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9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA
11 WESTERN DIVISION

12 IN RE REAL ESTATE ASSOCIATES) Case No. CV 98-7035 DDP (AJWx)
13 LIMITED PARTNERSHIP)
14 LITIGATION) CLASS ACTION
15) ~~PROPOSED~~ ORDER
16) PRELIMINARILY APPROVING
17) SETTLEMENT, APPROVING THE
18) FORM AND MANNER OF
19) NOTICE, AND SETTING
20) HEARING DATE FOR FINAL
21) APPROVAL OF SETTLEMENT
22)
23) Hon. Dean D. Pregerson
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1 Subject to Court Approval, the Plaintiffs and Defendants in this Action
2 entered into a Stipulation of Settlement dated August 7-11, 2003 in proposed
3 Settlement of the claims alleged in all counts of the Complaint (“Stipulation of
4 Settlement”) (capitalized terms herein shall have the same meaning as used in the
5 Stipulation of Settlement unless indicated otherwise). Application has been made
6 for preliminary approval of the Settlement, upon the terms and conditions in the
7 Stipulation of Settlement. The Court has received and reviewed the Stipulation of
8 Settlement and its attached exhibits.

9 AND NOW, upon consideration of the Stipulation of Settlement and all that
10 has occurred in this Action to date, including the Order certifying the Class entered
11 July 18, 2001 and the Notice of Pendency of this Action mailed to Class Members
12 on April 11, 2002, it is hereby ORDERED as follows:

13 1. The terms of the Stipulation of Settlement and Settlement provided for
14 therein are preliminarily approved solely for the purpose of sending Notice of
15 Proposed Settlement (“Notice” or “Settlement Notice”) to the Class, subject to
16 further consideration at the final hearing on the Settlement (“Final Hearing”)
17 described in Paragraph 9 of this Order.

18 2. The Class previously certified in this Action, pursuant to Opinion and
19 Order dated July 7, 2000, was as follows:

20 ALL PERSONS AND ENTITIES WHO HELD UNITS OR
21 LIMITED PARTNERSHIP INTERESTS IN ONE OR MORE OF
22 REAL ESTATE ASSOCIATES LIMITED, REAL ESTATE
23 ASSOCIATES LIMITED II, III, IV, V, VI AND VII OR
24 HOUSING PROGRAMS LIMITED AND WERE ENTITLED TO
25 VOTE ON ONE OR MORE OF THE CONSENT SOLICITATION
26 STATEMENTS DISSEMINATED IN AUGUST 1998 IN
27 REGARD TO THOSE LIMITED PARTNERSHIPS.

1 The Stipulation of Settlement modifies this definition by adding the
2 following clause at the end of the Class definition:

3 EXCEPT THE DEFENDANTS OR ANY AFFILIATE,
4 SUCCESSOR OR ASSIGN OF A DEFENDANT.

5 The Court approves this modification and hereby accepts the parties'
6 amendment of the Class definition.

7 3. Class Counsel are authorized to act on behalf of the Class with respect
8 to all acts required by, or which may be given pursuant to, the Stipulation of
9 Settlement or such other acts which are reasonably necessary to consummate the
10 proposed Settlement set forth in the Stipulation of Settlement.

11 4. Class Counsel are hereby authorized to retain the firm of Complete
12 Claim Solutions, Inc. as Claims Administrator to supervise and administer the
13 Notice and, if the Settlement is finally approved, to implement the Plan of
14 Distribution.

15 5. Fourteen (14) days from the date of entry of this Order (the "Notice
16 Date"), Class Counsel shall cause to be mailed to all Class Members at their last
17 known addresses, via first-class mail, the Notice (accompanied by the Investment
18 Data for each Class Member), substantially in the form attached hereto as Exhibit
19 1.

20 6. Seven (7) days before the date fixed by this Court for the Final
21 Hearing, Class Counsel shall cause to be filed with the Clerk of this Court
22 affidavits or declarations of the person or persons under whose general direction
23 the mailing of the Notice to Class Members was accomplished which affidavits
24 shall verify that such mailing was made in accordance with this Order.

25 7. The Court finds that dissemination of the Notice pursuant to
26 Paragraph 5 above, (a) constitutes the best notice practicable under the
27 circumstances, (b) constitutes due and sufficient notice of the Settlement and the
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1 Final Hearing to all persons entitled to receive such notice as Class Members, and
2 (c) complies with due process and the notice requirements of the Federal Rules and
3 any other applicable law.

4 8. For purposes of mailing the Notice and processing the Investment
5 Data, as provided in Paragraph 4 above, Complete Claim Solutions, Inc. or its
6 designee shall lease and maintain one or more Post Office Boxes of adequate size
7 for the receipt of all communications necessary for the administration of the
8 Settlement. The Notice shall designate the appropriate Post Office Box as the
9 return address for the designated purposes.

10 9. In April 2002, Notice of Pendency of Class Action was mailed to
11 Class Members, providing an opportunity for any Class Member to request
12 exclusion from the Class, if such request for exclusion was received no later than
13 June 10, 2002. Class Counsel has previously filed with the Court a list of Class
14 Members who timely submitted a request for exclusion ("Opt-Outs"). No further
15 exclusions from the Class will be permitted. Class Counsel are hereby directed to
16 provide written notice by no later than fourteen (14) days from the date of entry of
17 this Order to each Opt-Out that the Opt-Out has an opportunity to rescind his
18 exclusion and elect to rejoin the Class and participate in the Settlement, by
19 informing Class Counsel of their decision by letter received no later than seven (7)
20 days before the Final Hearing. Class Counsel shall file an amended list of
21 Opt-Outs prior to the Final Hearing to reflect any Opt-Outs who have elected to
22 rejoin the Class and such persons shall be added to the Class and bound by any
23 judgment entered in the Action.

24 10. The Final Hearing shall be held before the undersigned at 10:00 a.m.
25 on November 24, 2003, United States District Court for the Central District of
26 California, Courtroom No. 3, 2nd Floor, United States Courthouse, 312 North
27 Spring Street, Los Angeles, California 90012, to consider the fairness,
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1 reasonableness and adequacy of the proposed Settlement and the Plan of
2 Distribution, whether the Settlement should be finally approved, the entry of the
3 New Judgment in the Action, the request of Class Counsel for Attorneys' Fees and
4 Expenses, payment of Incentive Awards to Plaintiffs and other related matters.

5 11. Neither the Released Parties nor their respective counsel shall have
6 any responsibility for the Plan of Distribution of the Settlement Fund submitted by
7 Class Counsel, and such matters will be considered separately from the fairness,
8 reasonableness and adequacy of the proposed Settlement.

9 12. Briefs in support of the Settlement and the Plan of Distribution and in
10 support of the request for payment of Attorneys' Fees and Expenses of Class
11 Counsel, Incentive Awards to Plaintiffs, claims administration costs, and all other
12 matters shall be filed with the Clerk of the Court on or before fourteen (14) days
13 prior to the Final Hearing.

14 13. All Class Members, except those who previously validly excluded
15 themselves from the Class and have not rescinded such exclusion, shall be bound
16 by all determinations and judgments in the Action concerning the Settlement,
17 whether favorable or unfavorable to the Class.

18 14. Co-Lead Class Counsel and Howrey Simon Arnold & White LLP are
19 hereby authorized to enter into the Escrow Agency Agreement (Exhibit B to the
20 Stipulation of Settlement) to establish and operate the Settlement Fund, as
21 described in the Stipulation of Settlement, in anticipation of the Final Hearing.

22 15. Any Class Member may appear at the Final Hearing in person or by
23 counsel (if an appearance is filed and served as hereinafter provided) and may be
24 heard to the extent allowed by the Court in support of, or in opposition to, the
25 fairness, reasonableness and adequacy of the Settlement, the Plan of Distribution,
26 the request for an award of Attorneys' Fees and Expenses of Class Counsel, or the
27 Incentive Awards to Plaintiffs, provided, however, no person shall be heard in
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1 opposition to the Settlement and, if the Settlement is approved, the judgment
2 entered thereon, and no papers or briefs submitted by any such person shall be
3 accepted or considered by the Court unless, on or before ten (10) days prior to the
4 Final Hearing, such Class Member: (a) has filed with the Clerk of the Court a
5 notice of intention to appear together with a statement that indicates the basis for
6 such opposition along with any supporting documentation, including proof of
7 membership in the Class; and (b) has served copies of such notice, statement, and
8 documentation together with copies of any other papers or briefs filed with the
9 Court, either in person or by mail, upon the following counsel:

10 Co-Lead Counsel

11 CHIMICLES & TIKELLIS LLP
12 Nicholas E. Chemicles, Esquire
13 One Haverford Centre
14 361 West Lancaster Avenue
Haverford, PA 19041

15 GOODKIND LABATON RUDOFF
16 & SUCHAROW LLP
17 Lawrence A. Sucharow, Esquire
18 100 Park Avenue, 12th Floor
New York, NY 10017

Defense Counsel

HOWREY SIMON ARNOLD
& WHITE, LLP
Thomas J. Nolan, Esquire
550 South Hope St., Ste. 1400
Los Angeles, CA 90071

SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP
Raoul D. Kennedy, Esquire
4 Embarcadero Center, 38th Floor
San Francisco, CA 94111

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21 Three (3) business days before the date fixed by this Court for the Final Hearing,
22 Class Counsel shall cause to be filed with the Clerk of this Court a response to any
23 timely filed oppositions to the Settlement.

24 16. The Court reserves the right to adjourn the Final Hearing from time to
25 time without further notice by adjournment announced in open court and to
26 approve the Settlement, the Plan of Distribution or the award of Attorneys' Fees

1 and Expenses to Class Counsel or Incentive Awards to Plaintiffs at any time after
2 the Final Hearing.

3 17. All proceedings in the Action, other than such as may be necessary to
4 carry out the terms and conditions of the Stipulation of Settlement or the
5 responsibilities related or incidental thereto, are stayed and suspended until further
6 Order of this Court. In addition, pending resolution of these settlement
7 proceedings, no other action now pending or hereafter filed arising out of all or any
8 part of the subject matter of the Action shall be maintained as a class action, and,
9 except as provided by this or further order of this Court, for good cause shown, all
10 Class Members are hereby enjoined during the pendency of these settlement
11 proceedings from filing or prosecuting purported class actions against any
12 Released Person with respect to any of the Released Claims.

13 18. If the Settlement is not approved or consummated for any reason
14 whatsoever, the Settlement and all proceedings in connection with the Settlement
15 shall be without prejudice to the status quo ante rights of the parties to the Action,
16 except insofar as the Stipulation of Settlement expressly provides to the contrary.

17 19. Neither the Stipulation of Settlement nor the Settlement contained
18 therein, nor any of the negotiations or proceedings connected with it, nor any act
19 performed or document executed pursuant to or in furtherance of the Stipulation of
20 Settlement or the Settlement: (a) is or may be deemed to be, or may be used as, an
21 admission of, or evidence of, the validity of any Released Claim, or of any
22 wrongdoing or liability of the Released Persons; or (b) is or may be deemed to be,
23 or may be used as, an admission of, or evidence of, any fault or omission of any of
24 the Released Persons in any civil, criminal or administrative proceeding in any
25 court, administrative agency or other tribunal.

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ENTERED this 25th day of August, 2003.

BY THE COURT:



Hon. Dean D. Pregerson, J.