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Equity One to contest multimillion-dollar jury findings

North Miami Beach real estate investment trust Equity One (NYSE: EQY) said it plans to vigorously contest the multimillion-dollar findings of a jury against it in Fort Bend County, Texas. The jury said Equity One subsidiary United Investors Realty Trust interfered with a lease between a UIRT tenant and that tenant's prior landlord.

Equity One said it believes the jury's findings were not supported by the facts or the law. The company said the judge presiding over the case has not yet entered a judgment on the jury's verdict, and Equity One said it expects to file prejudgment motions to seek to rectify the jury's decision.

The jury verdict was rendered in the lawsuit filed in the 268th District Court of Fort Bend County, Texas, by the company Settler's Way & Highway Six against UIRT and its corporate successors, as well as Donna Egan, an employee of the third-party management company that managed UIRT's properties before it was acquired by Equity One. The jury said the defendants had interfered with a lease relationship between the plaintiff and a former tenant that moved its offices to a UIRT property and awarded the plaintiff compensatory damages of about \$896,000, including about \$145,000 for lost rent and \$7.5 million in exemplary damages from each defendant. Exemplary damages are damages that go beyond compensating for actual loss and are awarded to show the court's disapproval of a defendant's behavior.

In connection with the litigation, Equity One said it agreed to protect Egan from liability in the case, if any.

"We were obviously very surprised and disappointed by the jury's verdict and based on advice of our counsel, we believe that it is not supported by either the law or the facts," said Chaim Katzman, Equity One chairman and chief executive officer. "Notwithstanding this view, our counsel indicates that, at a minimum, the exemplary damages awarded by the jury are far in excess of the maximum permitted by Texas law."

Katzman said the company and its counsel believes other aspects of the verdict are in error, including what he called a key finding by the jury that there was a continuing long-term lease between the plaintiff and its former tenant.

"We plan to challenge this and other aspects of the verdict," he said. "While there can be no guarantees, based upon counsel's assessment, we believe that this case will ultimately not have a material adverse effect on Equity One's results of operations and financial condition."

Shares closed up 17 cents to \$13.57. The 52-week low was \$10.80 on July 24. The 52-week high was \$14.75 on Jan. 18.

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