

CHIMICLES & TIKELLIS LLP AND GOODKIND LABATON RUDOFF & SUCHAROW LLP ANNOUNCE LANDMARK \$184 MILLION FEDERAL COURT JURY VERDICT IN FAVOR OF 18,000 INVESTORS IN A FEDERAL SECURITIES LAW/BREACH OF FIDUCIARY DUTY CLASS ACTION SUIT.

Business/Legal Writers/Editors

Los Angeles, CA- November 20, 2002 - 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, have announced that on November 15, 2002, a federal court jury in Los Angeles rendered a unanimous verdict of more than \$92 million, in favor of a class of 18,000 investors, for violations of federal securities laws and breach of fiduciary duties, in the lawsuit captioned *In re Real Estate Associates Limited Partnership Litigation*.

This landmark case is the first Section 14 – proxy law – securities class action to be tried and won, before a jury, anywhere in the United States since the enactment of the Private Securities Litigation Reform Act (PSLRA) of 1995.

The jury also determined, on November 19, after a second phase of the trial, that the Investor Class was entitled to punitive damages in the amount of \$92 million against defendant NAPICO, which the jury found by clear and convincing evidence had acted with malice, oppression or fraud in breaching its fiduciary duties to the investors.

Chimicles & Tikellis LLP and GLRS represented a class of more than 18,000 investors 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 defendants in the lawsuit are 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 of 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, now named AIMCO Capital Inc., is an AIMCO subsidiary.

The two counts of the case that the jury considered included a federal securities claim against all defendants 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 jury awarded more than \$25 million of damages on the Section 14(a) claim against all defendants and more than \$67 million of consequential damages and \$92 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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The suit was initiated in August, 1998 by four plaintiffs, Wilmonte Nausatavicus, Aylin Gulbenkian, and Richard and Jane Bolt, shortly after the Solicitation Statements were mailed to the investors. Before trial the case was certified as a class action by the Honorable Dean D. Pregerson, a federal district court judge in Los Angeles, and notice of the pendency of the suit was mailed to all class members. The five week trial saw more than 25 witnesses appear before an 11 member jury, which deliberated for six days before reaching its unanimous verdict on liability and consequential damages.

During trial, from Chimicles & Tikellis LLP, Mr. Chimicles was assisted by associates Kimberly M. Donaldson, Candice L. H. Hegedus and M. Katherine Meermans. In addition, Kathleen P. Chimicles, ASA, the Firm's financial specialist, coordinated the preparation and submission of all expert reports. From Goodkind Labaton Rudoff & Sucharow LLP, Mr. Sucharow was assisted by partner Joseph V. Sternberg and associate Christopher J. Keller.

Plaintiffs retained as a consultant throughout the four year prosecution of the case James Vodola of PASCORP, Partners Advisory Services Corp., of White Plains, New York, a financial forensic firm specializing in partnership matters and litigation. In addition, as testifying experts, Plaintiffs' counsel retained: (a) David Smith of Recapitalization Advisors, Inc., a nationally recognized specialist in affordable housing and HUD subsidy matters, who prepared the valuation analysis of the REAL Partnerships' limited partnership interests that were transferred to the Casden REIT as part of the REIT Transaction; (b) Basil Imburgia of KPMG Consulting, an accounting expert who analyzed and quantified various financial aspects of the REIT Transaction; (c) Peter Korpacz of PriceWaterhouse Coopers, who appraised certain of the properties and performed market rent studies of a significant number of additional properties in which the REAL Partnerships owned an interest; and (d) Candace Preston, CFA, of Financial Markets Analysis, LLC, who testified about the deficiencies of the fairness opinions that were attached to the Solicitation Statements.

By finding that Defendants violated the federal proxy laws under Section 14(a), the jury determined that the Solicitation Statements were materially false and misleading and that there was a substantial likelihood that the material facts that were misrepresented in or omitted from the Solicitation Statements would have been important to persons voting on the proposed transaction.

The REAL Partnerships' investors were solicited to approve the transfer of the REALs' limited partnership interests in 98 Local Partnerships, each of which owned and operated a single apartment complex. Of the 98 Local Partnerships, 91 owned and operated an affordable housing project involving a Housing Assistance Payment contract with HUD or state housing authorities which provided rent subsidies for tenants. The remaining properties were conventional or market properties. More than one-third of the properties are located in Southern California.

Plaintiffs' co-counsel who assisted Chimicles & Tikellis and Goodkind Labaton in the four-year prosecution of the case included: Glancy & Binkow LLP, Los Angeles; Law Offices of Lasky & Rifkind, Ltd., Chicago and New York; Wolf Haldenstein Adler Freeman & Herz LLP, New York, NY; and Wechsler Harwood Halebian & Feffer LLP, New York, NY.

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

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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