

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)

Richard B. Stern)

Claimant)

vs.)

Douglas McKenzie)

Respondent)

AWARD

NASD #90-02145

SUMMARY OF ISSUES

Claimant alleged Respondent misrepresented the risks and investment potential of limited partnership units of Columbia Lease II-B.

Respondent denied Claimant's allegations and responded that Claimant, an unusually sophisticated and knowledgeable investor, undertook his own investigation of the limited partnership before purchasing the units.

Respondent further alleged the claim was brought in bad faith.

DAMAGES AND RELIEF REQUESTED

Claimant requested rescission at the original price less all cash distributions received to date (less than \$5,000), plus interest, and costs of arbitration.

Respondent requested dismissal of the claim, and an award on the counterclaim for bad faith of attorney's fees and punitive damages.

DAMAGES AND RELIEF AWARDED

This claim was filed with the NASD on August 7, 1990. On April 18, 1991, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on August 2, 1990, and by Douglas McKenzie on October 1, 1990. The hearing was conducted in Los Angeles, California and lasted one (1) session. The arbitrator, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted as follows:

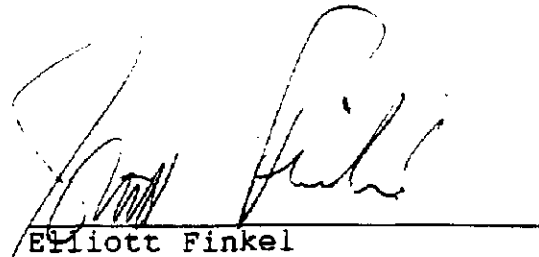
1. Respondent is liable for and shall pay to Claimant the sum of \$670.00 only.

2. The counterclaim is dismissed.
3. The parties shall each bear their respective costs including attorneys' fees.
4. In accordance with Section 43 of the NASD Code of Arbitration Procedure (amended June 18, 1990), the NASD shall refund the \$100.00 fee previously deposited by the Claimant, and retain the \$500 fee previously deposited by Respondent as an assessment of forum fees.

OTHER ISSUES

None.

DATE SERVED: 5/13/91



Elliott Finkel