

INSIGNIA FINANCIAL GROUP INC /DE/  
Form 11-K  
June 28, 2001

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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FORM 11-K  
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ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

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Commission File Number: 1-14373

A. Full title of the plan and the address of the plan, if different from that of  
the issuer named below:

INSIGNIA FINANCIAL GROUP, INC.  
401(K) RETIREMENT SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of  
its principal executive office:

INSIGNIA FINANCIAL GROUP, INC.  
200 PARK AVENUE  
NEW YORK, NEW YORK 10166

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Financial Statements and Supplemental Schedules  
Insignia Financial Group, Inc. 401(k) Retirement Savings Plan  
December 31, 2000 and 1999 and year ended December 31, 2000

Insignia Financial Group, Inc.  
401(k) Retirement Savings Plan

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## Financial Statements and Supplemental Schedule

Years ended December 31, 2000 and 1999

### CONTENTS

Report of Independent Auditors.....	1
Audited Financial Statements	
Statements of Net Assets Available for Benefits.....	2
Statement of Changes in Net Assets Available for Benefits.....	3
Notes to Financial Statements.....	4
Supplemental Schedule	
Schedule H, Line 4i - Schedule of Assets Held at End of Year.....	10

### Report of Independent Auditors

Advisory Committee  
Insignia Financial Group, Inc.  
401(k) Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits of Insignia Financial Group, Inc. 401(k) Retirement Savings Plan as of December 31, 2000 and 1999 and the related statement of changes in net assets available for benefits for the year ended December 31, 2000. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2000 and 1999, and the changes in its net assets available for benefits for year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets held for investment purposes as of December 31, 2000 is presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement

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Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ ERNST & YOUNG LLP

Greenville, South Carolina  
June 18, 2001

1

Insignia Financial Group, Inc.  
401(k) Retirement Savings Plan

Statements of Net Assets Available for Benefits

	DECEMBER 31	
	2000	1999
ASSETS		
Cash and cash equivalents	\$ 58,080	\$ 30,426
Investments, at fair value	50,082,694	42,590,510
Net assets available for benefits	\$50,140,774	\$42,620,936

See accompanying notes.

2

Insignia Financial Group, Inc.  
401(k) Retirement Savings Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2000

ADDITIONS  
Investment income:

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Net realized and unrealized appreciation in fair value of investments	\$ (3,651,726)
Interest and dividends	3,951,947
	-----
	300,221
	-----
Contributions:	
Employer	2,097,033
Participants	7,723,633
Rollover	2,426,061
	-----
	12,246,727
	-----
Total additions	12,546,948
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO	
Benefits paid to participants	4,942,141
Administrative expenses	84,969
	-----
	5,027,110
	-----
Net increase	7,519,838
Net assets available for benefits at December 31, 1999	42,620,936
	-----
Net assets available for benefits at December 31, 2000	\$ 50,140,774
	=====

See accompanying notes.

3

Insignia Financial Group, Inc.  
401(k) Retirement Savings Plan

Notes to Financial Statements

December 31, 2000

1. DESCRIPTION OF THE PLAN

The following description of the Insignia Financial Group, Inc. 401(k) Retirement Savings Plan ("the Plan") provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

GENERAL

Effective September 15, 1998, Insignia/ESG Holdings, Inc. established the Insignia/ESG Holdings, Inc. 401(k) Retirement Savings Plan for the benefit of its eligible employees. Effective November 2, 1998, Insignia/ESG Holdings, Inc. became Insignia Financial Group, Inc. ("the Company") and the Plan's name was changed to Insignia Financial Group, Inc. 401(k) Retirement Savings Plan. The

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Plan is a defined contribution plan covering all employees who have attained age 21. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

### CONTRIBUTIONS

Each year, participants may contribute up to 15% of their pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The Company, at the beginning of each Plan year, will determine the amount of any discretionary matching contributions to be made to the Plan during that year. The Company elected to make a contribution equal to 50% of a participant's contribution, up to a maximum of 6% of compensation that a participant contributes to the Plan for the period from September 15, 1998 (inception of the Plan) to December 31, 2000. Additional amounts may be contributed at the option of the Company's Board of Directors.

### PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions and (b) plan earnings. Forfeited balances of terminated participants' nonvested accounts are used to reduce the Plan's ordinary and necessary administrative expenses or Employer contributions. Total forfeitures for the year ended December 31, 2000 were \$168,865. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

4

Insignia Financial Group, Inc.  
401(k) Retirement Savings Plan

Notes to Financial Statements (continued)

### 1. DESCRIPTION OF THE PLAN (CONTINUED)

#### VESTING

Participants are immediately vested in their contributions plus actual earnings thereon. A participant who is an employee on or after the effective date of the Plan shall become vested in the Company's matching contributions in 25% increments with 100% vesting occurring after the completion of four years of service.

#### PARTICIPANT LOANS

Participants may borrow from their fund accounts a minimum of \$700 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account. Loan terms range from 1-5 years or up to 10 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest based on the prime interest rate plus one percent as reported in The Wall Street Journal for the day on which the loan application is approved. Principal and interest is paid ratably through employee payroll deductions.

#### PAYMENT OF BENEFITS

Upon termination, death, disability, or retirement, a participant may receive a lump-sum amount or in monthly, quarterly, or annual installments over a fixed,

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reasonable period of time, not exceeding the life expectancy of the participant or the joint life and last survivor expectancy of the participant and the named beneficiary. In either case, the participant may only receive the amount equal to the vested value of their account.

### PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

5

Insignia Financial Group, Inc.  
401(k) Retirement Savings Plan

Notes to Financial Statements (continued)

## 2. SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting.

### INVESTMENT VALUATION

The Plan's investments are stated at fair value which equals the quoted market price on the last business day of the plan year. The shares of registered investment companies are valued at quoted market prices which represent the net asset values of shares held by the Plan at year-end. Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the Plan year. The participant loans are valued at their outstanding balances which approximate fair value.

Included in the investments of the Plan are shares of a unitized stock fund consisting of cash and shares of Apartment Investment and Management Company ("AIMCO") common stock ("Insignia Wasting Fund"). The AIMCO common stock originated when the predecessor Plan Sponsor merged with AIMCO and the Plan's Sponsor's stock was converted to AIMCO shares. No contributions are allowed into the Insignia Wasting Fund and the fund will eventually be dissolved.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

### USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

6

Insignia Financial Group, Inc.  
401(k) Retirement Savings Plan

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## Notes to Financial Statements (continued)

### 3. INVESTMENTS

During 2000, the Plan's investments (including investments purchased, sold as well as held during the year) appreciated in fair value as determined by quoted market prices as follows:

	NET REALIZED AND UNREALIZED APPRECIATION IN FAIR VALUE OF INVESTMENTS
Common Stock	\$ 401,481
Shares of registered investment companies	(4,053,207)
	\$ (3,651,726)

Investments that represent 5% or more of fair value of the Plan's net assets are as follows:

	DECEMBER 31	
	2000	1999
Fidelity Puritan Fund	\$ 5,989,385	\$ 5,683,788
Fidelity Magellan Fund	7,301,288	5,195,406
Fidelity Contrafund	12,257,709	11,646,139
Fidelity Equity Income Fund	8,255,874	8,050,419
Fidelity Growth and Income Fund	4,478,064	3,113,607
Fidelity Managed Income Portfolio	3,890,188	3,423,066

### 4. INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated September 18, 1998, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code"), and therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes that the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

7

Insignia Financial Group, Inc.  
401(k) Retirement Savings Plan

Notes to Financial Statements (continued)

### 5. TRANSACTIONS WITH PARTIES-IN-INTEREST

Certain fees incurred during the year for legal, accounting and other services were paid by the Company on behalf of the Plan.

8

Supplemental Schedule

9

Insignia Financial Group, Inc.  
401(k) Retirement Savings Plan

EIN: 56-2084290 Plan Number: 001

Schedule H, Line 4i -  
Schedule of Assets Held at End of Year

December 31, 2000

(A)	(B) IDENTITY OF ISSUE, BORROWER, LESSOR OR SIMILAR PARTY	(C) DESCRIPTION OF INVESTMENT, INCLUDING MATURITY DATE, RATE OF INTEREST, PAR OR MATURITY VALUE	(D) COST
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	Mutual Funds:		
*	Fidelity Puritan Fund	318,077 shares	**
*	Fidelity Magellan Fund	61,201 shares	**
*	Fidelity Contrafund	249,292 shares	**
*	Fidelity Equity Income Fund	154,518 shares	**
*	Fidelity Growth and Income Fund		



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		106,367 shares	**
*	Fidelity Low Priced Stock Fund	54,261 shares	**
*	Fidelity Diversified International Fund	78,876 shares	**
*	Fidelity U.S. Bond Index Fund	140,453 shares	**
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Collective Trust Funds:			
*	Fidelity Managed Income Portfolio		
		3,890,188 units	**
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Common Stock:			
*	Insignia Wasting Fund	110,584 shares	**
*	Insignia ESG Fund	252,715 shares	**
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*	Loans to participants	Interest ranging from 8.6% and 10.4% and maturity dates from 2000 to 2004	**
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\* Indicates party-in-interest to the Plan.

\*\* Cost information has not been included in column (d) because all investments are participant directed.

10

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

INSIGNIA FINANCIAL GROUP, INC.  
401(K) RETIREMENT SAVINGS PLAN

By: \_\_\_\_\_

Name: Adam B. Gilbert  
Title: Member of Benefits Committee  
and Executive Vice President

Date: June 27, 2001