

**CHIMICLES & TIKELLIS LLP ANNOUNCES  
\$120 MILLION JUDGMENT ENTERED BY FEDERAL DISTRICT COURT**

Business/Legal Writers/Editors

Haverford, PA / Los Angeles, CA – April 30, 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 29, 2003, a federal district court in Los Angeles entered judgment in the amount of \$120,804,407 in the lawsuit captioned *In re Real Estate Associates Limited Partnership Litigation*, Case No. CV 98-7035 DDP.

**Background**

The defendants in the lawsuit include:

- (1) National Partnership Investments Corp. ("NAPICO"), the corporate managing general partner of eight public limited partnerships, Real Estate Associates Limited Partnerships I – VII, and Housing Programs ("REAL Partnerships"), based in Los Angeles. In late 1998, NAPICO solicited the investors' votes and recommended the sale of the REAL Partnerships' limited partnership interests to a newly created real estate investment trust, Casden Properties, Inc. ("Casden REIT"), formed and controlled by the Individual Defendants.
- (2) Alan I. Casden, the indirect 100% owner of NAPICO at the time of the December 30, 1998 transaction that was the subject of the lawsuit.
- (3) Henry C. Casden; Bruce Nelson; and Charles Boxenbaum, who were officers and/or directors of NAPICO at the time of the challenged transaction.

NAPICO and the Individual Defendants were all named as defendants in Count I of the Complaint, which charged them with committing violations of the proxy solicitation provisions and rules under the Securities Exchange Act of 1934. NAPICO was the sole defendant for the breach of fiduciary duty claim (Count II).

The challenged 1998 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. The Casden REIT, 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 and 19, 2002, a federal court jury in Los Angeles rendered a unanimous verdict against all defendants. On Count I, the jury found that all defendants knowingly violated Section 14(a) of the Securities Exchange Act of 1934 and Rule 14a-9 promulgated thereunder. On Count II, the jury found that NAPICO had fraudulently breached its fiduciary duty owed to its investors. The ten member jury awarded more than \$185 million of compensatory and punitive damages on the two Counts.

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### **Post-Trial Rulings And Entry Of Judgment**

Subsequent to the jury's verdict, the parties filed post-verdict motions. On April 3, 2003, the District Court upheld the jury's verdicts on liability in all respects, confirmed the compensatory damages of over \$92 million, confirmed the plaintiffs' entitlement to an award of punitive damages (but reduced the amount of punitive damages to \$2.6 million), and awarded pre-judgment interest totaling more than \$25 million. The Court's April 3, 2003 decisions on the post-trial motions had the effect of setting the total award obtained for the Investor Class at over \$120 million, over \$91 million on Count II (against NAPICO) and nearly \$30 million on Count I (against all defendants). In addition, the Court granted various non-monetary relief requested by the Class. These awards and decisions are all reflected in the Judgment entered by the Court on April 29. Defendants are expected to appeal the Judgment.

### **Denial Of NAPICO's Motion To Stay Execution Of Judgment Upon Posting Of A Reduced Bond**

The District Court also denied NAPICO's motion seeking to stay execution of the Judgment during the pendency of the appeal. NAPICO had asserted, in an emergency motion for which the Court provided an expedited briefing schedule and hearing, that its financial condition would only permit it to post a bond for \$6.5 million, or about 7% of the more than \$91 million Judgment to be entered against NAPICO on Count II. In an order dated April 29, the Court rejected NAPICO's motion, holding that NAPICO had made various filings with the Securities & Exchange Commission and had issued press releases which stated that NAPICO would suffer no harm because of the Judgment and that the entire matter was the responsibility of the former shareholders of the Casden REIT pursuant to documents related to the merger completed with AIMCO in March 2002. Those merger documents included an indemnification agreement whose signatories included the former shareholders of the Casden REIT, including Alan Casden, a Blackacre Capital Management LLC entity called Cerberus Partners, L.P., and another entity called XYZ Holdings LLC, jointly owned and controlled by Alan Casden and Blackacre. During the April 25 hearing held on NAPICO's motion, counsel for NAPICO stated that both NAPICO and AIMCO stood by their public statements with respect to financial responsibility for the Judgment. The result of the Court's decision is that if the Defendants, including NAPICO, fail to post a bond in the full amount of the Judgment entered on both Counts I and II, any appeal taken by Defendants will not stay execution on the Judgment. In that event, Class Counsel will begin immediately to implement all appropriate steps to execute on the Judgment on and after May 13, 2003, following the expiration of the mandatory 10-day stay following the entering of the Judgment by the Court.

Copies of the Judgment and the Court's Order Denying NAPICO's Motion to Stay Execution of Judgment Upon the Posting of a Reduced Bond can be obtained on Class Counsels' websites, [www.chimicles.com](http://www.chimicles.com) and [www.glrslaw.com](http://www.glrslaw.com).

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.

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

*By: Chimicles & Tikellis LLP*

**Legal Information**

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