

CHIMICLES & TIKELLIS LLP AND GOODKIND LABATON RUDOFF & SUCHAROW LLP ANNOUNCE FEDERAL DISTRICT COURT'S POST-VERDICT RULINGS UPHOLDING LANDMARK \$92.5 MILLION FEDERAL COURT JURY VERDICT AND AWARDING OVER \$25 MILLION IN PREJUDGMENT INTEREST IN FAVOR OF 18,000 INVESTORS.

Business/Legal Writers/Editors

Haverford, PA / Los Angeles, CA – April 4, 2003 - Lead trial counsel Nicholas E. Chimicles, a senior partner of Chimicles & Tikellis LLP, Haverford, PA, and co-lead counsel Lawrence A. Sucharow, a senior partner of Goodkind Labaton Rudoff & Sucharow LLP (GLRS), New York City, announced that on April 3, 2003, a federal district court in Los Angeles ruled on the parties' post-verdict motions in the lawsuit captioned *In re Real Estate Associates Limited Partnership Litigation*. As a result of the Court's post-verdict rulings upholding most of the jury's verdict, the judgment to be entered in the action will exceed \$120 million.

I. Background of the Litigation and the November 2002 Jury Verdict

Chimicles & Tikellis LLP and GLRS represent a class of more than 18,000 investors (the "Investor Class") whose votes were solicited in August 1998, to approve the sale of approximately one-half of the interests held by eight Real Estate Associates Limited Partnerships (referred to as the REAL Partnerships), to a newly formed real estate investment trust ("REIT") formed by some of the defendants. The REAL Partnerships continue to operate and own interests in approximately 100 properties, most of which are affordable housing projects.

The defendants in the lawsuit include National Partnership Investments Corp. ("NAPICO"), the corporate managing general partner of the REAL Partnerships, based in Los Angeles, that solicited the investors' votes and recommended the sale; Alan I. Casden, the indirect 100% owner of NAPICO at the time of the December 30, 1998 REIT Transaction; and Henry C. Casden, Bruce Nelson and Charles Boxenbaum, who were officers and/or directors of NAPICO at the time of the REIT Transaction. The challenged transaction effected the transfer of the REAL Partnerships' interests to Casden Properties, Inc., a newly formed private REIT created by Alan Casden, and in which all of the Individual Defendants were equity owners and directors. Casden Properties, Inc., which also acquired NAPICO as part of the REIT Transaction, merged with Apartment Investment and Management Company ("AIMCO," NYSE: AIV) in March 2002. As a consequence, NAPICO is an AIMCO subsidiary.

On November 15, 2002, a federal court jury in Los Angeles rendered a unanimous verdict against all defendants on the two counts: a federal securities claim against NAPICO and its officers and directors under Section 14(a) of the Securities Exchange Act of 1934 and Rule 14a-9 promulgated thereunder, and a breach of fiduciary duty claim against NAPICO. The ten member jury awarded more than \$25.2 million of damages on the Section 14(a) claim against all defendants and more than \$67.3 million of compensatory damages and \$92.5 million of punitive damages against NAPICO on the breach of fiduciary duty claim. In rendering its verdict on the Section 14(a) claim, the jury also determined that each defendant knowingly violated the federal securities laws, thereby triggering the application of joint and several liability against each defendant under the federal securities laws.

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Subsequent to the jury's verdict and pursuant to a scheduling order, the parties filed post-verdict motions. Plaintiffs filed a post-verdict motion seeking prejudgment interest of approximately \$25 million on the jury's verdict. In addition, Plaintiffs filed a motion seeking various forms of equitable relief for the Investor Class. Defendants filed motions for a new trial and judgment as a matter of law, seeking to set aside the verdict in its entirety.

II. The Court's Rulings on the Parties Post-Trial Motions

On April 3, 2003, the federal district court judge in Los Angeles, who presided over the six-week trial last fall, issued rulings on the parties' post-trial motions. The rulings are available on Class counsel's websites: www.chimicles.com and www.glrslaw.com. Subsequent to these rulings, the total award obtained for the Investor Class totals over \$120 million, in addition to various non-monetary relief granted by the Court.

The federal district court denied defendants' motions to set aside the jury's verdict on liability and upheld the jury's compensatory damages awards totaling \$92.5 million, finding that substantial evidence supported the jury's verdict on liability and compensatory damages on Counts I and II. The federal district court also granted Plaintiffs' motion and awarded the Investor Class nearly \$25 million in prejudgment interest on the \$92.5 million compensatory damages award. The federal district court also ordered that the Investor Class was entitled to certain equitable relief, including (1) ordering defendants not to attempt to base any future transactions, sales or transfers on any authority allegedly obtained via the false and misleading solicitations and consent form; and (2) ordering that defendants are not entitled to indemnification from the REAL Partnerships for their legal fees and costs or for the judgment resulting from this action. The federal district court determined that in light of the jury's verdict awarding the Investor Class substantial monetary damages, rescission of the transaction and removal of NAPICO as the general partner of the REAL Partnerships was not warranted. However, Plaintiffs may seek to obtain the limited partners' approval of the removal of NAPICO through measures contractually provided for in the partnership agreements. Finally, while the federal district court declined to supervise an accounting by Plaintiffs of the affairs of the REAL Partnerships, the Court recognized Plaintiffs' right to seek an accounting pursuant to their statutory and contractual rights and enforce such right in California state court in the event defendants fail to cooperate with those efforts.

The federal district court denied defendants' motion for a new trial, conditioned upon Plaintiffs' accepting a reduction in the jury's punitive damages award. The federal district court ruled that there was substantial evidence to support a punitive damages award, noting that "defendants' conduct was reprehensible enough to support the jury's verdict." The Court concluded, however, that NAPICO's financial condition could not withstand a \$92.5 million punitive damage award. The Court has offered Plaintiffs the opportunity to accept a reduction of the punitive damages to \$2.6 million. If Plaintiffs accept the reduction, defendants' motion for a new trial will be denied. It is expected that the reduction of punitive damages will be accepted by Plaintiffs.

NAPICO has been a leading syndicator of Low Income Housing Tax Credit and Historic Tax Credit properties. NAPICO has sponsored 33 public and private partnerships since 1975, raising in excess of \$1.4 billion for the acquisition of more than 67,000 housing units with a total purchase price of \$2.2 billion. Since 1992, NAPICO has been a leader in the industry's focus on

structuring tax credit investments exclusively for large institutional investors. NAPICO, as general partner and/or limited partner of numerous limited partnerships, has interests in more than 400 properties with more than 41,000 apartment units. AIMCO overall, through its subsidiaries, including NAPICO, operates approximately 1,790 properties having 318,000 apartment units.

III. What Lies Ahead

Class Counsel believe that it is likely that Defendants will appeal the District Court's rulings and the judgment entered based on those rulings. In accordance with its scheduling order, the Court expects to enter judgment on April 28, and Defendants will have 30 days thereafter to appeal. Plaintiffs intend to execute on the judgment, as permitted by the applicable rules, ten days after entry of judgment. Defendants may seek to stay execution on the judgment by posting a bond that ensures there is money to pay the judgment if defendants' appeal is unsuccessful.

Inquiries have been made concerning NAPICO's financial ability to satisfy the ultimate judgment in this case, which on the breach of fiduciary duty claim, where NAPICO is the sole defendant, is expected to approximate \$90 million. Although NAPICO is responsible for that judgment and has significant assets that can be seized to satisfy the judgment, Class Counsel do not believe that, among defendants, NAPICO will be the party that pays that judgment. AIMCO has stated to securities analysts and in SEC filings from December 2001 to the present that AIMCO and its subsidiaries, including NAPICO, are "indemnified completely, 100%", by Blackacre and Casden (personally and by his companies) for any judgment resulting in this litigation. AIMCO's position is based on, among other things, the Master Indemnification Agreement among AIMCO, various Alan Casden-owned and controlled entities and Blackacre Capital Management (Cerebus Partners, L.P.) dated as of December 3, 2001, one of the agreements governing the Casden REIT-AIMCO Merger. Pursuant to the Master Indemnification Agreement, AIMCO should be holding \$122 million of AIMCO securities that Casden and Blackacre received in the March 2002 Casden-AIMCO merger, as collateral for the indemnification obligations of Casden and Blackacre.

Chimicles & Tikellis LLP specializes in complex litigation with an emphasis on securities, antitrust and consumer cases, and has offices in Haverford, PA and Wilmington, DE. Chimicles & Tikellis LLP is a leading class action law firm with a national practice that strives to advance the interests of its clients by recovering money they have lost and by obtaining other appropriate relief to which they are entitled. The firm has succeeded in recouping hundreds of millions of dollars of losses for its clients.

For nearly 40 years, the trial lawyers at GLRS have litigated the most complex cases with special emphasis on securities and antitrust class actions. GLRS has offices in New York and Ft. Lauderdale, FL and maintains professional relationships with local counsel throughout the United States, thus allowing GLRS to try cases nationwide.

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Mr. Chimicles is a past president and Mr. Sucharow is the immediate past president of the National Association of Securities & Commercial Law Attorneys (NASCAT).

By: Chimicles & Tikellis LLP

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