value of Distributions calculation requires the Company to discount the cash distributions to the initially allowed claimholders from the date the distribution is made to the date of the Company's emergence from bankruptcy on August 12, 2002. The gross distributions through March 31, 2008 of approximately \$3.851 billion made to initially allowed claimholders equates to a present value of \$3.649 billion on initially allowed claims of \$3.628 billion. The associated percentage recovery has reached a present value recovery of 100% so future distributions will be shared between equity holders and CDR holders at the highest sharing percentage. Please refer to the Plan for more details on CDRs.

See Critical Accounting Policies for a further discussion of CDRs and the methodology for estimating the CDR liability and the potential impact of the resolution of recoveries by the litigation trust on liquidity. See "Risk Factors Relating to the Company--The Payment of Dividends and Distributions, Impact of Disallowance of Disputed Claims on the Company's Obligation To Make Payments in Respect of Contingent Distribution Rights, Impact of Reconsideration and/or Allowance of Newly Filed Claims, Late Filed Claims or Previously Disallowed Claims and Limited Public Market for Contingent Distribution Rights" in Item 1A in Part II Other Information.

CDR Payment

There were no CDR payments during the current quarter. As of March 31, 2008, the Company has approximately 152,300,000 CDRs outstanding.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Randolph I. Thornton, the sole director of the Company, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, the sole director of the Company has concluded that the Company's disclosure controls and procedures are effective as of March 31, 2008 in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act.

Change in Internal Controls

Except as noted below, there has been no change in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the Company's second quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

In response to the material weakness noted in the Quarterly Report on Form 10-Q for the quarter ended December 31, 2007, the Company implemented a control requiring that the reporting of non-routine transactions be adequately considered and subjected to a review and approval process prior to completing the preliminary consolidated financial statements. The implementation of this procedure was completed by March 31, 2008.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Recent Events" for a discussion of a lawsuit styled as a joint action filed against former members of the Board of Directors of Comdisco, Inc., the motion of certain SIP claimants to terminate the Litigation Trust, the withdrawal or resolution of Disputed Claims and the motion by the litigation trust to obtain summary judgments against certain SIP defendants.

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 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 its 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 of incorporation, 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 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 on April 15, 2004 is dependent on numerous factors, including the timing and amount of cash received from the monetization of its assets, the resolution of the remaining Disputed Claims, 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 and cash provided by operating activities. The Company's cash flow from operating activities is dependent on a number of variables, including, but not limited to, market conditions for the sale of equity securities, receipt of tax refunds, interest income and bad debt recoveries, 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.

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

Because the present value of distributions to certain former creditors of Comdisco, Inc. has reached the 100% threshold level of percentage recovery established pursuant to the Plan, holders of CDRs are entitled to receive payments from the Company equal to 37% of each dollar available to be distributed to Comdisco stakeholders in accordance with the Plan. All payments by the Company in respect of CDRs are made from the Company's available cash-on-hand and not from funds released from the Disputed Claims Reserve or litigation trust. The Company expects to maintain cash reserves sufficient to make any required payments on the CDRs. The Company's success in reducing the Disputed Claims Reserve through disallowance of Disputed Claims could have a significant negative impact on the cash available to be distributed to common shareholders.

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 (collectively, "Equity Securities")

Market conditions have adversely affected, and may continue to adversely affect, 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 Securities. Additionally, the public market for high technology and other emerging growth companies is extremely volatile. Such volatility has adversely affected, and may continue to adversely affect, the ability of the Company to realize value from its Equity Securities. Exacerbating these conditions is the fact that the Equity Securities 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 is unable to sell its Equity Securities. 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 Securities 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 may continue to have, an adverse impact on the value of the Company's Equity Securities. For those Equity Securities without a public trading market, the realizable value of the Company's Equity Securities may 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, 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, as of March 31, 2008, the current estimated fair market value is subject to significant concentration risk, as 82 percent of the estimated fair market value of the entire portfolio is concentrated in ten individual companies and

approximately 50 percent of the estimated fair market value of the entire portfolio is concentrated in three individual companies.

Uncertainties in Collections and Recoveries

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

The Payment of Dividends and Distributions

All funds generated from the Company's remaining asset portfolios are required by the Plan to be used to satisfy liabilities of the Company and, to the extent funds are available, to pay dividends on the Company's Common Stock and to make distributions with respect to the Contingent Distribution Rights 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 Contingent Distribution Rights is limited to the funds (in excess of the Company's liabilities) that may be generated from the remaining asset portfolios.

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

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

Limited Public Market for Common Stock

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

Limited Public Market for Contingent Distribution Rights

There is currently a limited public market for the Company's Contingent Distribution Rights. Holders of the Company's Contingent Distribution Rights may, therefore, have difficulty selling their Contingent Distribution Rights, should they decide to do so. In addition, there can be no assurances that such markets will continue or that any Contingent Distribution Rights which may be purchased may be sold without incurring a loss. Any such market price of the Contingent Distribution Rights 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 Contingent Distribution Rights in the future. Further, the market price of the Contingent Distribution Rights 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 would negatively impact the value of certain of the Company's assets and a strengthening of the US dollar would negatively impact the value of the Company's net foreign assets.

Impact of Reconsideration and/or Allowance of Newly Filed Claims, Late Filed Claims or Previously Disallowed Claims

The reconsideration and/or allowance by the Bankruptcy court of newly filed claims, late filed claims, or previously disallowed claims, in full or in part, may negatively impact future distributions.

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. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

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 of Form 10-K dated September 30, 2004, as filed with the Commission on December 14, 2004, File No. 0-49968).
3.2	By-Laws of Registrant, adopted as of August 9, 2002 (Incorporated by reference to Exhibit 3.2 filed with the Company's Annual Report of Form 10-K dated September 30, 2002, as filed with the Commission 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 13, 2008

By: /s/ Randolph I. Thornton

Name: Randolph I. Thornton

Title: Chief Executive Officer and President
(Principal Executive 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 March 31,		Six months ended March 31,	
	2008	2007	2008	2007
Average common shares issued	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>
Effect of dilutive options	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Average common shares held in treasury	<u>(171)</u>	<u>(171)</u>	<u>(171)</u>	<u>(171)</u>
Total	<u>4,029</u>	<u>4,029</u>	<u>4,029</u>	<u>4,029</u>
Net earnings to common stockholders	\$ <u>1,187</u>	\$ <u>645</u>	\$ <u>3,035</u>	\$ <u>6,268</u>
Basic and diluted earnings per common share	\$ <u>0.29</u>	\$ <u>0.16</u>	\$ <u>0.75</u>	\$ <u>1.56</u>

Exhibit 31.1

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

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

1. I have reviewed this 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)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's second fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. As the sole officer of the registrant, I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 13, 2008

By: /s/ Randolph I. Thornton

Name: Randolph I. Thornton
Title: Chief Executive Officer and President
(Principal Financial and Accounting 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, 2008 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 13, 2008

By: /s/ Randolph I. Thornton

Name: Randolph I. Thornton

Title: Chief Executive Officer and President

Dated: May 13, 2008

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.