

**BrokerCheck Report**

**GOLDMAN SACHS & CO. LLC**

CRD# 361

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## About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
  - o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
  - o information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

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For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit [www.finra.org](http://www.finra.org).



## GOLDMAN SACHS & CO. LLC

CRD# 361

SEC# 8-129

### Main Office Location

200 WEST STREET  
NEW YORK, NY 10282-2198  
Regulated by FINRA New York Office

### Mailing Address

222 SOUTH MAIN STREET  
SALT LAKE CITY, UT 84101

### Business Telephone Number

212-902-1000

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

<https://www.adviserinfo.sec.gov>

## Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

### Firm Profile

This firm is classified as a limited liability company.

This firm was formed in New York on 01/03/1927.

Its fiscal year ends in December.

### Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

### Firm Operations

#### This firm is registered with:

- the SEC
- 24 Self-Regulatory Organizations
- 53 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 17 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

### Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

#### The following types of disclosures have been reported:

Type	Count
Regulatory Event	327
Civil Event	3
Arbitration	20



## Firm Profile

This firm is classified as a limited liability company.

This firm was formed in New York on 01/03/1927.

Its fiscal year ends in December.

## Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

### **GOLDMAN SACHS & CO. LLC**

**Doing business as GOLDMAN SACHS & CO. LLC**

**CRD#** 361

**SEC#** 8-129

### **Main Office Location**

200 WEST STREET  
NEW YORK, NY 10282-2198

**Regulated by FINRA New York Office**

### **Mailing Address**

222 SOUTH MAIN STREET  
SALT LAKE CITY, UT 84101

### **Business Telephone Number**

212-902-1000



## Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

### Direct Owners and Executive Officers

<b>Legal Name &amp; CRD# (if any):</b>	THE GOLDMAN SACHS GROUP, INC.
<b>Is this a domestic or foreign entity or an individual?</b>	Domestic Entity
<b>Position</b>	CLASS A MEMBER
<b>Position Start Date</b>	04/2017
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	Yes

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<b>Legal Name &amp; CRD# (if any):</b>	ARMSTRONG, PHILIP STUART 6047124
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	MANAGING DIRECTOR, COO
<b>Position Start Date</b>	01/2013
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	BROADBERY, MICHAEL MARY 6947899
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF COMPLIANCE OFFICER
<b>Position Start Date</b>	11/2018

## Firm Profile



### Direct Owners and Executive Officers (continued)

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** No

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** DOYLE, BRIAN RICHARD  
6003685

**Is this a domestic or foreign entity or an individual?** Individual

**Position** MANAGING DIRECTOR, CFO

**Position Start Date** 11/2019

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** No

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** MATTHIAS, THOMAS FAIRBANKS  
2872690

**Is this a domestic or foreign entity or an individual?** Individual

**Position** CHIEF COMPLIANCE OFFICER - INVESTMENT ADVISERS ACT

**Position Start Date** 09/2017

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** No

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** OCONNELL, JOHN MAURICE

## Firm Profile



### Direct Owners and Executive Officers (continued)

	1335506
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF COMPLIANCE OFFICER
<b>Position Start Date</b>	11/2018
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No
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<b>Legal Name &amp; CRD# (if any):</b>	SCHERR, STEPHEN MARK 2388851
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	MANAGING DIRECTOR, MANAGER
<b>Position Start Date</b>	05/2019
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No
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<b>Legal Name &amp; CRD# (if any):</b>	SEYMOUR, KAREN PATTON 6909905
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	MANAGING DIRECTOR, CLO
<b>Position Start Date</b>	03/2018
<b>Percentage of Ownership</b>	Less than 5%

## Firm Profile



### Direct Owners and Executive Officers (continued)

**Does this owner direct the management or policies of the firm?** No

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** SOLOMON, DAVID MICHAEL  
1616414

**Is this a domestic or foreign entity or an individual?** Individual

**Position** MANAGING DIRECTOR, MANAGER

**Position Start Date** 04/2017

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** STEIN, LAURENCE  
5300390

**Is this a domestic or foreign entity or an individual?** Individual

**Position** MANAGING DIRECTOR, MANAGER

**Position Start Date** 01/2018

**Percentage of Ownership** Less than 5%

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** WALDRON, JOHN EDWARD  
2569337



## Firm Profile



### Direct Owners and Executive Officers (continued)

Is this a domestic or foreign entity or an individual?	Individual
Position	MANAGING DIRECTOR, CEO, MANAGER
Position Start Date	12/2018
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

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## Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

## Indirect Owners

No information reported.





## Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

<b>This firm was previously:</b>	GOLDMAN, SACHS & CO.
<b>Date of Succession:</b>	04/28/2017
<b>Predecessor CRD#:</b>	361
<b>Predecessor SEC#:</b>	8-00129
<b>Description</b>	ON APRIL 28, 2017, GOLDMAN, SACHS & CO. CONVERTED FROM A NEW YORK LIMITED PARTNERSHIP TO A NEW YORK LIMITED LIABILITY COMPANY AND CHANGED ITS NAME TO GOLDMAN SACHS & CO. LLC. (THE "FIRM"). UNDER NEW YORK LAW THE FIRM IS THE SAME ENTITY THAT EXISTED BEFORE THE CONVERSION FOR ALL PURPOSES. THE FIRM HAS ASSUMED ALL OF THE ASSETS AND LIABILITIES OF THE PREDECESSOR. THERE WAS NO SUBSTANTIAL CHANGE IN CONTROL OR EFFECT ON BUSINESS OPERATIONS.
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<b>This firm was previously:</b>	GOLDMAN, SACHS & CO.
<b>Date of Succession:</b>	04/28/2017
<b>Predecessor CRD#:</b>	361
<b>Predecessor SEC#:</b>	8-00129
<b>Description</b>	ON APRIL 28, 2017, GOLDMAN, SACHS & CO CONVERTED FROM A NEW YORK LIMITED PARTNERSHIP TO A NEW YORK LIMITED LIABILITY COMPANY. IN CONNECTION WITH THE CONVERSION, GOLDMAN, SACHS & CO. CHANGED ITS NAME TO GOLDMAN SACHS & CO. LLC. UNDER NEW YORK LAW THE POST-CONVERSION ENTITY WILL BE THE SAME ENTITY THAT EXISTED BEFORE THE CONVERSION FOR ALL PURPOSES. THIS CHANGE IN COMPANY FORM WILL HAVE NO EFFECT ON THE FIRM'S BUSINESS OPERATIONS.
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## Firm Operations

### Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

**This firm is currently registered with the SEC, 24 SROs and 53 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	01/01/1936

### SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	10/26/1936
BOX Exchange LLC	Approved	05/07/2012
Cboe BYX Exchange, Inc.	Approved	10/12/2010
Cboe BZX Exchange, Inc.	Approved	10/23/2008
Cboe C2 Exchange, Inc.	Approved	10/08/2010
Cboe EDGA Exchange, Inc.	Approved	05/14/2010
Cboe EDGX Exchange, Inc.	Approved	05/14/2010
Cboe Exchange, Inc.	Approved	06/17/1981
Investors' Exchange LLC	Approved	08/03/2016
Long-Term Stock Exchange, Inc.	Approved	04/16/2020
MIAX Emerald, LLC	Approved	03/01/2019
MIAX PEARL, LLC	Approved	02/06/2017
Miami International Securities Exchange, LLC	Approved	01/15/2013
NYSE American LLC	Approved	02/25/1988
NYSE Arca, Inc.	Approved	11/25/1975

NYSE Chicago, Inc.	Approved	05/21/1964
NYSE National, Inc.	Approved	05/18/2018
Nasdaq BX, Inc.	Approved	01/12/2009
Nasdaq GEMX, LLC	Approved	07/29/2013
Nasdaq ISE, LLC	Approved	05/01/2000
Nasdaq MRX, LLC	Approved	02/10/2016
Nasdaq PHLX LLC	Approved	01/01/1936
Nasdaq Stock Market	Approved	07/12/2006
New York Stock Exchange	Approved	11/17/1982



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	10/23/1981
Alaska	Approved	06/07/1966
Arizona	Approved	12/04/1964
Arkansas	Approved	10/28/1965
California	Approved	01/01/1970
Colorado	Approved	02/01/1983
Connecticut	Approved	11/30/1931
Delaware	Approved	10/06/1981
District of Columbia	Approved	02/26/1965
Florida	Approved	04/27/1983
Georgia	Approved	09/21/1981
Hawaii	Approved	09/26/1961
Idaho	Approved	01/01/1970
Illinois	Approved	07/01/1970
Indiana	Approved	10/20/1981
Iowa	Approved	07/14/1983
Kansas	Approved	04/15/1970
Kentucky	Approved	07/16/1982
Louisiana	Approved	04/20/1983
Maine	Approved	03/24/1984
Maryland	Approved	10/03/1981
Massachusetts	Approved	11/20/1981
Michigan	Approved	02/02/1983
Minnesota	Approved	07/15/1982
Mississippi	Approved	10/14/1981
Missouri	Approved	07/15/1983
Montana	Approved	04/20/1983
Nebraska	Approved	10/08/1981
Nevada	Approved	07/14/1983
New Hampshire	Approved	02/02/1983
New Jersey	Approved	07/12/1983
New Mexico	Approved	10/07/1981
New York	Approved	12/01/1983

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	07/15/1982
North Dakota	Approved	10/21/1981
Ohio	Approved	07/16/1982
Oklahoma	Approved	07/17/1982
Oregon	Approved	10/24/1981
Pennsylvania	Approved	10/19/1923
Puerto Rico	Approved	09/01/1984
Rhode Island	Approved	02/01/1983
South Carolina	Approved	10/28/1981
South Dakota	Approved	07/15/1982
Tennessee	Approved	08/17/1981
Texas	Approved	07/22/1983
Utah	Approved	04/21/1983
Vermont	Approved	02/13/1984
Virgin Islands	Approved	04/15/2005
Virginia	Approved	09/22/1981
Washington	Approved	04/20/1983
West Virginia	Approved	09/30/1981
Wisconsin	Approved	07/13/1983
Wyoming	Approved	08/08/1972



## Firm Operations

### Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

**This firm currently conducts 17 types of businesses.**

#### Types of Business

Exchange member engaged in exchange commission business other than floor activities

Exchange member engaged in floor activities

Broker or dealer making inter-dealer markets in corporation securities over-the-counter

Broker or dealer retailing corporate equity securities over-the-counter

Broker or dealer selling corporate debt securities

Underwriter or selling group participant (corporate securities other than mutual funds)

Mutual fund underwriter or sponsor

Mutual fund retailer

U S. government securities dealer

U S. government securities broker

Municipal securities dealer

Municipal securities broker

Put and call broker or dealer or option writer

Investment advisory services

Trading securities for own account

Private placements of securities

Broker or dealer selling interests in mortgages or other receivables

#### Other Types of Business

This firm does effect transactions in commodities, commodity futures, or commodity options.

This firm does engage in other non-securities business.

Non-Securities Business Description: SWAP DEALER / BROKER OR DEALER ENGAGING IN FOREIGN EXCHANGE AND NON-SECURITIES INTEREST RATE OR CREDIT PRODUCTS

## Firm Operations



### Clearing Arrangements

This firm does hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

### Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

<b>Name:</b>	APEX CLEARING CORPORATION
<b>CRD #:</b>	13071
<b>Business Address:</b>	ONE DALLAS CENTER 350 N ST. PAUL, SUITE 1300 DALLAS, TX 75201
<b>Effective Date:</b>	07/01/2019
<b>Description:</b>	PURSUANT TO A FULLY DISCLOSED CLEARING AGREEMENT THAT GOVERNS THE INTRODUCTION OF ACCOUNTS TO APEX CLEARING CORPORATION FOR CLEARING AND EXECUTION UNDER THE DIRECTED SHARE PROGRAM PLATFORM OFFERED BY GOLDMAN SACHS & CO. LLC

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## **Firm Operations**

### **Industry Arrangements**



**This firm does not have books or records maintained by a third party.**

**This firm does not have accounts, funds, or securities maintained by a third party.**

**This firm does not have customer accounts, funds, or securities maintained by a third party.**

#### **Control Persons/Financing**

**This firm does not have individuals who control its management or policies through agreement.**

**This firm does not have individuals who wholly or partly finance the firm's business.**



## Firm Operations

### Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

**This firm is, directly or indirectly:**

- in control of
  - controlled by
  - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

**GS INVESTMENT STRATEGIES CANADA INC. is under common control with the firm.**

<b>Business Address:</b>	925 WEST GEORGIA STREET SUITE 530 VANCOUVER, CANADA V6C 3L2
<b>Effective Date:</b>	12/12/2019
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	CANADA
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

**GSAM STRATEGIST PORTFOLIOS, LLC is under common control with the firm.**

<b>CRD #:</b>	109683
<b>Business Address:</b>	200 WEST STREET NEW YORK, NY 10282
<b>Effective Date:</b>	07/01/2019
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

## Firm Operations



### Organization Affiliates (continued)

**ROCATON INVESTMENT ADVISORS is under common control with the firm.**

**CRD #:** 120451

**Business Address:** 20 GLOVER AVENUE  
NORWALK, CT 06850

**Effective Date:** 04/01/2019

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

**UNITED CAPITAL FINANCIAL PARTNERS, INC. is under common control with the firm.**

**Business Address:** 620 NEWPORT CENTER DRIVE  
SUITE 500  
NEWPORT BEACH, CA 92660

**Effective Date:** 07/16/2019

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

**APTITUDE INVESTMENT MANAGEMENT LP is under common control with the firm.**

**CRD #:** 159070

**Business Address:** FOURTH AND MADISON, 925 FOURTH AVENUE  
SUITE 3550  
SEATTLE, WA 98104

**Effective Date:** 12/27/2018

**Foreign Entity:** No

## Firm Operations



### Organization Affiliates (continued)

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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**SIMON MARKETS LLC is under common control with the firm.**

**CRD #:** 290965

**Business Address:** 125 W. 25TH STREET  
NEW YORK, NY 10001

**Effective Date:** 06/20/2018

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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**GOLDMAN SACHS ASSET MANAGEMENT (SINGAPORE) PTE. LTD. is under common control with the firm.**

**CRD #:** 286067

**Business Address:** 1 RAFFLES LINK  
#07-01 SOUTH LOBBY  
SINGAPORE, SINGAPORE 039393

**Effective Date:** 06/02/2015

**Foreign Entity:** Yes

**Country:** SINGAPORE

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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## Firm Operations



### Organization Affiliates (continued)

**GOLDMAN SACHS ASSET MANAGEMENT (HONG KONG) LIMITED is under common control with the firm.**

<b>CRD #:</b>	286066
<b>Business Address:</b>	CHEUNG KONG CENTER, 68TH FLOOR 2 QUEEN'S ROAD CENTRAL HONG KONG, PEOPLE'S REPUBLIC OF CHINA
<b>Effective Date:</b>	06/24/2016
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	HONG KONG
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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**GOLDMAN SACHS MEXICO, CASA DE BOLSA, S.A. DE C.V. is under common control with the firm.**

<b>Business Address:</b>	PRADO SUR 250 PISO 1 LOMAS DE CHAPULTEPEC MIGUEL HIDALGO D.F., MEXICO 11000
<b>Effective Date:</b>	02/13/2014
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	MEXICO
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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**QIAN KUN FUTURES CO., LTD. is under common control with the firm.**

<b>Business Address:</b>	1 ZHONG XIN SI ROAD 16TH FLOOR, TOWER ONE, KERRY PLAZA SHENZHEN, PEOPLE'S REPUBLIC OF CHINA 518048
<b>Effective Date:</b>	11/15/2012
<b>Foreign Entity:</b>	Yes

## Firm Operations



### Organization Affiliates (continued)

<b>Country:</b>	PEOPLE'S REPUBLIC OF CHINA
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### GSAM STABLE VALUE, LLC is under common control with the firm.

<b>CRD #:</b>	105997
<b>Business Address:</b>	100 BANK STREET SUITE 800 BURLINGTON, VT 05401
<b>Effective Date:</b>	05/15/2012
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### GOLDMAN SACHS (INDIA) CAPITAL MARKETS PRIVATE LIMITED is under common control with the firm.

<b>Business Address:</b>	RATIONAL HOUSE 951-A, APPASAHEB MARATHE MARG, PRABHADEVI MUMBAI, INDIA 400 025
<b>Effective Date:</b>	01/11/2012
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	INDIA
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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## Firm Operations



### Organization Affiliates (continued)

**GOLDMAN SACHS INVESTMENTS (MAURITIUS) I LIMITED is under common control with the firm.**

<b>Business Address:</b>	CHEUNG KONG CENTER 68TH FLOOR 2 QUEEN'S ROAD CENTRAL HONG KONG, PEOPLE'S REPUBLIC OF CHINA
<b>Effective Date:</b>	07/07/2011
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	MAURITIUS
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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**GOLDMAN SACHS (RUSSIA) is under common control with the firm.**

<b>Business Address:</b>	PLUMTREE COURT 25 SHOE LANE LONDON, UNITED KINGDOM EC4A 4AU
<b>Effective Date:</b>	07/07/2011
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	UNITED KINGDOM
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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**GSAM SERVICES PRIVATE LIMITED is under common control with the firm.**

<b>Business Address:</b>	RATIONAL HOUSE 951-A, APPASAHEB MARG, PRABHADEVI MUMBAI, INDIA 400 025
<b>Effective Date:</b>	03/10/2008
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	INDIA

## Firm Operations



### Organization Affiliates (continued)

<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

#### **GOLDMAN SACHS DO BRASIL BANCO MULTIPLO S/A is under common control with the firm.**

<b>Business Address:</b>	RUA LEOPOLDO COUTO DE MAGALHAES JUNIOR 700 16 ANDAR, ITAIM BIBI SAO PAULO, BRAZIL 04542-000
<b>Effective Date:</b>	03/19/2001
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	BRAZIL
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

#### **GOLDMAN SACHS FINANCIAL MARKETS PTY LTD is under common control with the firm.**

<b>Business Address:</b>	GOVERNOR PHILLIP TOWER 1 FARRER PLACE SYDNEY, AUSTRALIA NSW 2000
<b>Effective Date:</b>	09/30/2010
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	AUSTRALIA
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

#### **GOLDMAN SACHS SAUDI ARABIA is under common control with the firm.**

<b>Business Address:</b>	25TH FLOOR, KINGDOM TOWER P. O. BOX 52969
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## Firm Operations



### Organization Affiliates (continued)

RIYADH, SAUDI ARABIA 11573

**Effective Date:** 03/01/2011

**Foreign Entity:** Yes

**Country:** SAUDI ARABIA

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **GOLDMAN SACHS ISRAEL LLC is under common control with the firm.**

**Business Address:** MUSEUM TOWER  
4 BERKOWITZ STREET  
TEL AVIV, ISRAEL 64238

**Effective Date:** 03/01/2011

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **OOO GOLDMAN SACHS BANK is under common control with the firm.**

**Business Address:** DUCAT III  
6 GASHEKA STREET  
MOSCOW, RUSSIA 125047

**Effective Date:** 03/01/2011

**Foreign Entity:** Yes

**Country:** RUSSIA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

## Firm Operations



### Organization Affiliates (continued)

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

**THE AYCO COMPANY,L.P. is under common control with the firm.**

**CRD #:** 106693

**Business Address:** 321 BROADWAY  
SARATOGA SPRINGS, NY 12866

**Effective Date:** 07/01/2003

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

**GS INVESTMENT STRATEGIES, LLC is under common control with the firm.**

**CRD #:** 142834

**Business Address:** 200 WEST STREET  
NEW YORK, NY 10282

**Effective Date:** 12/04/2006

**Foreign Entity:** No

**Country:**

**Securities Activities:** No

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

**GOLDMAN SACHS DO BRASIL CORRETORA DE TITULOS E VALORES MOBILIARIOS S/A is under common control with the firm.**

**Business Address:** RUA LEOPOLDO COUTO DE MAGALHAES JUNIOR 700  
16 ANDAR, ITAIM BIBI  
SAO PAULO, BRAZIL 04542-000

## Firm Operations



### Organization Affiliates (continued)

**Effective Date:** 09/24/2008

**Foreign Entity:** Yes

**Country:** BRAZIL

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### OOO GOLDMAN SACHS is under common control with the firm.

**Business Address:** DUCAT III  
6 GASHEKA STREET  
MOSCOW, RUSSIA 125047

**Effective Date:** 09/17/2007

**Foreign Entity:** Yes

**Country:** RUSSIA

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED is under common control with the firm.

**Business Address:** RATIONAL HOUSE  
951-A, APPASAHEB MARATHE MARG, PRABHADEVI  
MUMBAI, INDIA 400 025

**Effective Date:** 05/30/2007

**Foreign Entity:** Yes

**Country:** INDIA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

## Firm Operations



### Organization Affiliates (continued)

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**GOLDMAN SACHS GAO HUA SECURITIES COMPANY LIMITED is under common control with the firm.**

**Business Address:** WINLAND INTERNATIONAL CENTER, 18TH FLOOR  
7 FINANCE STREET, XICHENG DISTRICT  
BEIJING, PEOPLE'S REPUBLIC OF CHINA 100033

**Effective Date:** 03/03/2005

**Foreign Entity:** Yes

**Country:** PEOPLE'S REPUBLIC OF CHINA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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**BEIJING GAO HUA SECURITIES COMPANY LIMITED is under common control with the firm.**

**Business Address:** WINLAND INTERNATIONAL CENTER, 18TH FLOOR  
7 FINANCE STREET, XICHENG DISTRICT  
BEIJING, PEOPLE'S REPUBLIC OF CHINA 100033

**Effective Date:** 03/03/2005

**Foreign Entity:** Yes

**Country:** PEOPLE'S REPUBLIC OF CHINA

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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**GOLDMAN SACHS ASSET MANAGEMENT CO., LTD. is under common control with the firm.**

**CRD #:** 283221

**Business Address:** ROPPONGI HILLS MORI TOWER  
10-1 ROPPONGI 6-CHOME  
MINATO-KU, TOKYO, JAPAN 106-6147

**Effective Date:** 04/01/2002

**Foreign Entity:** Yes

## Firm Operations



### Organization Affiliates (continued)

<b>Country:</b>	JAPAN
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **GOLDMAN SACHS HEDGE FUND STRATEGIES LLC is under common control with the firm.**

<b>CRD #:</b>	107850
<b>Business Address:</b>	200 WEST STREET NEW YORK, NY 10282
<b>Effective Date:</b>	04/09/1997
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **GOLDMAN SACHS AUSTRALIA PTY LTD is under common control with the firm.**

<b>Business Address:</b>	LEVEL 17 101 COLLINS STREET MELBOURNE, AUSTRALIA VIC 3000
<b>Effective Date:</b>	09/12/2003
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	AUSTRALIA
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **GOLDMAN SACHS ASSET MANAGEMENT AUSTRALIA PTY LTD is under common control with the firm.**

## Firm Operations



### Organization Affiliates (continued)

**Business Address:** LEVEL 17  
101 COLLINS STREET  
MELBOURNE, AUSTRALIA VIC 3000

**Effective Date:** 09/12/2003

**Foreign Entity:** Yes

**Country:** AUSTRALIA

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **GOLDMAN SACHS NEW ZEALAND LIMITED is under common control with the firm.**

**Business Address:** LEVEL 39, VERO CENTRE  
48 SHORTLAND STREET  
AUCKLAND, NEW ZEALAND 1010

**Effective Date:** 09/12/2003

**Foreign Entity:** Yes

**Country:** NEW ZEALAND

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **MERCER ALLIED COMPANY, L.P. is under common control with the firm.**

**CRD #:** 37404

**Business Address:** 321 BROADWAY  
SARATOGA SPRINGS, NY 12866

**Effective Date:** 07/01/2003

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

## Firm Operations



### Organization Affiliates (continued)

**Investment Advisory Activities:** No

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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**GOLDMAN SACHS (ASIA) FINANCE is under common control with the firm.**

**Business Address:** CHEUNG KONG CENTER, 68TH FLOOR  
2 QUEEN'S ROAD CENTRAL  
HONG KONG, PEOPLE'S REPUBLIC OF CHINA

**Effective Date:** 05/28/1993

**Foreign Entity:** Yes

**Country:** MAURITIUS

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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**GOLDMAN SACHS FUTURES PTE LTD is under common control with the firm.**

**Business Address:** 1 RAFFLES LINK  
#07-01 SOUTH LOBBY  
SINGAPORE, SINGAPORE 039393

**Effective Date:** 10/16/2001

**Foreign Entity:** Yes

**Country:** SINGAPORE

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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**GOLDMAN SACHS BANK AG is under common control with the firm.**

**Business Address:** CLARIDENSTRASSE 25  
ZURICH, SWITZERLAND 8002

**Effective Date:** 12/16/1992

## Firm Operations



### Organization Affiliates (continued)

<b>Foreign Entity:</b>	Yes
<b>Country:</b>	SWITZERLAND
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **GOLDMAN SACHS (ASIA) SECURITIES LIMITED is under common control with the firm.**

<b>Business Address:</b>	CHEUNG KONG CENTER, 68TH FLOOR 2 QUEEN'S ROAD CENTRAL HONG KONG, PEOPLE'S REPUBLIC OF CHINA NA
<b>Effective Date:</b>	12/24/1985
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	HONG KONG
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **GOLDMAN SACHS FINANCIAL MARKETS, L.P. is under common control with the firm.**

<b>CRD #:</b>	47340
<b>Business Address:</b>	200 WEST STREET NEW YORK, NY 10282-2198
<b>Effective Date:</b>	06/17/1998
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.



## Firm Operations



### Organization Affiliates (continued)

#### **GOLDMAN SACHS PARIS INC. ET CIE is under common control with the firm.**

**Business Address:** 5 AVENUE KLEBER  
PARIS, FRANCE 75116

**Effective Date:** 08/10/1987

**Foreign Entity:** Yes

**Country:** FRANCE

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

#### **GOLDMAN SACHS JAPAN CO., LTD. is under common control with the firm.**

**Business Address:** ROPPONGI HILLS MORI TOWER  
10-1, ROPPONGI 6-CHOME  
MINATO-KU, TOKYO, JAPAN 106-6147

**Effective Date:** 10/01/2006

**Foreign Entity:** Yes

**Country:** JAPAN

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

#### **GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL is under common control with the firm.**

**CRD #:** 107715

**Business Address:** PLUMTREE COURT  
25 SHOE LANE  
LONDON, UNITED KINGDOM EC4A 4AU

**Effective Date:** 02/27/1990

**Foreign Entity:** Yes

**Country:** UNITED KINGDOM

## Firm Operations



### Organization Affiliates (continued)

<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **GOLDMAN SACHS ASSET MANAGEMENT, L.P. is under common control with the firm.**

<b>CRD #:</b>	107738
<b>Business Address:</b>	200 WEST STREET NEW YORK, NY 10282
<b>Effective Date:</b>	03/28/2003
<b>Foreign Entity:</b>	No
<b>Country:</b>	
<b>Securities Activities:</b>	No
<b>Investment Advisory Activities:</b>	Yes
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **GOLDMAN SACHS BANK EUROPE SE is under common control with the firm.**

<b>Business Address:</b>	MARIENTURM TAUNUSANLAGE 9-10 FRANKFURT AM MAIN, GERMANY 60329
<b>Effective Date:</b>	09/16/1991
<b>Foreign Entity:</b>	Yes
<b>Country:</b>	GERMANY
<b>Securities Activities:</b>	Yes
<b>Investment Advisory Activities:</b>	No
<b>Description:</b>	THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **GOLDMAN SACHS (SINGAPORE) PTE. is under common control with the firm.**

<b>Business Address:</b>	1 RAFFLES LINK
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## Firm Operations



### Organization Affiliates (continued)

#07-01 SOUTH LOBBY  
SINGAPORE, SINGAPORE 039393

**Effective Date:** 06/05/2000

**Foreign Entity:** Yes

**Country:** SINGAPORE

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **GOLDMAN SACHS CANADA INC. is under common control with the firm.**

**Business Address:** 77 KING STREET WEST  
P.O. BOX 38  
TORONTO, CANADA M5K 1B7

**Effective Date:** 05/01/1987

**Foreign Entity:** Yes

**Country:** CANADA

**Securities Activities:** Yes

**Investment Advisory Activities:** No

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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#### **GOLDMAN SACHS (ASIA) L.L.C. is under common control with the firm.**

**Business Address:** CHEUNG KONG CENTER, 68TH FLOOR  
2 QUEEN'S ROAD CENTRAL  
HONG KONG, PEOPLE'S REPUBLIC OF CHINA

**Effective Date:** 12/24/1985

**Foreign Entity:** No

**Country:**

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

## Firm Operations



### Organization Affiliates (continued)

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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**GOLDMAN SACHS INTERNATIONAL is under common control with the firm.**

**Business Address:** PLUMTREE COURT  
25 SHOE LANE  
LONDON, UNITED KINGDOM EC4A 4AU

**Effective Date:** 01/21/1986

**Foreign Entity:** Yes

**Country:** UNITED KINGDOM

**Securities Activities:** Yes

**Investment Advisory Activities:** Yes

**Description:** THE ENTITY AND THE FIRM ARE UNDER THE COMMON CONTROL OF THE GOLDMAN SACHS GROUP, INC.

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**This firm is directly or indirectly, controlled by the following:**

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank

**THE GOLDMAN SACHS GROUP, INC. is a Bank Holding Company and controls the firm.**

**Business Address:** 200 WEST STREET  
NEW YORK, NY 10282

**Effective Date:** 09/22/2008

**Description:** THE FIRM IS A SUBSIDIARY OF THE GOLDMAN SACHS GROUP, INC.

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## Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	2	325	0
Civil Event	0	3	0
Arbitration	N/A	20	N/A



## Disclosure Event Details

### What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - o A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - o Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
  - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - § A "pending" event involves allegations that have not been proven or formally adjudicated.
    - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - § A "final" event has been concluded and its resolution is not subject to change.
  - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - § An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - § A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

### Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

### Disclosure 1 of 325

**Reporting Source:** Regulator

**Current Status:** Final



<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT VIOLATED NYSE ARCA RULE 6.49-O(B) BY EFFECTING EQUITY TRANSACTIONS AFTER GAINING KNOWLEDGE OF UNDISCLOSED TERMS AND CONDITIONS OF A CUSTOMER ORDER IN THE SAME OPTIONS SERIES. THE FINDINGS STATED THAT A FIRM TRADER RELAYED FACILITATED CROSS ORDERS FOR 800 CALL OPTIONS OF A CERTAIN OPTIONS SERIES TO AN NYSE ARCA FLOOR BROKER THAT WERE SYSTEMATIZED IN SIX SEPARATE PIECES AT SIX DIFFERENT TIMES, FOUR 100 QUANTITIES AND THEN TWO 200 QUANTITIES. ULTIMATELY, THE FIRM TRADER SOLD A TOTAL OF 49,000 EQUITY SHARES OF THE OPTIONS SERIES AS HEDGES. WHEN DOING SO, HOWEVER, THE FIRM SOLD MORE SHARES THAN NEEDED TO HEDGE THE DISCLOSED (OR SYSTEMIZED) PORTIONS OF THE SECOND THROUGH SIXTH FACILITATED OPTIONS ORDERS, THEREFORE RESULTING IN OVERHEDGES.
<b>Initiated By:</b>	NYSE ARCA, INC.
<b>Date Initiated:</b>	06/15/2020
<b>Docket/Case Number:</b>	20190800125
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	06/15/2020
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$30,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FIRM WAS CENSURED AND FINED \$30,000.



### Disclosure 2 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ON MAY 8, 2020, THE ICE FUTURES U.S. ("IFUS" OR "EXCHANGE") MARKET REGULATION DEPARTMENT NOTIFIED GOLDMAN SACHS & CO. LLC ("GSCO") THAT IT WAS ISSUED A SUMMARY FINE IN THE AMOUNT OF \$10,000 PURSUANT TO IFUS RULE 21.02. THE EXCHANGE ALLEGES THAT IN SEVEN INSTANCES, GSCO APPEARED TO HAVE BEEN IN VIOLATION OF IFUS RULE 6.15(A) WHEN IT FAILED TO ACCURATELY SUBMIT REPORTABLE POSITIONS TO THE EXCHANGE.
<b>Initiated By:</b>	ICE FUTURES U.S.
<b>Date Initiated:</b>	05/08/2020
<b>Docket/Case Number:</b>	2019-033
<b>Principal Product Type:</b>	Futures - Commodity
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	05/28/2020
<b>Sanctions Ordered:</b>	Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FINE IMPOSED BY IFUS WAS IN THE AMOUNT OF \$10,000, WHICH WAS PAID IN FULL BY GSCO BY WIRE ON MAY 28, 2020.
<b>Firm Statement</b>	THE FINE IMPOSED BY IFUS WAS IN THE AMOUNT OF \$10,000, WHICH WAS PAID IN FULL BY GSCO BY WIRE ON MAY 28, 2020.

### Disclosure 3 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE CHICAGO BOARD OF TRADE ("CBOT") IMPOSED A FINE ON GOLDMAN SACHS & CO. ("GOLDMAN") IN THE AMOUNT OF \$15,000. CBOT CITED VIOLATIONS OF CBOT RULE 538.C. IN RELATION TO AN EXCHANGE FOR





RELATED POSITION ("EFRP") PACKAGE EXECUTED IN THE TEN -YEAR TREASURY NOTE FUTURES AND OPTIONS MARKETS ON JULY 19, 2018, WHERE THE RELATED POSITION COMPONENTS OF THE EXCHANGE FOR RISK ("EFR") TRANSACTION DID NOT HAVE A REASONABLE DEGREE OF PRICE CORRELATION AND DID NOT HAVE OPPOSING MARKET BIAS TO THE EXCHANGE COMPONENT. FURTHER, THE RELATED COMPONENT OF THE EXCHANGE OF OPTION FOR OPTION ("EOO") TRANSACTION WAS NOT REASONABLY EQUIVALENT TO THE EXCHANGE COMPONENT. THE EFRP PACKAGE WAS THEREFORE NON-BONA FIDE AND IN VIOLATION OF CBOT RULE 538.C.

**Initiated By:** CHICAGO BOARD OF TRADE (CBOT)

**Date Initiated:** 11/27/2019

**Docket/Case Number:** CBOT 19-1109-BC

**Principal Product Type:** Futures - Financial

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 12/04/2019

**Sanctions Ordered:** Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE RULE VIOLATION OR THE FACTUAL ALLEGATIONS UPON WHICH THE PENALTY IS BASED, GOLDMAN SUBMITTED AN OFFER OF SETTLEMENT, WHICH WAS ACCEPTED, AND IT BECAME EFFECTIVE ON NOVEMBER 27, 2019. THE FINE IMPOSED BY CBOT WAS IN THE AMOUNT OF \$15,000, WHICH WAS PAID BY GOLDMAN BY WIRE ON DECEMBER 4, 2019.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE RULE VIOLATION OR THE FACTUAL ALLEGATIONS UPON WHICH THE PENALTY IS BASED, GOLDMAN SUBMITTED AN OFFER OF SETTLEMENT, WHICH WAS ACCEPTED, AND IT BECAME EFFECTIVE ON NOVEMBER 27, 2019. THE FINE IMPOSED BY CBOT WAS IN THE AMOUNT OF \$15,000, WHICH WAS PAID BY GOLDMAN BY WIRE ON DECEMBER 4, 2019.



**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT EFFECTED ON A DISCRETIONARY BASIS CUSTOMER SALE TRANSACTIONS OF MUNICIPAL BONDS IN AMOUNTS LOWER THAN THE MINIMUM DENOMINATIONS OF THE RESPECTIVE ISSUES. THE FINDINGS STATED THAT THE FIRM GENERALLY RELIED ON DATA IT RECEIVED FROM THIRD-PARTY VENDORS TO DETERMINE WHETHER A TRANSACTION WAS BELOW AN ISSUE'S MINIMUM DENOMINATION, AND THE VIOLATIVE TRANSACTIONS ARE PRIMARILY ATTRIBUTABLE TO INACCURACIES IN THAT VENDOR DATA. THE FIRM HAS ALREADY VOLUNTARILY RESCINDED THE VIOLATIVE TRANSACTIONS OR OTHERWISE REIMBURSED AFFECTED CUSTOMERS.

**Initiated By:** FINRA

**Date Initiated:** 12/19/2019

**Docket/Case Number:** [2017053432301](#)

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/19/2019

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$130,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$130,000. FINE PAID IN FULL ON 2/1/2020.



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ON DECEMBER 19, 2019, THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA") ACCEPTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") IN WHICH WITHOUT ADMITTING OR DENYING THE FINDINGS, GOLDMAN SACHS & CO. LLC ("GOLDMAN") CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS. THE FINDINGS ISSUED BY FINRA NAME A VIOLATION OF MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB") RULE G-15(F) AND STATE THAT GOLDMAN EFFECTED ON A DISCRETIONARY BASIS CUSTOMER SALE TRANSACTIONS OF MUNICIPAL BONDS IN AMOUNTS LOWER THAN THE MINIMUM DENOMINATIONS OF THE RESPECTIVE ISSUES. GOLDMAN GENERALLY RELIED ON DATA IT RECEIVED FROM THIRD-PARTY VENDORS TO DETERMINE WHETHER A TRANSACTION WAS BELOW AN ISSUE'S MINIMUM DENOMINATION, AND THE VIOLATIVE TRANSACTIONS ARE PRIMARILY ATTRIBUTABLE TO INACCURACIES IN THAT VENDOR DATA. GOLDMAN HAS ALREADY VOLUNTARILY RESCINDED THE VIOLATIVE TRANSACTIONS OR OTHERWISE REIMBURSED AFFECTED CUSTOMERS.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. (FINRA)
<b>Date Initiated:</b>	12/19/2019
<b>Docket/Case Number:</b>	<a href="#">2017053432301</a>
<b>Principal Product Type:</b>	Debt - Municipal
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/26/2019
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$130,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	ON DECEMBER 19, 2019 FINRA ACCEPTED AN AWC IN WHICH FINRA IMPOSES THE SANCTIONS CENSURE AND A FINE OF \$130,000 FOR A VIOLATION OF MSRB RULE G-15(F).
<b>Firm Statement</b>	ON DECEMBER 19, 2019 FINRA ACCEPTED AN AWC IN WHICH FINRA IMPOSES THE SANCTIONS CENSURE AND A FINE OF \$130,000 FOR A



VIOLATION OF MSRB RULE G-15(F). THE FINE WAS PAID BY GOLDMAN BY WIRE ON DECEMBER 26, 2019.

## Disclosure 5 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>CFTC DOCKET NO. 20-10, NOVEMBER 26, 2019: THE COMMODITY FUTURES TRADING COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED TO DETERMINE WHETHER RESPONDENT ENGAGED IN THE VIOLATIONS SET FORTH HEREIN AND TO DETERMINE WHETHER ANY ORDER SHOULD BE ISSUED IMPOSING REMEDIAL SANCTIONS. DURING AN INVESTIGATION BY THE COMMISSION'S DIVISION OF ENFORCEMENT ("DIVISION"), THE DIVISION REQUESTED THAT THE FIRM PRODUCE CERTAIN AUDIO RECORDINGS ON DATES IN JANUARY 2014, WHICH IT, AS A SWAP DEALER, WAS REQUIRED TO MAKE AND KEEP. THE FIRM WAS UNABLE TO PRODUCE MANY OF THE RECORDINGS REQUESTED BY THE DIVISION DUE TO A RECORDING ERROR CAUSED BY A MALFUNCTION DURING THE COURSE OF A SYSTEM UPGRADE THAT AFFECTED RECORDINGS OF THE PHONE LINES OF A TRADING AND SALES DESK IN ONE OF FIRM'S OFFICES FOR TWENTY CALENDAR DAYS IN JANUARY AND FEBRUARY 2014. THE FIRM'S INABILITY TO PRODUCE THESE RECORDINGS IMPEDED THE DIVISION'S ONGOING INVESTIGATION, BECAUSE THE DIVISION WAS UNABLE TO OBTAIN THE INFORMATION THAT SHOULD HAVE BEEN CAPTURED IN MANY OF THE RECORDINGS THROUGH ANY OTHER MEANS. BASED ON THE FOREGOING, THE COMMISSION FINDS THAT THE FIRM VIOLATED REGULATIONS 23.202(A)(1), (B)(1), AND 23.203(B)(2), 17 C.F.R. §§ 23.202(A)(1), (B)(1) (2018), 23.203(B)(2) (2017).</p>
<b>Initiated By:</b>	COMMODITY FUTURES TRADING COMMISSION
<b>Date Initiated:</b>	11/26/2019
<b>Docket/Case Number:</b>	20-10
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Order



<b>Resolution Date:</b>	11/26/2019
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	UNDERTAKINGS
<b>Sanction Details:</b>	THE FIRM SHALL CEASE AND DESIST FROM VIOLATING REGULATIONS 23.202(A)(1), (B)(1), AND 1.31(B)(2), 17 C.F.R. §§ 23.202(A)(1), (B)(1), 1.31(B)(2) (2018), SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$1,000,000, AND SHALL COMPLY WITH THE CONDITIONS AND UNDERTAKINGS SET FORTH IN THE OFFER.
<b>Regulator Statement</b>	RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT ("OFFER"), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. ACCORDINGLY, IT IS HEREBY ORDERED THAT: RESPONDENT SHALL CEASE AND DESIST FROM VIOLATING REGULATIONS 23.202(A)(1), (B)(1), AND 1.31(B)(2), 17 C.F.R. §§ 23.202(A)(1), (B)(1), 1.31(B)(2) (2018). RESPONDENT SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF ONE MILLION DOLLARS (\$1,000,000) ("CMP OBLIGATION"). IF THE CMP OBLIGATION IS NOT PAID IMMEDIATELY, THEN POST-JUDGMENT INTEREST SHALL ACCRUE ON THE CMP OBLIGATION BEGINNING ON THE DATE OF ENTRY OF THE ORDER AND SHALL BE DETERMINED BY USING THE TREASURY BILL RATE PREVAILING ON THE DATE OF ENTRY OF THE ORDER. RESPONDENT AND ITS SUCCESSORS AND ASSIGNS SHALL COMPLY WITH THE CONDITIONS AND UNDERTAKINGS SET FORTH IN THE OFFER.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ON NOVEMBER 26, 2019, THE COMMODITY FUTURES TRADING COMMISSION ("CFTC") ISSUED AN ORDER REQUIRING GOLDMAN SACHS & CO. LLC ("GOLDMAN") TO PAY A \$1,000,000 CIVIL MONETARY PENALTY AND TO CEASE AND DESIST FROM FURTHER VIOLATIONS OF CERTAIN CFTC REGULATIONS. DURING AN INVESTIGATION BY THE CFTC'S DIVISION OF ENFORCEMENT ("DIVISION"), THE DIVISION REQUESTED THAT GOLDMAN PRODUCE CERTAIN AUDIO RECORDINGS FROM JANUARY 2014. GOLDMAN WAS UNABLE TO PRODUCE MANY OF THE RECORDINGS REQUESTED DUE TO A MALFUNCTION WHICH OCCURRED DURING THE COURSE OF A



SYSTEM UPGRADE WHICH AFFECTED RECORDINGS OF THE PHONE LINES OF A TRADING AND SALES DESK IN ONE OF GOLDMAN'S OFFICES FOR TWENTY CALENDAR DAYS IN JANUARY AND FEBRUARY 2014. GOLDMAN'S INABILITY TO PRODUCE THESE RECORDINGS IMPEDED THE DIVISION'S ONGOING INVESTIGATION, BECAUSE THE DIVISION WAS UNABLE TO OBTAIN THE INFORMATION THAT SHOULD HAVE BEEN CAPTURED IN MANY OF THE RECORDINGS THROUGH ANY OTHER MEANS. BASED ON THE FOREGOING, THE CFTC FOUND THAT GOLDMAN VIOLATED REGULATIONS 23.202(A)(1), (B)(1), AND 23.203(B)(2), 17 C.F.R. §§ 23.202(A)(1), (B)(1) (2018), 23.203(B)(2) (2017).

**Initiated By:** COMMODITY FUTURES TRADING COMMISSION (CFTC)

**Date Initiated:** 11/26/2019

**Docket/Case Number:** 20-10

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order

**Resolution Date:** 12/20/2019

**Sanctions Ordered:** Monetary/Fine \$1,000,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:** AS PART OF THE SETTLEMENT, GOLDMAN REPRESENTED TO THE CFTC THAT IT HAD MADE CERTAIN CHANGES IN ITS SURVEILLANCE PROGRAMS.

**Sanction Details:** ON NOVEMBER 26, 2019, THE CFTC ISSUED AN ORDER AGAINST GOLDMAN. THE ORDER REQUIRES GOLDMAN TO PAY A \$1,000,000 CIVIL MONETARY PENALTY AND TO CEASE AND DESIST FROM FURTHER VIOLATIONS OF CFTC REGULATIONS 23.202(A)(1), (B)(1), AND 1.31(B)(2), 17 C.F.R. §§ 23.202(A)(1), (B)(1), 1.31(B)(2) (2018). IN ADDITION, AS PART OF THE SETTLEMENT, GOLDMAN REPRESENTED TO THE CFTC THAT IT HAD MADE CERTAIN CHANGES IN ITS SURVEILLANCE PROGRAMS. THE FINE WAS PAID BY GOLDMAN BY WIRE ON DECEMBER 20, 2019.

**Firm Statement** GOLDMAN SUBMITTED AN OFFER OF SETTLEMENT, WHICH THE CFTC ACCEPTED. WITHOUT ADMITTING OR DENYING THE VIOLATIONS, GOLDMAN CONSENTED TO THE ENTRY OF THE ORDER BY THE CFTC, PURSUANT TO WHICH GOLDMAN: (A) SHALL CEASE AND DESIST FROM VIOLATING REGULATIONS 23.202(A)(1), (B)(1), AND 1.31(B)(2), 17 C.F.R. §§



23.202(A)(1), (B)(1), 1.31(B)(2) (2018); AND (B) PAY A CIVIL MONETARY PENALTY IN THE AMOUNT \$1,000,000. IN ADDITION, AS PART OF THE SETTLEMENT, GOLDMAN REPRESENTED TO THE CFTC THAT IT HAD MADE CERTAIN CHANGES IN ITS SURVEILLANCE PROGRAMS. THE FINE WAS PAID BY GOLDMAN BY WIRE ON DECEMBER 20, 2019.

#### Disclosure 6 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>THE MARKET REGULATION DEPARTMENT OF ICE FUTURES U.S., INC. ("ICE") DETERMINED THAT GOLDMAN SACHS &amp; CO. LLC ("THE FIRM") VIOLATED ICE RULE 2.22 BY REPORTING INACCURATE OPEN INTEREST FOR THE SEPTEMBER 2019 FCOJ-A FUTURES CONTRACT FOR THE TRADE DATES OF AUGUST 29, 2019, AUGUST 30, 2019 AND SEPTEMBER 2, 2019.</p> <p>ICE IMPOSED A FINE ON THE FIRM IN THE AMOUNT OF \$10,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON SEPTEMBER 18, 2019.</p>
<b>Initiated By:</b>	ICE FUTURES US, INC.
<b>Date Initiated:</b>	09/10/2019
<b>Docket/Case Number:</b>	2019-032
<b>Principal Product Type:</b>	Futures - Commodity
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	09/18/2019
<b>Sanctions Ordered:</b>	Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	ICE IMPOSED A FINE ON THE FIRM IN THE AMOUNT OF \$10,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON SEPTEMBER 18, 2019.
<b>Firm Statement</b>	ICE IMPOSED A FINE ON THE FIRM IN THE AMOUNT OF \$10,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON SEPTEMBER 18, 2019.



## Disclosure 7 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE ICE FUTURES EUROPE ("THE EXCHANGE") CONDUCTED AN INVESTIGATION OF THE FIRM'S PRE- AND POST-TRADE CONTROLS. AS A RESULT OF ITS FINDINGS IN THE INVESTIGATION, THE EXCHANGE ALLEGES THAT THE TIMING AND NATURE OF CERTAIN ORDERS WAS MANIPULATIVE, VIOLATING EXCHANGE RULES A.11.1 (D), E.2.1(B), E.2.2 (A)(VI), (XIII) AND (XIV), E.2.2A AND G.20.
<b>Initiated By:</b>	ICE FUTURES EUROPE
<b>Date Initiated:</b>	05/14/2019
<b>Docket/Case Number:</b>	4140
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	10/02/2019
<b>Sanctions Ordered:</b>	Monetary/Fine \$153,912.50
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GSCO PAID A TOTAL SETTLEMENT AMOUNT OF £125,000, INCLUSIVE OF A DISCRETIONARY 1/3 DISCOUNT FROM £187,500. GSCO PAID THE £125,000 BY SUBMISSION OF A WIRE ON OCTOBER 2, 2019. WHILE THE ACTUAL PAYMENT WAS MADE IN POUNDS, USING THE FEDERAL RESERVE'S FOREIGN EXCHANGE RATE OF 1 POUND: 1.2313 USD AS OF OCTOBER 2, 2019, THE EQUIVALENT U.S. DOLLAR VALUE WAS APPROXIMATELY 153,912.50 USD, WHICH AMOUNT IS REFLECTED IN ITEM 12.A. ABOVE.
<b>Firm Statement</b>	THE EXCHANGE'S ASSERTIONS WERE REFERRED TO THE AUTHORISATION, RULES AND CONDUCT (ARC) COMMITTEE. WITHOUT ADMITTING OR DENYING THE ASSERTIONS, GSCO ENTERED A SETTLEMENT AGREEMENT WITH THE EXCHANGE. ON OCTOBER 4, 2019, THE EXCHANGE ISSUED A DISCIPLINARY NOTICE: SETTLEMENT OF DISCIPLINARY PROCEEDINGS AGAINST GSCO, CONFIRMING THE TERMS OF THE SETTLEMENT WERE 1) ON THE OCCASION DESCRIBED, GSCO HAD





NOT ACTED IN COMPLIANCE WITH THE EXCHANGE'S RULES, SPECIFICALLY RULES A.11.1(D), E.2.2(A)(XIII) AND (XIV), AND G.20., AND 2) GSCO PAID A TOTAL SETTLEMENT AMOUNT OF £125,000, INCLUSIVE OF A DISCRETIONARY 1/3 DISCOUNT FROM £187,500. GSCO PAID THE £125,000 BY SUBMISSION OF A WIRE ON OCTOBER 2, 2019.

#### Disclosure 8 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	MARCH 4, 2019, FINRA ISSUED A NOTICE OF FINE FOR MINOR RULE VIOLATION WHEREIN THE FIRM CONSENTED TO THE IMPOSITION OF A FINE. PURSUANT TO THE PROVISIONS OF NYSE ARCA RULE 10.12, THE DEPARTMENT OF ENFORCEMENT AT FINRA, ON BEHALF OF NYSE REGULATION, IS IMPOSING AGAINST THE FIRM A FINE OF \$3,500 FOR THE VIOLATION OF NYSE ARCA EQUITIES RULE 6.18. THE FIRM VIOLATED NYSE ARCA EQUITIES RULE 6.18 IN THAT IT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH SEC RULE 15C3-5.
<b>Initiated By:</b>	NYSE ARCA, INC.
<b>Date Initiated:</b>	03/04/2019
<b>Docket/Case Number:</b>	20140406430
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	03/04/2019
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Monetary/Fine \$3,500.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS FINED \$3,500.00.

**Regulator Statement** MATTER NO.20140406430 (INCLUDES MERGED NOS. 20140407844, 20140412675, 20140416694, 20150440363, 20150480841, 20150457235, AND 20160490751)

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF ENFORCEMENT ON BEHALF OF NYSE REGULATION ALLEGED THAT GOLDMAN SACHS EXECUTION AND CLEARING, L.P. ("GSEC"), A FORMER AFFILIATE OF GOLDMAN SACHS & CO. LLC (THE "FIRM") FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH SECTION 15(C)(3) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 15C3-5 THEREUNDER IN ALLEGED VIOLATION OF NYSE ARCA EQUITIES RULE 6.18.

ON JUNE 12, 2017, GSEC AND THE FIRM CONSUMMATED A MERGER OF GSEC WITH AND INTO THE FIRM (THE "MERGER"), WITH THE FIRM SURVIVING THE MERGER AND ASSUMING ANY REMAINING GSEC ASSETS, LIABILITIES AND OPERATIONS. ON JUNE 13, 2017, GSEC FILED A UNIFORM REQUEST WITHDRAWAL FROM BROKER-DEALER REGISTRATION (FORM BDW) WITH THE SECURITIES AND EXCHANGE COMMISSION, WHICH BECAME EFFECTIVE ON AUGUST 11, 2017.

**Initiated By:** NYSE ARCA, INC.

**Date Initiated:** 03/04/2019

**Docket/Case Number:** 20140406430

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 03/04/2019

**Sanctions Ordered:** Monetary/Fine \$3,500.00

**Other Sanctions Ordered:**

**Sanction Details:** FINRA IMPOSED A FINE FOR MINOR RULE VIOLATIONS IN THE AMOUNT OF \$3,500, WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON MARCH 19, 2019.

**Firm Statement** FINRA IMPOSED A FINE FOR MINOR RULE VIOLATIONS IN THE AMOUNT OF \$3,500, WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON MARCH 19, 2019.

**Disclosure 9 of 325**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE MARKET REGULATION DEPARTMENT OF THE CME GROUP INC. ("CME") DETERMINED THAT CERTAIN GOLDMAN SACHS & CO. LLC (THE "FIRM") TRADE DATA FOR THE TRADE DATES OF DECEMBER 11, 2017 THROUGH FEBRUARY 23, 2018 REFLECTED A COMPUTERIZED TRADE RECONSTRUCTION (CTR) ERROR RATE IN EXCESS OF APPLICABLE THRESHOLD LEVELS, IN DEEMED VIOLATION OF CHICAGO MERCANTILE EXCHANGE INC. RULE 536.F.

**Initiated By:** CME GROUP INC.

**Date Initiated:** 04/12/2018

**Docket/Case Number:** 18-9579

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 04/30/2018

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE CME IMPOSED A FINE ON THE FIRM IN THE AMOUNT OF \$5,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON MAY 4, 2018.

**Firm Statement** THE CME IMPOSED A FINE ON THE FIRM IN THE AMOUNT OF \$5,000, WHICH



WAS PAID BY SUBMISSION OF A WIRE ON MAY 4, 2018.

#### Disclosure 10 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	CME GROUP INC. ("CME") MARKET REGULATION ISSUED A SUMMARY FINE NOTICE TO GOLDMAN SACHS & CO. LLC (THE "FIRM") STATING THAT CME MARKET REGULATION IDENTIFIED TWO BLOCK TRADES THAT WERE REPORTED LATE OR MISREPORTED BY THE FIRM DURING JANUARY 2018, IN VIOLATION OF CME RULE 526.F.
<b>Initiated By:</b>	CME GROUP INC.
<b>Date Initiated:</b>	04/05/2018
<b>Docket/Case Number:</b>	RSRH-18-5008
<b>Principal Product Type:</b>	Futures - Financial
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	04/20/2018
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE SUMMARY FINE, IN THE AMOUNT OF \$1,000, WAS PAID BY SUBMISSION OF A WIRE ON APRIL 24, 2018.
<b>Firm Statement</b>	THE SUMMARY FINE, IN THE AMOUNT OF \$1,000, WAS PAID BY SUBMISSION OF A WIRE ON APRIL 24, 2018.

#### Disclosure 11 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE MARKET REGULATION DEPARTMENT OF THE CME GROUP INC. ("CME") DETERMINED, BASED ON A SELF-REPORT FROM GOLDMAN SACHS & CO.



LLC (THE "FIRM"), THAT ORDER MODIFICATION OR CANCELLATION MESSAGES ON CERTAIN FIRM SYSTEMS IDENTIFIED THE TAG 50 ID OF THE TRADER WHO ORIGINATED AN ORDER, RATHER THAN THE TAG 50 ID OF THE TRADER WHO MODIFIED OR CANCELLED THE ORDER, IN DEEMED VIOLATION OF CME RULE 576.

**Initiated By:** CME GROUP INC.

**Date Initiated:** 11/30/2017

**Docket/Case Number:** 17-9364

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 12/11/2017

**Sanctions Ordered:** Monetary/Fine \$9,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE CME IMPOSED A SUMMARY FINE ON THE FIRM IN THE AMOUNT OF \$9,000.00, WHICH WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 11, 2017.

**Firm Statement** THE CME IMPOSED A SUMMARY FINE ON THE FIRM IN THE AMOUNT OF \$9,000.00, WHICH WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 11, 2017.

#### Disclosure 12 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO DELIVER NUMEROUS EXCHANGE-TRADED FUNDS (ETFs) PROSPECTUSES THAT THE FIRM INTENDED TO DELIVER DUE TO THREE SEPARATE FLAWS IN THE FIRM'S PROSPECTUS-DELIVERY SYSTEM. THE FINDINGS STATED THAT SECTION 5(B)(2) OF THE SECURITIES ACT OF 1933 PROHIBITS SUCH CONDUCT. THE FIRM CLEARED OVER 100 MILLION ETF PURCHASES FOR ITS OWN CUSTOMERS, PRIMARILY INSTITUTIONAL MARKET PARTICIPANTS,



AND FOR CUSTOMERS OF OVER 100 INTRODUCING BROKERS. THE FIRM DESIGNED A SYSTEM TO DELIVER PROSPECTUSES FOR ALL FIRST-TIME ETF PURCHASES REGARDLESS OF ITS RESPONSIBILITY TO DELIVER PROSPECTUSES OR THE AVAILABILITY OF EXEMPTIONS. HOWEVER, DUE TO CERTAIN DESIGN FLAWS, THE FIRM'S PROSPECTUS DELIVERY SYSTEM FAILED TO DELIVER NUMEROUS ETF PROSPECTUSES. THE FIRM'S PROSPECTUS-DELIVERY SYSTEM WAS ALSO INADEQUATELY TESTED AND IT FAILED TO DISCOVER THE ISSUE DURING THE RELEVANT PERIOD. THE PRIMARY SYSTEM FLAW OCCURRED WHEN TO PROTECT CUSTOMER INFORMATION, THE FIRM STOPPED USING TAXPAYER ID NUMBERS IN ITS TRADE-PROCESSING SYSTEMS. BUT BECAUSE THE FIRM DID NOT REPLACE TAXPAYER ID NUMBERS WITH ANOTHER UNIQUE CUSTOMER-IDENTIFIER, THE FIELD FOR TAXPAYER ID NUMBERS WAS LEFT BLANK, CAUSING THE SYSTEM TO TREAT ALL TRANSACTIONS IN THE SAME ETF CUSIP ON THE SAME DAY AS INVOLVING A SINGLE CUSTOMER, EFFECTIVELY EXCLUDING FROM PROSPECTUS-DELIVERY CONSIDERATIONS ALL OTHER CUSTOMERS WHO PURCHASED THAT ETF THAT DAY. FINRA INQUIRED WITH THE FIRM ABOUT FAILURES WITH RESPECT TO ITS PROSPECTUS DELIVERY. THE FIRM INVESTIGATED AND ONLY THEN CORRECTED THIS FLAW BY USING CUSTOMERS' ACCOUNT NUMBERS AS A UNIQUE CUSTOMER IDENTIFIER IN ITS ETF PROSPECTUS-DELIVERY SYSTEM. THE SECOND FLAW IN THE FIRM'S PROSPECTUS-DELIVERY SYSTEM OCCURRED WHEN WITH CERTAIN INSTITUTIONAL ACCOUNTS THE FIRM USED A THIRD-PARTY VENDOR TO MAIL PROSPECTUSES TO CUSTOMERS. DUE TO AN OPERATIONAL ERROR, HOWEVER, THE FIRM REPEATEDLY SENT THE MAILING LABELS FOR THESE CUSTOMERS TO THE WRONG PRINTING QUEUE. AS A RESULT, PROSPECTUSES MAILING LABELS WERE NOT PRINTED AND NOT DELIVERED. THE FIRM'S SYSTEM WAS TO ISSUE ALERTS OF UNSUCCESSFUL DELIVERY OF PRINT INSTRUCTIONS TO THE VENDOR BUT THE SYSTEM GENERATED NO ALERTS. THE THIRD FLAW IN THE FIRM'S PROSPECTUS-DELIVERY SYSTEM OCCURRED WHEN THE FIRM'S SYSTEM DID NOT CONSIDER WHETHER THERE WERE CHANGES OR UPDATES TO AN ETF PROSPECTUS SINCE A CUSTOMER'S FIRST PURCHASE OF THAT ETF. AS A RESULT, THE FIRM'S SYSTEM DID NOT TRIGGER PROSPECTUS DELIVERY FOR SUBSEQUENT ETF PURCHASES WHERE INTERVENING UPDATES TO PROSPECTUSES REQUIRED SUCH DELIVERIES.

THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE SUPERVISORY CONTROL POLICIES AND PROCEDURES THAT ADEQUATELY TESTED AND VERIFIED THAT IT DESIGNED SUPERVISORY PROCEDURES CONCERNING ETF PROSPECTUS DELIVERY TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS



AND REGULATIONS. THE FIRM TESTED ITS PROSPECTUS-DELIVERY SYSTEM BY EMAILING ITS THIRD-PARTY VENDOR, TYPICALLY ON A MONTHLY BASIS, SEEKING CONFIRMATION FOR THE MAILING OF PROSPECTUSES FOR A SMALL SAMPLE OF TRADES THAT OCCURRED THE PRIOR BUSINESS DAY. HOWEVER, THESE EMAILS FAILED TO ACHIEVE THEIR PURPOSE BECAUSE THE VENDOR MISINTERPRETED THE FIRM'S EMAILS AS INSTRUCTING IT ONLY TO PROSPECTIVELY SEND PROSPECTUSES FOR THE SAMPLED TRANSACTIONS AND CONFIRM DELIVERY FOR THEM. WHILE THE FIRM ALSO MAINTAINED A DAILY PRODUCTION LOG OF THE NUMBER OF PROSPECTUSES FOR DELIVERY AND IMAGES OF MAILING LABELS FOR PROSPECTUSES FOR DELIVERY, IT DID NOT COMPARE THAT DATA WITH ITS VENDOR'S DATA REGARDING THE ACTUALLY MAILED PROSPECTUSES. MORE FUNDAMENTALLY, THIS PROCEDURE TESTED ONLY WHETHER THE VENDOR HAD MAILED CERTAIN PROSPECTUSES, IT DID NOT PROVIDE FOR ANY TESTING OF THE FIRM'S OVERALL PROSPECTUS-DELIVERY SYSTEM, WHICH, CONTAINED AT LEAST THE THREE SEPARATE FLAWS THAT WENT UNDETECTED FOR NEARLY FIVE YEARS.

**Initiated By:** FINRA

**Date Initiated:** 12/01/2017

**Docket/Case Number:** [2014042582101](#)

**Principal Product Type:** Other

**Other Product Type(s):** EXCHANGE TRADED FUNDS (ETFs)

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/01/2017

**Sanctions Ordered:** Censure  
Monetary/Fine \$700,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** THE FIRM WAS CENSURED, FINED \$700,000 AND REQUIRED TO SUBMIT A CERTIFICATION TO FINRA THAT IT HAS DESIGNED ITS POLICIES, SYSTEMS, AND PROCEDURES (INCLUDING WRITTEN PROCEDURES) AND TRAINING, IN CONNECTION WITH ITS PRIME SERVICES CLEARING BUSINESS, TO ACHIEVE COMPLIANCE WITH THE DELIVERY OF EXCHANGE-TRADED FUNDS (ETFs) PROSPECTUSES. FINES PAID IN FULL ON DECEMBER 14,



2017.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF ENFORCEMENT ALLEGED THAT GOLDMAN SACHS EXECUTION AND CLEARING, L.P. ("GSEC"), A FORMER AFFILIATE OF GOLDMAN SACHS &amp; CO. LLC (THE "FIRM"), DUE TO CERTAIN FLAWS IN ITS PROSPECTUS-DELIVERY SYSTEM, FAILED TO DELIVER CERTAIN ETF PROSPECTUSES THAT IT INTENDED TO DELIVER IN THE PERIOD BETWEEN JUNE 2008 AND OCTOBER 2014. AS A CONSEQUENCE OF GSEC'S ALLEGED FAILURE TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM AND WRITTEN SUPERVISORY PROCEDURES IN CONNECTION WITH ETF PROSPECTUS DELIVERY THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5(B)(2) OF THE SECURITIES ACT OF 1933, THE FIRM ALLEGEDLY VIOLATED NASD RULES 3010 (A) AND (B) AND 2110 AND FINRA RULE 2010. IN ADDITION, AS A RESULT OF GSEC'S ALLEGED FAILURE TO ESTABLISH, MAINTAIN AND ENFORCE SUPERVISORY CONTROL POLICIES AND PROCEDURES THAT ADEQUATELY TESTED AND VERIFIED THAT ITS SUPERVISORY PROCEDURES CONCERNING ETF PROSPECTUS DELIVERY WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS, THE FIRM ALLEGEDLY VIOLATED NASD RULES 3012 AND 2110 AND FINRA RULE 2010. (FINRA RULE 2010 REPLACED NASD RULE 2110 EFFECTIVE DECEMBER 15, 2008.)</p> <p>ON JUNE 12, 2017, GSEC AND THE FIRM CONSUMMATED A MERGER OF GSEC WITH AND INTO THE FIRM (THE "MERGER"), WITH THE FIRM SURVIVING THE MERGER AND ASSUMING ANY REMAINING GSEC ASSETS, LIABILITIES AND OPERATIONS. ON JUNE 13, 2017, GSEC FILED A UNIFORM REQUEST WITHDRAWAL FROM BROKER-DEALER REGISTRATION (FORM BDW) WITH THE SECURITIES AND EXCHANGE COMMISSION, WHICH BECAME EFFECTIVE ON AUGUST 11, 2017.</p>
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	12/01/2017
<b>Docket/Case Number:</b>	<a href="#">2014042582101</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EXCHANGE TRADED FUNDS (ETFs)
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)





<b>Other Sanction(s)/Relief Sought:</b>	CENSURE; UNDERTAKING
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/01/2017
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$700,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING BY THE FIRM TO SUBMIT A CERTIFICATION THAT CERTAIN OF THE FIRM'S POLICIES, SYSTEMS, PROCEDURES AND TRAINING RELATING TO ETF PROSPECTUS DELIVERY ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 5(B)(2) OF THE SECURITIES ACT OF 1933 AND ANY APPLICABLE REGULATORY EXCHANGE RULES IN THE CONNECTION WITH DELIVERY OF ETF PROSPECTUSES.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$700,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 14, 2017.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE, A FINE AND AN UNDERTAKING, AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON DECEMBER 1, 2017, AND ON DECEMBER 14, 2017, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$700,000.

#### Disclosure 13 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	GOLDMAN SACHS & CO. LLC, AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$5,000 FOR FAILING TO QUALIFY AND REGISTER THE ASSOCIATED PERSON IN THE APPROPRIATE CATEGORY OF REGISTRATION WITH THE EXCHANGE IN WEBCRD, AND FAILING TO REGISTER THE ASSOCIATED PERSON IN THE PREREQUISITE REGISTRATION CATEGORY WITH THE EXCHANGE. (EXCHANGE RULE 3.6A - QUALIFICATION AND REGISTRATION OF TRADING PERMIT HOLDERS AND ASSOCIATED PERSONS)
<b>Initiated By:</b>	CHICAGO BOARD OPTIONS EXCHANGE
<b>Date Initiated:</b>	06/21/2017
<b>Docket/Case Number:</b>	17-0046/ 20150443193



**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 09/13/2017

**Sanctions Ordered:** Censure  
Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** A \$5,000 FINE AND A CENSURE.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED ("CBOE") BUSINESS CONDUCT COMMITTEE (THE "COMMITTEE") ALLEGED THAT, FROM ON OR ABOUT NOVEMBER 5, 2011 THROUGH ON OR ABOUT JULY 14, 2016, GOLDMAN SACHS EXECUTION & CLEARING, L.P. ("GSEC"), A FORMER AFFILIATE OF GOLDMAN SACHS & CO. LLC (THE "FIRM"), FAILED TO QUALIFY AND REGISTER ONE ASSOCIATED PERSON (THE "ASSOCIATED PERSON") IN THE APPROPRIATE CATEGORY OF REGISTRATION WITH CBOE, AND FAILED TO REGISTER THE ASSOCIATED PERSON IN THE PREREQUISITE REGISTRATION CATEGORY WITH CBOE, IN ALLEGED VIOLATION OF CBOE RULE 3.6A.

ON JUNE 12, 2017, GSEC AND THE FIRM CONSUMMATED A MERGER OF GSEC WITH AND INTO THE FIRM (THE "MERGER"), WITH THE FIRM SURVIVING THE MERGER AND ASSUMING ANY REMAINING GSEC ASSETS, LIABILITIES AND OPERATIONS. ON JUNE 13, 2017, GSEC FILED A UNIFORM REQUEST WITHDRAWAL FROM BROKER-DEALER REGISTRATION (FORM BDW) WITH THE SECURITIES AND EXCHANGE COMMISSION, WHICH BECAME EFFECTIVE ON AUGUST 11, 2017.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED

**Date Initiated:** 06/21/2017

**Docket/Case Number:** 17-0046 / 20150443193



<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	09/13/2017
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$5,000, WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON SEPTEMBER 20, 2017.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM SUBMITTED AN OFFER OF SETTLEMENT TO THE COMMITTEE ON AUGUST 8, 2017. ON SEPTEMBER 13, 2017, THE COMMITTEE ISSUED A DECISION ACCEPTING THE OFFER OF SETTLEMENT, AND ON SEPTEMBER 20, 2017, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$5,000.

#### Disclosure 14 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO TRANSMIT 214 LAST SALE REPORTS OF TRANSACTIONS IN OVER-THE-COUNTER (OTC) EQUITY SECURITIES TO THE OTC REPORTING FACILITY (OTCRF) WITHIN 10 SECONDS AFTER EXECUTION. THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT THE CORRECT EXECUTION TIME FOR 77 TRANSACTIONS IN REPORTABLE SECURITIES TO THE OTCRF, AND FAILED, WITHIN 10 SECONDS AFTER EXECUTION, TO TRANSMIT 371 LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES TO THE OTCRF. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND NASD AND FINRA RULES,



CONCERNING OTC EQUITY TRADE REPORTING. SPECIFICALLY, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) WERE NOT SUFFICIENTLY INSTRUCTIVE AS TO HOW OFTEN THE RESPONSIBLE SUPERVISOR(S) SHOULD TAKE THE SPECIFIED STEPS DESIGNED TO ACHIEVE COMPLIANCE WITH OTC EQUITY TRADE REPORTING. IN ADDITION, THE FIRM FAILED IN CERTAIN RESPECTS TO ENFORCE ITS WSPS CONCERNING OTC EQUITY TRADE REPORTING.

**Initiated By:** FINRA

**Date Initiated:** 11/01/2017

**Docket/Case Number:** [2015045105501](#)

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 11/01/2017

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$39,500.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$39,500. FINES PAID IN FULL ON NOVEMBER 10, 2017.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF ENFORCEMENT ALLEGED THAT GOLDMAN SACHS & CO. LLC (THE "FIRM"): (A) DURING THE PERIOD FROM DECEMBER 11, 2014 THROUGH DECEMBER 16, 2014, FAILED TO REPORT TO THE OVER-THE-



COUNTER ("OTC") REPORTING FACILITY ("OTCRF") THE CORRECT TIME OF EXECUTION FOR CERTAIN TRANSACTIONS IN REPORTABLE SECURITIES IN VIOLATION OF FINRA RULE 7330(D)(4); AND (B) DURING THE PERIODS FROM SEPTEMBER 1, 2014 TO DECEMBER 31, 2014, AND FROM JANUARY 1, 2015 TO APRIL 30, 2015, (I) FAILED TO TRANSMIT TO THE OTCRF CERTAIN LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES WITHIN 10 SECONDS AFTER EXECUTION, IN VIOLATION OF FINRA RULE 6622(A) AND FINRA RULE 2010, AND (II) DID NOT HAVE A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD AND FINRA, CONCERNING OTC EQUITY TRADE REPORTING; SPECIFICALLY, THAT THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WERE NOT SUFFICIENTLY INSTRUCTIVE AS TO HOW OFTEN THE RESPONSIBLE SUPERVISOR(S) SHOULD TAKE THE SPECIFIED STEPS DESIGNED TO ACHIEVE COMPLIANCE, AND THAT THE FIRM FAILED IN CERTAIN RESPECTS TO ENFORCE ITS SUPERVISORY PROCEDURES CONCERNING OTC EQUITY TRADE REPORTING, IN VIOLATION OF NASD RULE 3010 (FOR CONDUCT PRIOR TO DECEMBER 1, 2014), AND FINRA RULES 3110 (FOR CONDUCT ON AND AFTER DECEMBER 1, 2014) AND 2010.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 11/01/2017

**Docket/Case Number:** [2015045105501](#)

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 11/01/2017

**Sanctions Ordered:** Censure  
Monetary/Fine \$39,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$39,500, WHICH WAS PAID BY SUBMISSION OF A WIRE ON NOVEMBER 10, 2017.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER



OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON NOVEMBER 1, 2017, AND ON NOVEMBER 10, 2017, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$39,500.

#### Disclosure 15 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** GOLDMAN SACHS & CO. LLC, AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$10,000 FOR: (I) FAILING TO QUALIFY AND REGISTER AN ASSOCIATED PERSON IN THE APPROPRIATE CATEGORY OF REGISTRATION WITH THE EXCHANGE IN WEBCRD, AND FAILED TO REGISTER THE ASSOCIATED PERSON IN THE PREREQUISITE REGISTRATION CATEGORY WITH THE EXCHANGE IN WEBCRD; AND (II) FAILING TO REGISTER THE MINIMUM NUMBER OF INDIVIDUALS REQUIRED TO BE REGISTERED AS A PROPRIETARY TRADER PRINCIPAL (TP) WITH THE EXCHANGE IN WEBCRD. (EXCHANGE RULE 3.4 - QUALIFICATION AND REGISTRATION)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 06/21/2017

**Docket/Case Number:** C2 17-0001/ 20150443193

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 09/13/2017

**Sanctions Ordered:** Censure  
Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

**Sanction Details:** A \$10,000 FINE AND A CENSURE.

**Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>C2 OPTIONS EXCHANGE, INCORPORATED ("C2") BUSINESS CONDUCT COMMITTEE (THE "COMMITTEE") ALLEGED THAT GOLDMAN SACHS EXECUTION &amp; CLEARING, L.P. ("GSEC"), A FORMER AFFILIATE OF GOLDMAN SACHS &amp; CO. LLC (THE "FIRM"), FAILED: (I) FROM ON OR ABOUT MAY 21, 2014 THROUGH ON OR ABOUT JULY 14, 2016, TO QUALIFY AND REGISTER ONE ASSOCIATED PERSON (THE "ASSOCIATED PERSON") IN THE APPROPRIATE CATEGORY OF REGISTRATION WITH C2, AND TO REGISTER THE ASSOCIATED PERSON IN THE PREREQUISITE REGISTRATION CATEGORY WITH C2; AND (II) FROM ON OR ABOUT MAY 21, 2014 THROUGH ON OR ABOUT MARCH 25, 2015, TO REGISTER THE MINIMUM NUMBER OF INDIVIDUALS REQUIRED TO BE REGISTERED AS A PROPRIETARY TRADER PRINCIPAL (TP) WITH C2, EACH IN ALLEGED VIOLATION OF C2 RULE 3.4.</p> <p>ON JUNE 12, 2017, GSEC AND THE FIRM CONSUMMATED A MERGER OF GSEC WITH AND INTO THE FIRM (THE "MERGER"), WITH THE FIRM SURVIVING THE MERGER AND ASSUMING ANY REMAINING GSEC ASSETS, LIABILITIES AND OPERATIONS. ON JUNE 13, 2017, GSEC FILED A UNIFORM REQUEST WITHDRAWAL FROM BROKER-DEALER REGISTRATION (FORM BDW) WITH THE SECURITIES AND EXCHANGE COMMISSION, WHICH BECAME EFFECTIVE ON AUGUST 11, 2017.</p>
<b>Initiated By:</b>	C2 OPTIONS EXCHANGE, INCORPORATED
<b>Date Initiated:</b>	06/21/2017
<b>Docket/Case Number:</b>	C2 17-0001 / 20150443193
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	09/13/2017
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$10,000, WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON SEPTEMBER



20, 2017.

## Firm Statement

WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM SUBMITTED AN OFFER OF SETTLEMENT TO THE COMMITTEE ON AUGUST 8, 2017. ON SEPTEMBER 13, 2017, THE COMMITTEE ISSUED A DECISION ACCEPTING THE OFFER OF SETTLEMENT, AND ON SEPTEMBER 20, 2017, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$10,000.

## Disclosure 16 of 325

### Reporting Source:

Regulator

### Current Status:

Final

### Allegations:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM FAILED TO REPORT AND INACCURATELY REPORTED POSITIONS TO THE LARGE OPTIONS POSITIONS REPORTING (LOPR) SYSTEM, WHICH INCLUDED A FAILURE TO REPORT A POTENTIALLY SIGNIFICANT BUT AN UNKNOWN AMOUNT OF POSITIONS IN AN UNKNOWN AMOUNT OF INSTANCES TO THE LOPR DUE TO NOT RESUBMITTING REJECTED RECORDS TO THE LOPR.

THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM FAILED TO REPORT OPTIONS POSITIONS TO THE LOPR FOR A POTENTIALLY SIGNIFICANT BUT AN UNKNOWN NUMBER OF INSTANCES INVOLVING APPROXIMATELY 791,940 REJECTED RECORDS THAT WERE NOT RESUBMITTED TO THE LOPR. THE FIRM INACCURATELY REPORTED OPTIONS POSITIONS TO THE LOPR IN AN UNKNOWN AMOUNT OF POSITIONS AND INSTANCES, IN THAT THE FIRM REPORTED POSITIONS WITH INCORRECT OR INVALID ENTRIES IN THE ADDRESS FIELDS (I.E., CITY, STATE, ZIP CODE, AND COUNTRY CODE), TAX NUMBER AND TAX NUMBER TYPE FIELDS. THE FIRM REPORTED POSITIONS TO THE LOPR WITH AN INCORRECT ACCOUNT TYPE OF CUSTOMER IN AN UNKNOWN AMOUNT OF POSITIONS AND INSTANCES.

THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM. IN ADDITION, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE SUFFICIENT WRITTEN SUPERVISORY PROCEDURES TO ENSURE THE PROPER REPORTING OF POSITIONS TO THE LOPR. PRIOR TO APRIL 14, 2011, THE WRITTEN SUPERVISORY PROCEDURES FAILED TO LIST ANY SUPERVISORY STEP(S)





TO BE TAKEN TO REVIEW FOR THE OVERALL ACCURACY OF SUBMISSIONS TO THE LOPR. SUBSEQUENTLY, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO LIST THE SUPERVISORY STEP(S) TO BE TAKEN TO REVIEW FOR ACCOUNTS ACTING IN CONCERT OR TO REVIEW REJECTED LOPR SUBMISSIONS TO ENSURE THAT REJECTED RECORDS ARE RESUBMITTED WHEN REQUIRED.

**Initiated By:** NASDAQ ISE, LLC

**Date Initiated:** 07/17/2017

**Docket/Case Number:** 2012031318003

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/17/2017

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$300,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$300,000. AN UNDERTAKING REQUIRING THE FIRM TO ADDRESS THE LOPR DEFICIENCIES DESCRIBED IN THE AWC AND TO ENSURE THAT IT HAS IMPLEMENTED CONTROLS AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS CITED IN THE AWC.

**Regulator Statement** IN ACCEPTING THE AWC AND IN DETERMINING TO RESOLVE THIS MATTER ON THE BASIS SET FORTH IN THE AWC, THE BUSINESS CONDUCT COMMITTEE (BCC) TOOK INTO ACCOUNT AND CONSIDERED THE FOLLOWING: (I) THE FIRM SELF-REPORTED A SIGNIFICANT NUMBER OF THE LOPR FAILURE TO REPORT VIOLATIONS AND THE FIRM'S ENSUING COOPERATION THROUGHOUT FINRA'S INVESTIGATION; AND (II) THE SUBSEQUENT REMEDIAL MEASURES IMPLEMENTED BY THE FIRM,



INCLUDING SIGNIFICANT SYSTEM ENHANCEMENTS..

ASSOCIATED MATTER INCLUDES FINRA MATTER 20160519208 AND ISE FILE NO. 2016-196-GLD

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASDAQ ISE, LLC ("ISE") ALLEGED THAT DURING THE PERIOD BETWEEN JANUARY 1, 2016 AND JULY 7, 2016, GOLDMAN SACHS & CO. LLC (THE "FIRM"): (I) FAILED TO REPORT AND INACCURATELY REPORTED CERTAIN OPTION POSITIONS TO THE LARGE OPTIONS POSITION REPORTING ("LOPR") SYSTEM, IN ALLEGED VIOLATION OF ISE RULE 415(A); AND (II) FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW, THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM INCLUDING SUFFICIENT WRITTEN SUPERVISORY PROCEDURES TO ENSURE THE PROPER REPORTING OF SUBMISSIONS TO THE LOPR, IN ALLEGED VIOLATION OF ISE RULE 401.

**Initiated By:** NASDAQ ISE, LLC

**Date Initiated:** 07/14/2017

**Docket/Case Number:** 2012031318003

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE; UNDERTAKING

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/14/2017

**Sanctions Ordered:** Censure  
Monetary/Fine \$300,000.00

**Other Sanctions Ordered:** UNDERTAKING BY THE FIRM TO ADDRESS THE LOPR DEFICIENCIES DESCRIBED IN THE AWC TO ENSURE THAT IT HAS IMPLEMENTED CONTROLS AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS CITED THEREIN, AND TO SUBMIT TO THE FINRA MARKET REGULATION



DEPARTMENT, IN THE TIME AND MANNER PRESCRIBED IN THE AWC, A REPRESENTATION THAT THE FIRM: (I) HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE DEFICIENT REVIEW AREAS SPECIFIED IN THE AWC, (II) FOR DEFICIENCIES REQUIRING TECHNOLOGY AND/OR SYSTEM CHANGES, HAS IMPLEMENTED SUCH CHANGES, AND (III) THE DATE THIS WAS IMPLEMENTED.

#### Sanction Details:

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO AN AGGREGATE FINE IN THE AMOUNT OF \$2,500,000, PAYABLE TO ISE AND THREE OTHER SELF-REGULATORY ORGANIZATIONS, OF WHICH \$300,000 WAS PAID BY SUBMISSION OF A WIRE TO ISE ON JULY 31, 2017.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE, A CENSURE, AND AN UNDERTAKING, AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY ISE ON JULY 14, 2017, AND ON JULY 31, 2017, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$300,000. THE AWC WAS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE FOLLOWING SELF-REGULATORY ORGANIZATIONS: FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.; BATS BZX EXCHANGE, INC.; AND NASDAQ PHLX LLC.

### Disclosure 17 of 325

#### Reporting Source:

Regulator

#### Current Status:

Final

#### Allegations:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT OVER 16,700 OVER-THE-COUNTER (OTC) OPTIONS POSITIONS IN AT LEAST APPROXIMATELY 6.8 MILLION INSTANCES TO THE LARGE OPTIONS POSITIONS REPORTING (LOPR) SYSTEM AND FAILED TO REPORT AN UNKNOWN NUMBER OF INTRADAY POSITIONS. THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT CERTAIN OTC OPTIONS POSITIONS IN APPROXIMATELY 1.6 MILLION INSTANCES TO THE LOPR DUE TO A FAILURE TO AGGREGATE POSITIONS FOR ACTING IN CONCERT PURPOSES IN CERTAIN CUSTOMER AND FIRM ACCOUNTS. THE FIRM FAILED TO REPORT OTC OPTIONS POSITIONS TO THE LOPR FOR A POTENTIALLY SIGNIFICANT BUT AN UNKNOWN NUMBER OF INSTANCES INVOLVING APPROXIMATELY 671,080 REJECTED RECORDS THAT WERE NOT RESUBMITTED TO THE LOPR. THE FIRM INACCURATELY REPORTED OTC OPTION POSITIONS TO THE LOPR IN AT LEAST APPROXIMATELY 12.7 MILLION INSTANCES, AS FOLLOWS: THE FIRM MISREPORTED APPROXIMATELY 673,970 OPTIONS POSITIONS IN 12,398,780 INSTANCES WITH VARIOUS FORMATTING ISSUES,



WHICH INCLUDES THE FOLLOWING: (I) ACCOUNT NAMES NOT IDENTIFIABLE; (II) ACCOUNT NAMES TRUNCATED; (III) INVALID STREET ADDRESS; (IV) INVALID OR BLANK INPUTS FOR CITY, STATE OR ZIP CODE; (V) INCORRECT ACCOUNT TYPE; AND (V) INVALID TAX NUMBERS; FAILED TO PROPERLY IDENTIFY AND/OR MARK OTC OPTION POSITIONS AS ACTING IN CONCERT AND ERRONEOUSLY MARKED AT LEAST 282 ACCOUNTS WITH OSCILLATING DUPLICATIVE IN CONCERT IDS IN THE CUSTOMER RANGE IN 259,793 INSTANCES; FAILED TO REPORT OR UNDER-REPORTED OTC OPTIONS POSITIONS IN 73,078 INSTANCES; OVER-REPORTED OTC OPTION POSITIONS IN 15,410 INSTANCES; MISREPORTED LOPR IMBALANCES IN 33 SYMBOLS FOR AN AGGREGATE 186 DAYS IN AN UNKNOWN NUMBER OF POSITIONS AND INSTANCES; AND FAILED TO DELETE POSITIONS FROM THE LOPR WITH INCORRECT EFFECTIVE DATES IN AN UNKNOWN NUMBER OF POSITIONS AND INSTANCES. THE FIRM EFFECTED OPENING TRANSACTIONS FOR ITS PROPRIETARY ACCOUNT AND FOR THE ACCOUNT OF A CUSTOMER THAT EXCEEDED THE APPLICABLE POSITION LIMIT IN ONE OTC OPTION, THAT RANGED FROM APPROXIMATELY 251% TO 280% OVER THE APPLICABLE LIMIT FOR THE SECURITY. THE FIRM EFFECTED OPENING TRANSACTIONS FOR THE ACCOUNT OF A CUSTOMER THAT EXCEEDED THE APPLICABLE POSITION LIMIT IN ONE OTC OPTION FROM APRIL 25, 2016 THROUGH APRIL 29, 2016 BY 2,336 CONTRACTS OR .9344%. FROM AT LEAST AUGUST 2015, THE FIRM EFFECTED AN OPENING TRANSACTION FOR THE ACCOUNT OF A CUSTOMER THAT EXCEEDED THE APPLICABLE POSITION LIMIT IN ONE OTC OPTION ON BOTH SIDES OF THE MARKET FROM AUGUST 2015 THROUGH FEBRUARY 21, 2016 BY 15,998 CONTRACTS OR 64%. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM AND COMPLIANCE WITH APPLICABLE POSITION LIMITS. IN ADDITION, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE SUFFICIENT WRITTEN SUPERVISORY PROCEDURES TO ENSURE THE PROPER REPORTING OF POSITIONS TO THE LOPR. PRIOR TO APRIL 14, 2011, THE WRITTEN SUPERVISORY PROCEDURES FAILED TO LIST ANY SUPERVISORY STEP(S) TO BE TAKEN TO REVIEW FOR THE OVERALL ACCURACY OF SUBMISSIONS TO THE LOPR. SUBSEQUENTLY, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO LIST THE SUPERVISORY STEP(S) TO BE TAKEN TO REVIEW FOR ACCOUNTS ACTING IN CONCERT OR TO REVIEW REJECTED LOPR SUBMISSIONS TO ENSURE THAT REJECTED RECORDS ARE RESUBMITTED WHEN REQUIRED.

**Initiated By:** FINRA

**Date Initiated:** 07/17/2017



<b>Docket/Case Number:</b>	<a href="#">2012031318001</a>
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	07/17/2017
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$1,425,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING: ADDRESS THE LOPR DEFICIENCIES DESCRIBED IN THIS AWC AND ENSURE THAT THE FIRM HAS IMPLEMENTED CONTROLS AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE RULES AND REGULATIONS
<b>Sanction Details:</b>	THE FIRM WAS CENSURED, FINED A TOTAL OF \$2,500,000, OF WHICH \$1,425,000 IS PAYABLE TO FINRA, AND UNDERTAKES TO ADDRESS THE LOPR DEFICIENCIES DESCRIBED IN THIS AWC AND TO ENSURE THAT IT HAS IMPLEMENTED CONTROLS AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE RULES AND REGULATIONS. THE BALANCE OF THE SANCTION, WITH THE EXCEPTION OF THE SANCTION FOR THE VIOLATIONS OF FINRA RULE 2360(B)(3) WILL BE PAID TO BATS BZX EXCHANGE, INC.; NASDAQ ISE, LLC (F/K/A/ THE INTERNATIONAL SECURITIES EXCHANGE, LLC); AND NASDAQ PHLX LLC. FINES PAID IN FULL ON JULY 27, 2017.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT GOLDMAN SACHS & CO. LLC (THE "FIRM"): (I) DURING THE PERIOD BETWEEN AT LEAST



JANUARY 9, 2010 AND JULY 7, 2016, FAILED TO REPORT AND INACCURATELY REPORTED CERTAIN OVER-THE-COUNTER ("OTC") OPTION POSITIONS TO THE LARGE OPTIONS POSITION REPORTING ("LOPR") SYSTEM, IN ALLEGED VIOLATION OF FINRA RULE 2360(B)(5); (II) DURING THE PERIOD FROM JULY 31, 2012 THROUGH APRIL 29, 2016, EXCEEDED THE POSITION LIMITS IN THREE DIFFERENT OTC OPTIONS FOR CERTAIN CUSTOMERS AND/OR PROPRIETARY ACCOUNTS, IN ALLEGED VIOLATION OF FINRA RULE 2360(B)(3), AND (III) DURING THE PERIOD BETWEEN AT LEAST JANUARY 19, 2010 AND JULY 7, 2016, FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW, THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM AND COMPLIANCE WITH APPLICABLE POSITION LIMITS, INCLUDING SUFFICIENT WRITTEN SUPERVISORY PROCEDURES TO ENSURE THE PROPER REPORTING OF SUBMISSIONS TO THE LOPR, IN ALLEGED VIOLATION OF NASD RULE 3010 (FOR CONDUCT PRIOR TO DECEMBER 1, 2014), AND FINRA RULES 3110 (FOR CONDUCT ON AND AFTER DECEMBER 1, 2014) AND 2010.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 07/14/2017

**Docket/Case Number:** [2012031318001](#)

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE; UNDERTAKING

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/14/2017

**Sanctions Ordered:** Censure  
Monetary/Fine \$1,425,000.00

**Other Sanctions Ordered:** UNDERTAKING BY THE FIRM TO ADDRESS THE LOPR DEFICIENCIES DESCRIBED IN THE AWC TO ENSURE THAT IT HAS IMPLEMENTED CONTROLS AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS CITED THEREIN, AND TO SUBMIT TO THE FINRA MARKET REGULATION DEPARTMENT, IN THE TIME AND MANNER PRESCRIBED IN THE AWC, A REPRESENTATION THAT THE FIRM: (I) HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE DEFICIENT REVIEW



AREAS SPECIFIED IN THE AWC, (II) FOR DEFICIENCIES REQUIRING TECHNOLOGY AND/OR SYSTEM CHANGES, HAS IMPLEMENTED SUCH CHANGES, AND (III) THE DATE THIS WAS IMPLEMENTED.

#### Sanction Details:

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO AN AGGREGATE FINE IN THE AMOUNT OF \$2,500,000, PAYABLE TO FINRA AND THREE OTHER SELF-REGULATORY ORGANIZATIONS, OF WHICH \$1,425,000 WAS PAID BY SUBMISSION OF A WIRE TO FINRA ON JULY 27, 2017.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE, A CENSURE, AND AN UNDERTAKING, AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY FINRA ON JULY 14, 2017, AND ON JULY 27, 2017, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$1,425,000. THE AWC WAS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE FOLLOWING SELF-REGULATORY ORGANIZATIONS: BATS BZX EXCHANGE, INC.; NASDAQ ISE, LLC (F/K/A THE INTERNATIONAL SECURITIES EXCHANGE, LLC); AND NASDAQ PHLX LLC.

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#### Reporting Source:

Regulator

#### Current Status:

Final

#### Allegations:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM FAILED TO REPORT AND INACCURATELY REPORTED POSITIONS TO THE LARGE OPTIONS POSITIONS REPORTING (LOPR) SYSTEM IN HUNDREDS OF THOUSANDS OF INSTANCES.

THE FINDINGS STATED THAT SPECIFICALLY, THE FIRM FAILED TO REPORT OPTIONS POSITIONS HELD IN 118 ACCOUNTS OF THE FIRM'S FOREIGN AFFILIATE IN HUNDREDS OF THOUSANDS OF INSTANCES TO THE LOPR. THE FIRM INACCURATELY REPORTED AN UNKNOWN BUT SIGNIFICANT NUMBER OF OPTIONS POSITIONS IN AN UNKNOWN NUMBER OF INSTANCES BY REPORTING OPTIONS POSITIONS WITH INVALID OR MISSING ADDRESS FIELDS.

THE FINDINGS ALSO STATED THAT THE FIRM INACCURATELY REPORTED OPTIONS POSITIONS WITH THE WRONG EFFECTIVE DATES TO THE LOPR FOR APPROXIMATELY 25,500 POSITIONS IN 25,500 INSTANCES.

THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING A SYSTEM



OF FOLLOW-UP AND REVIEW THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM. IN ADDITION, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE SUFFICIENT WRITTEN SUPERVISORY PROCEDURES TO ENSURE THE PROPER REPORTING OF POSITIONS TO THE LOPR. PRIOR TO APRIL 14, 2011, THE WRITTEN SUPERVISORY PROCEDURES FAILED TO LIST ANY SUPERVISORY STEP(S) TO BE TAKEN TO REVIEW FOR THE OVERALL ACCURACY OF SUBMISSIONS TO THE LOPR. SUBSEQUENTLY, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO LIST THE SUPERVISORY STEP(S) TO BE TAKEN TO REVIEW FOR ACCOUNTS ACTING IN CONCERT OR TO REVIEW REJECTED LOPR SUBMISSIONS TO ENSURE THAT REJECTED RECORDS ARE RESUBMITTED WHEN REQUIRED.

<b>Initiated By:</b>	BATS BZX EXCHANGE, INC.
<b>Date Initiated:</b>	07/17/2017
<b>Docket/Case Number:</b>	2012031318002
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	08/14/2017
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$525,000.00
<b>Other Sanctions Ordered:</b>	AN UNDERTAKING
<b>Sanction Details:</b>	THE FIRM WAS CENSURED AND FINED \$525,000. THE FIRM WAS GIVEN AN UNDERTAKING REQUIRING THE FIRM TO ADDRESS THE LOPR DEFICIENCIES DESCRIBED IN THE AWC AND TO ENSURE THAT IT HAS IMPLEMENTED CONTROLS AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND





REGULATIONS CITED IN THE AWC.  
PURSUANT TO BZX RULE 8.8, THE DECISION IN THIS MATTER IS FINAL 20 BUSINESS DAYS AFTER THE ISSUANCE OF THE DECISION. THEREFORE, THIS AWC BECAME FINAL AUGUST 14, 2017.

### Regulator Statement

IN DETERMINING TO RESOLVE THIS MATTER ON THE BASIS SET FORTH IN THE AWC, MARKET REGULATION TOOK INTO ACCOUNT THE FIRM'S ENSUING COOPERATION THROUGHOUT FINRA'S INVESTIGATION AND THE SUBSEQUENT REMEDIAL MEASURES IMPLEMENTED BY THE FIRM, INCLUDING SIGNIFICANT SYSTEM ENHANCEMENTS.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** BATS BZX EXCHANGE, INC. ("BZX") ALLEGED THAT DURING THE PERIOD BETWEEN AT LEAST FEBRUARY 19, 2010 AND JULY 7, 2016, GOLDMAN SACHS & CO. LLC (THE "FIRM"): (I) FAILED TO REPORT AND INACCURATELY REPORTED CERTAIN OPTION POSITIONS TO THE LARGE OPTIONS POSITION REPORTING ("LOPR") SYSTEM, IN ALLEGED VIOLATION OF BZX RULE 18.10; AND (II) FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW, THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM INCLUDING SUFFICIENT WRITTEN SUPERVISORY PROCEDURES TO ENSURE THE PROPER REPORTING OF SUBMISSIONS TO THE LOPR, IN ALLEGED VIOLATION OF BZX RULES 3.1, 5.1, 5.2 AND 5.3.

**Initiated By:** BATS BZX EXCHANGE, INC.

**Date Initiated:** 07/14/2017

**Docket/Case Number:** 2012031318002

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE; UNDERTAKING

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/14/2017

**Sanctions Ordered:** Censure  
Monetary/Fine \$525,000.00



<b>Other Sanctions Ordered:</b>	UNDERTAKING BY THE FIRM TO ADDRESS THE LOPR DEFICIENCIES DESCRIBED IN THE AWC TO ENSURE THAT IT HAS IMPLEMENTED CONTROLS AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS CITED THEREIN, AND TO SUBMIT TO THE FINRA MARKET REGULATION DEPARTMENT, IN THE TIME AND MANNER PRESCRIBED IN THE AWC, A REPRESENTATION THAT THE FIRM: (I) HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE DEFICIENT REVIEW AREAS SPECIFIED IN THE AWC, (II) FOR DEFICIENCIES REQUIRING TECHNOLOGY AND/OR SYSTEM CHANGES, HAS IMPLEMENTED SUCH CHANGES, AND (III) THE DATE THIS WAS IMPLEMENTED.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO AN AGGREGATE FINE IN THE AMOUNT OF \$2,500,000, PAYABLE TO BZX AND THREE OTHER SELF-REGULATORY ORGANIZATIONS, OF WHICH \$525,000 WAS PAID BY SUBMISSION OF A WIRE TO BZX ON JULY 31, 2017.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE, A CENSURE, AND AN UNDERTAKING, AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY BZX ON JUNE 26, 2017, AND BECAME FINAL ON JULY 14, 2017. ON JULY 31, 2017, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$525,000. THE AWC WAS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE FOLLOWING SELF-REGULATORY ORGANIZATIONS: FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.; NASDAQ ISE, LLC (F/K/A THE INTERNATIONAL SECURITIES EXCHANGE, LLC); AND NASDAQ PHLX LLC.

#### Disclosure 19 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	DURING REVIEW PERIOD I, THE FIRM OVER-REPORTED OPTIONS POSITIONS TO THE LARGE OPTIONS POSITION REPORT (LOPR) IN APPROXIMATELY 14,166 INSTANCES, AND UNDER-REPORTED OPTIONS POSITIONS TO THE LOPR IN APPROXIMATELY 6,354 INSTANCES WHEN IT MISTAKENLY SUPPRESSED "DELETE" RECORDS FROM THE LOPR THAT SHOULD HAVE REPORTED. BECAUSE ONE OR MORE OF THE FIRM'S SOURCE DATA FEEDS HAD GENERATED AN UNUSUALLY HIGH VOLUME OF "DELETE" RECORDS, THE FIRM ERRONEOUSLY CONCLUDED THAT CERTAIN POSITIONS SHOULD NOT BE REPORTED AS "DELETE" RECORDS BUT SHOULD INSTEAD HAVE BEEN SUPPRESSED FROM THE LOPR. DURING REVIEW PERIOD I, THE FIRM ALSO FAILED TO REPORT OPTIONS



POSITIONS TO THE LOPR IN APPROXIMATELY 110,220 INSTANCES AFTER ITS LOPR LOGIC HAD FAILED TO RECOGNIZE THE SYMBOLS OF CERTAIN UNDERLYING SECURITIES THAT HAD BEEN RECLASSIFIED AS "UNITS" FOLLOWING A CORPORATE ACTION, SUCH AS A RE-ORGANIZATION, AND TO REPORT THE OPTIONS ON SUCH SECURITIES TO THE LOPR. DURING REVIEW PERIOD II, THE FIRM FAILED TO: (I) REPORT THREE OPTIONS POSITIONS TO THE LOPR, IN THAT THE FIRM INADVERTENTLY CAUSED "DELETE" RECORDS INSTEAD OF "MODIFY" RECORDS TO BE SUBMITTED TO THE LOPR; AND (II) REPORT OR HAD INACCURATELY REPORTED APPROXIMATELY 3,161 POSITIONS IN AN UNKNOWN NUMBER OF INSTANCES TO THE LOPR AS A RESULT OF A TECHNICAL FLAW IN THE FIRM'S LOPR SYSTEM THAT HAD CAUSED STALE DATA CONCERNING EARLY OPTIONS EXERCISES AND ASSIGNMENTS TO BE DOWNLOADED TO THE LOPR SYSTEM INSTEAD OF UPDATED DATA. IN ADDITION, THE FIRM'S LOPR LOGIC HAD NOT BEEN CONFIGURED TO ACCOUNT FOR THE NUMBER OF INSTANCES EACH AFFECTED POSITION WAS NOT REPORTED TO THE LOPR. AS A RESULT OF ITS CONDUCT, THE FIRM VIOLATED NASDAQ PHLX LLC (EXCHANGE) RULES 1003 AND 707. DURING THE PERIOD BETWEEN JANUARY 19, 2010 AND JANUARY 16, 2016, THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) AND SUPERVISORY SYSTEM WERE INADEQUATE WITH RESPECT TO ACHIEVING COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM. SPECIFICALLY, THEY FAILED TO PROVIDE FOR: (I) IDENTIFICATION OF ACCOUNTS FOR POTENTIAL ACTING-IN-CONCERT ACTIVITY; (II) A COMPARISON OF POSITIONS ON THE FIRM'S BOOKS AND RECORDS WITH THE POSITIONS REFLECTED ON THE OPTIONS CLEARING CORPORATION'S (OCC) SNAPSHOT; (III) THE PROPER HANDLING OF "DELETE" RECORDS; AND (IV) REVIEWS OF REJECTED LOPR POSITIONS. FURTHERMORE, THE FIRM'S WSPS DID NOT ADEQUATELY SET FORTH WHAT STEPS WERE TO BE TAKEN IN CONNECTION WITH ITS LOPR-RELATED REVIEWS, OR THE FREQUENCY OF SUCH REVIEWS. AS A RESULT OF ITS CONDUCT, THE FIRM VIOLATED EXCHANGE RULES 748(G) (FOR THE PERIOD PRIOR TO NOVEMBER 23, 2012), 748(H) (FOR THE PERIOD ON AND AFTER NOVEMBER 23, 2012), AND 707.

**Initiated By:** NASDAQ PHLX LLC

**Date Initiated:** 06/23/2017

**Docket/Case Number:** 2014043565901

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**



## Other Sanction(s)/Relief Sought:

**Resolution:** Decision

**Resolution Date:** 06/26/2017

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$250,000.00

**Other Sanctions Ordered:** UNDERTAKING: ADDRESS THE LOPR DEFICIENCIES DESCRIBED IN THE OFFER AND TO ENSURE THAT IT HAS IMPLEMENTED CONTROLS AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS CITED HEREIN

**Sanction Details:** THE FIRM WAS CENSURED, FINED A TOTAL OF \$2,500,000, OF WHICH \$250,000 SHALL BE PAID TO THE EXCHANGE, AND UNDERTAKES TO ADDRESS THE LOPR DEFICIENCIES DESCRIBED IN THE OFFER AND TO ENSURE THAT IT HAS IMPLEMENTED CONTROLS AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS CITED HEREIN. THE BALANCE OF THE FIRM'S FINE SHALL BE PAID TO FINRA, NASDAQ ISE, LLC (F/K/A INTERNATIONAL SECURITIES EXCHANGE, LLC), AND BATS BZX EXCHANGE, INC.

**Regulator Statement** THE FIRM MADE AN OFFER OF SETTLEMENT, STIPULATION OF FACTS AND CONSENT TO SANCTIONS ON JUNE 14, 2017. AT ITS REGULAR MEETING ON JUNE 23, 2017, THE BUSINESS CONDUCT COMMITTEE (COMMITTEE) REVIEWED A REPORT OF AN EXCHANGE INVESTIGATION CONCERNING THE FACTS UNDERLYING THIS MATTER, MADE A FINDING THAT SAID FACTS DISCLOSED PROBABLE CAUSE THAT THE FIRM HAD COMMITTED VIOLATIONS WITHIN THE EXCHANGE'S DISCIPLINARY JURISDICTION, AND AUTHORIZED THE ISSUANCE OF A STATEMENT OF CHARGES AGAINST THE FIRM BASED ON SAID FACTS AND VIOLATIONS. THE STATEMENT OF CHARGES SO AUTHORIZED WAS DATED JUNE 23, 2017 AND WAS FORTHWITH SERVED UPON THE FIRM. THE FIRM MADE AND ENTERED INTO SAID OFFER PURSUANT TO EXCHANGE RULE 960.7, SOLELY FOR THE PURPOSES OF THESE PROCEEDINGS AND TO SETTLE AND CONCLUDE ALL DISCIPLINARY ACTIONS BY THE EXCHANGE BASED ON OR ARISING OUT OF THE FACTS HEREINAFTER STIPULATED. THE FIRM STIPULATES TO THE FACTS, CONSENTS TO THE CONCLUSION OF VIOLATIONS OF CERTAIN PROVISIONS OF EXCHANGE RULES, AND CONSENTS TO THE IMPOSITION OF SANCTIONS SPECIFICALLY INCLUDING, BUT NOT LIMITED TO,



CONSENTING TO PAY THE FINE IMPOSED BY THE COMMITTEE CONSISTENT WITH THE OFFER, AND TO COMPLY WITH ALL OTHER SANCTIONS, ALL AS HEREINAFTER SET FORTH, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR CONCLUSIONS IN THE STATEMENT OF CHARGES. IN DETERMINING TO RESOLVE THIS MATTER ON THE BASIS SET FORTH ABOVE, THE COMMITTEE TOOK INTO ACCOUNT THE FIRM'S ENSUING COOPERATION THROUGHOUT FINRA'S INVESTIGATION AND THE SUBSEQUENT REMEDIAL MEASURES IMPLEMENTED BY THE FIRM, INCLUDING SIGNIFICANT SYSTEM ENHANCEMENTS. (ASSOCIATED CASE NO. 20150474017/ENFORCEMENT NO. 2017-12)

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE NASDAQ PHLX LLC ("PHLX") BUSINESS CONDUCT COMMITTEE ALLEGED THAT DURING THE PERIOD BETWEEN JANUARY 19, 2010 AND JANUARY 16, 2016, GOLDMAN SACHS & CO. LLC (THE "FIRM"): (I) FAILED TO REPORT AND INACCURATELY REPORTED CERTAIN OPTION POSITIONS TO THE LARGE OPTIONS POSITION REPORTING ("LOPR") SYSTEM, IN ALLEGED VIOLATION OF PHLX RULES 1003 AND 707; AND (II) FAILED TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW, THAT WAS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES GOVERNING THE REPORTING OF OPTIONS POSITIONS TO THE LOPR SYSTEM INCLUDING SUFFICIENT WRITTEN SUPERVISORY PROCEDURES TO ENSURE THE PROPER REPORTING OF SUBMISSIONS TO THE LOPR, IN ALLEGED VIOLATION OF PHLX RULES 748(G) (FOR THE PERIOD PRIOR TO NOVEMBER 23, 2012), 748(H) (FOR THE PERIOD ON AND AFTER NOVEMBER 23, 2012), AND 707.
<b>Initiated By:</b>	NASDAQ PHLX LLC
<b>Date Initiated:</b>	06/23/2017
<b>Docket/Case Number:</b>	2014043565901
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE; UNDERTAKING
<b>Resolution:</b>	Stipulation and Consent



<b>Resolution Date:</b>	07/14/2017
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING BY THE FIRM TO ADDRESS THE LOPR DEFICIENCIES DESCRIBED IN THE OFFER OF SETTLEMENT TO ENSURE THAT IT HAS IMPLEMENTED CONTROLS AND PROCEDURES THAT ARE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE RULES AND REGULATIONS CITED THEREIN, AND TO SUBMIT TO THE FINRA MARKET REGULATION DEPARTMENT, IN THE TIME AND MANNER PRESCRIBED IN THE OFFER OF SETTLEMENT, A REPRESENTATION THAT THE FIRM: (I) HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE DEFICIENT REVIEW AREAS SPECIFIED IN THE OFFER OF SETTLEMENT, (II) FOR DEFICIENCIES REQUIRING TECHNOLOGY AND/OR SYSTEM CHANGES, HAS IMPLEMENTED SUCH CHANGES, AND (III) THE DATE THIS WAS IMPLEMENTED.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO AN AGGREGATE FINE IN THE AMOUNT OF \$2,500,000 PAYABLE TO PHLX AND THREE OTHER SELF-REGULATORY ORGANIZATIONS, OF WHICH \$250,000 WAS PAID BY A SUBMISSION OF A WIRE TO PHLX ON JULY 31, 2017.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE, A CENSURE, AND AN UNDERTAKING, AND ENTERED INTO AN OFFER OF SETTLEMENT, STIPULATION OF FACTS AND CONSENT TO SANCTIONS WITH THE PHLX BUSINESS CONDUCT COMMITTEE (THE "OFFER OF SETTLEMENT"), WHICH WAS ACCEPTED BY THE PHLX BUSINESS CONDUCT COMMITTEE ON JUNE 26, 2017, AND BECAME FINAL ON JULY 14, 2017. ON JULY 31, 2017, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$250,000. THE OFFER OF SETTLEMENT WAS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE FOLLOWING SELF-REGULATORY ORGANIZATIONS: BATS BZX EXCHANGE, INC.; NASDAQ ISE, LLC (F/K/A THE INTERNATIONAL SECURITIES EXCHANGE, LLC); AND THE FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

#### Disclosure 20 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE MARKET REGULATION DEPARTMENT OF THE CME GROUP INC. ("CME") DETERMINED THAT CERTAIN GOLDMAN, SACHS & CO. (THE "FIRM") TRADE DATA FOR THE TRADE DATES OF JANUARY 3, 2017 THROUGH JANUARY 24,



2017 REFLECTED A COMPUTERIZED TRADE RECONSTRUCTION (CTR) ERROR RATE IN EXCESS OF APPLICABLE THRESHOLD LEVELS, IN DEEMED VIOLATION OF CHICAGO MERCANTILE EXCHANGE INC. RULE 536.F.

**Initiated By:** CME GROUP INC.

**Date Initiated:** 04/03/2017

**Docket/Case Number:** 17-9164

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 04/03/2017

**Sanctions Ordered:** Monetary/Fine \$2,500.00

**Other Sanctions Ordered:**

**Sanction Details:** THE CME IMPOSED A FINE ON THE FIRM IN THE AMOUNT OF \$2,500, WHICH WAS PAID BY SUBMISSION OF A WIRE ON APRIL 5, 2017.

**Firm Statement** THE CME IMPOSED A FINE ON THE FIRM IN THE AMOUNT OF \$2,500, WHICH WAS PAID BY SUBMISSION OF A WIRE ON APRIL 5, 2017.

#### Disclosure 21 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CME GROUP INC. ("CME") MARKET REGULATION ISSUED A SUMMARY FINE NOTICE TO GOLDMAN, SACHS & CO. (THE "FIRM") STATING THAT CME MARKET REGULATION DISCOVERED THAT THE FIRM FAILED TO MAINTAIN A COMPLETE AUDIT TRAIL WITH RESPECT TO CERTAIN TRADING SYSTEMS FOR A MINIMUM OF FIVE YEARS IN VIOLATION OF CME RULE 536.B.2.

**Initiated By:** CME GROUP INC.

**Date Initiated:** 12/07/2016

**Docket/Case Number:** 16-8954

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 12/22/2016

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE SUMMARY FINE, IN THE AMOUNT OF \$5,000, WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 22, 2016.

**Firm Statement** THE SUMMARY FINE, IN THE AMOUNT OF \$5,000, WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 22, 2016.

## Disclosure 22 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** THE COMMODITY FUTURES TRADING COMMISSION ("COMMISSION") HAS REASON TO BELIEVE THAT THE GOLDMAN SACHS GROUP, INC. AND GOLDMAN, SACHS & CO. (COLLECTIVELY, "RESPONDENTS," "GOLDMAN," OR THE "FIRM") HAVE VIOLATED THE COMMODITY EXCHANGE ACT (THE "ACT" OR "CEA") AND COMMISSION REGULATIONS ("REGULATIONS"). THE COMMISSION FINDS THE FOLLOWING:  
BEGINNING IN JANUARY 2007 AND CONTINUING THROUGH MARCH 2012 (THE "RELEVANT PERIOD"), GOLDMAN, BY AND THROUGH CERTAIN OF ITS TRADERS IN NEW YORK, ATTEMPTED TO MANIPULATE THE U.S. DOLLAR INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION FIX ("USO ISDAFIX" OR THE "BENCHMARK") TO BENEFIT GOLDMAN'S DERIVATIVES POSITIONS IN INSTRUMENTS SUCH AS SWAPS, CASH-SETTLED OPTIONS ON INTEREST RATE SWAPS, SWAP FUTURES CONTRACTS, AND AT TIMES CERTAIN EXOTIC STRUCTURED PRODUCTS. ISDAFIX RATES AND SPREADS ARE PUBLISHED DAILY AND ARE MEANT TO INDICATE THE PREVAILING MID-MARKET RATE, AT A SPECIFIC TIME OF DAY, FOR THE FIXED LEG OF A STANDARD FIXED-FOR-FLOATING INTEREST RATE SWAP. DURING THE RELEVANT PERIOD, USO ISDAFIX WAS SET EACH DAY IN A PROCESS THAT BEGAN AT EXACTLY 11 :00 A.M. EST WITH THE CAPTURE AND RECORDING OF SWAP RATES AND SPREADS FROM A U.S.-BASED UNIT OF A LEADING INTEREST RATE SWAPS BROKING FIRM ("SWAPS





BROKER"). SWAPS BROKER DISSEMINATED RATES AND SPREADS CAPTURED IN THIS 11:00 A.M. "SNAPSHOT," "FIX," OR "PRINT" AS REFERENCES TO A PANEL OF BANKS AND OTHER FINANCIAL INSTITUTIONS (COLLECTIVELY, "BANKS").

ON CERTAIN DAYS ON WHICH GOLDMAN HAD A TRADING POSITION SETTLING OR RESETTING AGAINST THE USO ISDAFIX, GOLDMAN ATTEMPTED TO MANIPULATE USO ISDAFIX RATES THROUGH ITS TRADING AT THE 11:00 A.M. FIXING AND BY MAKING SUBMISSIONS TO SWAPS BROKER THAT WERE SKEWED TO BENEFIT DERIVATIVES POSITIONS HELD BY GOLDMAN. GOLDMAN'S UNLAWFUL CONDUCT INVOLVED MULTIPLE TRADERS, INCLUDING THE HEAD OF GOLDMAN'S INTEREST RATE PRODUCTS TRADING GROUP IN THE UNITED STATES.

FIRST, CERTAIN GOLDMAN TRADERS BID, OFFERED, AND EXECUTED TRANSACTIONS IN TARGETED INTEREST RATE PRODUCTS, INCLUDING SWAP SPREADS, AT THE CRITICAL 11:00 A.M. FIXING TIME WITH THE INTENT TO AFFECT THE REFERENCE RATES AND SPREADS CAPTURED BY SWAPS BROKER IN THE "PRINT" SENT TO SUBMITTING BANKS, AND THEREBY TO AFFECT THE PUBLISHED USO LSDAFIX. AS CAPTURED IN EMAILS AND AUDIO RECORDINGS, ON SOME OCCASIONS WHEN GOLDMAN HAD DERIVATIVES POSITIONS SETTLING OR PRICING AGAINST USO ISDAFIX, ITS TRADERS DISCUSSED AMONG THEMSELVES AND WITH SWAPS BROKER EMPLOYEES THEIR INTENT TO MOVE USO LSDAFIX RATES IN WHICHEVER DIRECTION BENEFITTED THEIR POSITIONS. CERTAIN GOLDMAN TRADERS DESCRIBED SUCH ATTEMPTS TO MANIPULATE USO ISDAFIX AS HAVING "GAMED THE FIX."

SECOND, CERTAIN TRADERS AT GOLDMAN ATTEMPTED TO MANIPULATE USO ISDAFIX BY MAKING FALSE SUBMISSIONS TO SWAPS BROKER ON BEHALF OF GOLDMAN, SKEWING THE RATES AND SPREADS SUBMITTED IN THE DIRECTION THAT COULD HAVE MOVED THE USO ISDAFIX SETTING TO BENEFIT GOLDMAN'S TRADING POSITIONS. A BANK'S DERIVATIVES TRADING POSITIONS OR PROFITABILITY ARE NOT LEGITIMATE OR PERMISSIBLE FACTORS ON WHICH TO BASE SUBMISSIONS IN CONNECTION WITH A BENCHMARK.

YET ON MANY OCCASIONS IN THE RELEVANT PERIOD, GOLDMAN TRADERS MADE USO ISDAFIX SUBMISSIONS HIGHER OR LOWER FOR THE PURPOSE OF BENEFITTING DERIVATIVE POSITIONS PRICED OR VALUED AGAINST THE BENCHMARK. THESE SUBMISSIONS WERE FALSE, MISLEADING, OR KNOWINGLY INACCURATE BECAUSE THEY DID NOT REPORT WHERE GOLDMAN WOULD ITSELF BID OR OFFER INTEREST RATE SWAPS TO A DEALER OR GOOD CREDIT ABSENT A DESIRE TO MANIPULATE USO ISDAFIX, BUT RATHER REFLECTED PRICES THAT WERE MORE FAVORABLE TO THE FIRM'S SPECIFIC POSITIONS. AT TIMES, GOLDMAN COMBINED SUCH WRONGFUL SUBMISSIONS WITH ITS ILLEGITIMATE ATTEMPTS TO MANIPULATE THE BENCHMARK THROUGH TRADING TO INCREASE THE LIKELIHOOD THAT THE TARGETED USO ISDAFIX RATES



WOULD MOVE IN A BENEFICIAL DIRECTION.

**Initiated By:** COMMODITY FUTURES TRADING COMMISSION

**Date Initiated:** 12/21/2016

**Docket/Case Number:** 17-03

**Principal Product Type:** Other

**Other Product Type(s):** U.S. DOLLAR INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION FIX

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:** N/A

**Resolution:** Order

**Resolution Date:** 12/21/2016

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** Yes

**Sanctions Ordered:** Monetary/Fine \$120,000,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:** UNDERTAKINGS

**Sanction Details:** RESPONDENTS ARE ORDERED TO PAY A CIVIL MONETARY PENALTY OF \$120,000,000.00 PLUS POST-JUDGMENT INTEREST; AND ORDERED TO CEASE AND DESIST FROM VIOLATING SECTIONS 6(C)(1), 6(C)(1)(A), 6(C)(3), 6(D), AND 9(A)(2), AND COMMISSION REGULATIONS 180.1(A) AND 180.2. RESPONDENTS AND THEIR SUCCESSORS AND ASSIGNS WERE ALSO ORDERED TO COMPLY WITH CERTAIN UNDERTAKINGS.

**Regulator Statement** RESPONDENTS HAVE SUBMITTED AN OFFER OF SETTLEMENT ("OFFER"), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. RESPONDENTS VIOLATED SECTIONS 6(C), 6(D), AND 9(A)(2) OF THE ACT, AND FOR CONDUCT OCCURRING ON OR AFTER AUGUST 15, 2011, SECTIONS 6(C)(1), 6(C)(1)(A), 6(C)(3), 6(D), AND 9(A)(2), AND REGULATIONS 180.1(A) AND 180.2. RESPONDENTS ARE ORDERED TO PAY A CIVIL MONETARY PENALTY OF \$120,000,000.00 PLUS POST-JUDGMENT INTEREST; AND ORDERED TO CEASE AND DESIST FROM VIOLATING SECTIONS 6(C)(1), 6(C)(1)(A), 6(C)(3), 6(D), AND 9(A)(2), AND COMMISSION REGULATIONS 180.1(A) AND 180.2. RESPONDENTS AND THEIR SUCCESSORS AND ASSIGNS WERE ALSO



## ORDERED TO COMPLY WITH CERTAIN UNDERTAKINGS.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>ON DECEMBER 21, 2016, THE COMMODITY FUTURES TRADING COMMISSION ("CFTC") ENTERED AN ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(C) AND 6(D) OF THE COMMODITY EXCHANGE ACT, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS (THE "ORDER") AGAINST THE GOLDMAN SACHS GROUP, INC. ("GS GROUP") AND GOLDMAN, SACHS &amp; CO. (THE "FIRM", AND TOGETHER WITH GS GROUP, "GOLDMAN") RELATING TO ATTEMPTED MANIPULATION OF THE U.S. DOLLAR INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION FIX ("USD ISDAFIX"), AN INTEREST RATE BENCHMARK. SPECIFICALLY, THE CFTC FOUND THAT, FROM JANUARY 2007 THROUGH MARCH 2012, CERTAIN TRADERS ON THE FIRM'S INTEREST RATE PRODUCTS TRADING DESKS SUBMITTED BIDS AND OFFERS, AND EXECUTED TRADES, THAT WERE DESIGNED TO ATTEMPT TO MANIPULATE THE USD ISDAFIX. IN ADDITION, THE CFTC FOUND THAT THESE TRADERS ATTEMPTED TO AFFECT THE RATE AT WHICH USD ISDAFIX WAS SET BY MAKING FALSE, MISLEADING, OR KNOWINGLY INACCURATE SUBMISSIONS TO CERTAIN SWAPS BROKERS FOR INCLUSION IN THE CALCULATION OF THE DAILY RATES. THE ORDER ALSO STATES THAT THE TRADERS SUBMITTED ORAL AND WRITTEN REQUESTS FOR CERTAIN RATES TO BE SUBMITTED, WHICH WOULD BENEFIT THE FIRM'S TRADING POSITIONS. THE CFTC FOUND THAT GOLDMAN VIOLATED COMMODITY EXCHANGE ACT SECTIONS 6(C), 6(D), AND 9(A)(2), 7 U.S.C. §§ 9, 13B, 13(A)(2) (2006), AND FOR CONDUCT OCCURRING ON OR AFTER AUGUST 15, 2011, SECTIONS 6(C)(1), 6(C)(1)(A), 6(C)(3), 6(D), AND 9(A)(2), 7 U.S.C. §§ 9(1), 9(1)(A), 9(3), 13B, 13(A)(2) (2012), AND CFTC REGULATIONS 180.1(A) AND 180.2, 17 C.F.R. §§ 180.1(A), 180.2 (2015).</p>
<b>Initiated By:</b>	COMMODITY FUTURES TRADING COMMISSION
<b>Date Initiated:</b>	12/21/2016
<b>Docket/Case Number:</b>	17-03
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	U.S. DOLLAR INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION FIX
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / UNDERTAKING



<b>Resolution:</b>	Order
<b>Resolution Date:</b>	12/21/2016
<b>Sanctions Ordered:</b>	Monetary/Fine \$120,000,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	THE ORDER REQUIRED GOLDMAN TO COMPLY WITH THE CERTAIN UNDERTAKINGS, INCLUDING PROVIDING A REPORT TO THE CFTC WITHIN 120 DAYS OF THE ORDER, ADDRESSING REMEDIATION EFFORTS BOTH PRIOR TO AND SINCE THE ENTRY OF THE ORDER, AND PROVIDING AN ADDITIONAL REPORT TO THE CFTC, NO LATER THAN 365 DAYS OF THE ENTRY OF THE ORDER, EXPLAINING HOW IT HAS COMPLIED WITH THE UNDERTAKINGS SET FORTH IN THE ORDER.
<b>Sanction Details:</b>	THE ORDER REQUIRED GOLDMAN TO PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$120 MILLION, WHICH THE FIRM PAID DECEMBER 28, 2016.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE VIOLATIONS, GOLDMAN CONSENTED TO THE ENTRY OF THE ORDER ON DECEMBER 21, 2016 BY THE CFTC, PURSUANT TO WHICH GOLDMAN: (A) SHALL CEASE AND DESIST FROM VIOLATING COMMODITY EXCHANGE ACT SECTIONS 6(C)(1), 6(C)(1)(A), 6(C)(3), 6(D), AND 9(A)(2), 7 U.S.C. §§ 9(1), 9(1)(A), 9(3), 13B, 13(A)(2) (2012), AND CFTC REGULATIONS 180.1(A) AND 180.2, 17 C.F.R. §§ 180.1(A), 180.2 (2015); (B) PAY A CIVIL MONETARY PENALTY OF \$120 MILLION, WHICH THE FIRM PAID ON DECEMBER 28, 2016; AND (C) COMPLY WITH THE UNDERTAKINGS SET FORTH IN THE ORDER, INCLUDING PROVIDING A REPORT TO THE CFTC WITHIN 120 DAYS OF THE ORDER, ADDRESSING REMEDIATION EFFORTS BOTH PRIOR TO AND SINCE THE ENTRY OF THE ORDER, AND PROVIDING AN ADDITIONAL REPORT TO THE CFTC, NO LATER THAN 365 DAYS OF THE ENTRY OF THE ORDER, EXPLAINING HOW IT HAS COMPLIED WITH THE UNDERTAKINGS SET FORTH IN THE ORDER.

#### Disclosure 23 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (THE "BOARD OF GOVERNORS") HAS ALLEGED THAT: (A) GOLDMAN, SACHS & CO. ("GSCO") AND THE GOLDMAN SACHS GROUP, INC., (TOGETHER WITH GSCO, THE "FIRM") FAILED TO MONITOR ELECTRONIC MAIL FOR DOCUMENTS CONTAINING CONFIDENTIAL SUPERVISORY INFORMATION; (B) FIRM EMPLOYEES, INCLUDING SENIOR MANAGERS, HAD CONFIDENTIAL SUPERVISORY INFORMATION OF THE BOARD OF



GOVERNORS AND OTHER BANKING REGULATORS IN THEIR POSSESSION WITHOUT THE AUTHORIZATION REQUIRED BY LAW; (C) A FIRM EMPLOYEE ENGAGED IN CRIMINAL THEFT OF CONFIDENTIAL SUPERVISORY INFORMATION OF THE BOARD OF GOVERNORS AND OTHER BANKING REGULATORS, AND DISSEMINATED SUCH INFORMATION TO MULTIPLE EMPLOYEES WITHIN THE FIRM; (D) THE FIRM'S PERSONNEL IMPROPERLY USED CONFIDENTIAL SUPERVISORY INFORMATION, INCLUDING CONFIDENTIAL SUPERVISORY INFORMATION RELATING TO INSTITUTIONS OTHER THAN THE FIRM, OF THE BOARD OF GOVERNORS AND OTHER BANKING REGULATORS IN PRESENTATIONS TO ITS CLIENTS AND PROSPECTIVE CLIENTS IN AN EFFORT TO SOLICIT BUSINESS FOR THE FIRM; AND (E) THE FIRM LACKED ADEQUATE POLICIES AND PROCEDURES DESIGNED TO DETECT OR PREVENT THE UNAUTHORIZED DISSEMINATION AND USE OF CONFIDENTIAL SUPERVISORY INFORMATION BELONGING TO THE BOARD OF GOVERNORS AND OTHER BANKING REGULATORS.

<b>Initiated By:</b>	BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
<b>Date Initiated:</b>	08/02/2016
<b>Docket/Case Number:</b>	16-011-BH-C; 16-011-CMP-HC
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST; UNDERTAKING
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	08/02/2016
<b>Sanctions Ordered:</b>	Monetary/Fine \$36,300,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	SEE ITEM 13 FOR A DESCRIPTION OF OTHER SANCTIONS ORDERED PURSUANT TO THE CONSENT ORDER.
<b>Sanction Details:</b>	THE CONSENT ORDER REQUIRED THE FIRM TO PAY A CIVIL MONETARY PENALTY TO THE BOARD OF GOVERNORS IN THE AMOUNT OF \$36,300,000, WHICH THE FIRM PAID ON AUGUST 3, 2016.
<b>Firm Statement</b>	THE FIRM AND THE BOARD OF GOVERNORS ENTERED INTO A CONSENT ORDER TO CEASE AND DESIST AND ASSESSMENT OF CIVIL MONEY PENALTY ON AUGUST 2, 2016 (THE "CONSENT ORDER"), PURSUANT TO WHICH: (A) WITHIN 30 DAYS OF THE CONSENT ORDER, THE BOARD OF DIRECTORS OF THE FIRM SHALL APPOINT A COMMITTEE COMPRISED OF



MEMBERS OF SENIOR MANAGEMENT TO MONITOR AND COORDINATE COMPLIANCE WITH THE PROVISIONS OF THE CONSENT ORDER, WHICH COMMITTEE SHALL MEET QUARTERLY, KEEP DETAILED MINUTES OF EACH MEETING, AND ANNUALLY SUBMIT TO THE BOARD OF GOVERNORS AND THE BOARD OF DIRECTORS OF THE FIRM WRITTEN PROGRESS REPORTS DETAILING THE FORM AND MANNER OF ALL ACTIONS TAKEN TO SECURE COMPLIANCE WITH THE CONSENT ORDER AND THE RESULTS THEREOF; (B) WITHIN 90 DAYS OF THE CONSENT ORDER, THE FIRM SHALL: (I) SUBMIT TO THE BOARD OF GOVERNORS A WRITTEN PLAN, AND TIMELINE FOR IMPLEMENTATION, TO ENHANCE THE EFFECTIVENESS OF THE INTERNAL CONTROLS AND COMPLIANCE FUNCTIONS REGARDING THE IDENTIFICATION, MONITORING, AND CONTROL OF CONFIDENTIAL SUPERVISORY INFORMATION, WHICH PLAN SHALL BE REVIEWED FOR EFFECTIVENESS BY THE FIRM'S INTERNAL AUDIT FUNCTION; (II) SUBMIT TO THE BOARD OF GOVERNORS A WRITTEN PLAN, AND TIMELINE FOR IMPLEMENTATION, FOR THE TRAINING OF ALL APPROPRIATE GSCO PERSONNEL REGARDING THE RESTRICTIONS, CONTROLS AND LEGAL REQUIREMENTS GOVERNING THE USE OF CONFIDENTIAL SUPERVISORY INFORMATION; AND (III) CERTIFY TO THE BOARD OF GOVERNORS THAT ALL DOCUMENTS CONTAINING CONFIDENTIAL SUPERVISORY INFORMATION OF WHICH THE FIRM IS AWARE OR BECOMES AWARE THAT THE FIRM OBTAINED WITHOUT APPROPRIATE REGULATORY AUTHORIZATION HAVE BEEN DE-REFERENCED FROM THE FIRM'S INTERNAL SYSTEMS AND RENDERED INACCESSIBLE BY FIRM PERSONNEL, AND TO THE EXTENT SUCH CONFIDENTIAL SUPERVISORY INFORMATION MAY BE SUBSEQUENTLY BE RESTORED OR RENDERED ACCESSIBLE FOR ANY PURPOSE, THE FIRM SHALL NOTIFY THE BOARD OF GOVERNORS PRIOR TO SUCH INFORMATION BEING RESTORED OR ACCESSIBLE BY FIRM PERSONNEL; (C) THE FIRM SHALL NOT IN THE FUTURE DIRECTLY OR INDIRECTLY RETAIN ANY INDIVIDUAL AS AN OFFICER, EMPLOYEE, AGENT, CONSULTANT, OR CONTRACTOR OF THE FIRM OR OF ANY AFFILIATE OF THE FIRM WHO, BASED ON THE INVESTIGATIVE RECORD COMPILED BY U.S. AUTHORITIES, HAS DONE ALL OF THE FOLLOWING: (I) PARTICIPATED IN THE ILLEGAL CONDUCT DESCRIBED IN THE CONSENT ORDER; (II) BEEN SUBJECT TO FORMAL DISCIPLINARY ACTION AS A RESULT OF GSCO'S INTERNAL DISCIPLINARY REVIEW OR PERFORMANCE REVIEW IN CONNECTION WITH THE CONDUCT DESCRIBED IN THE CONSENT ORDER; AND (III) HAS BEEN SEPARATED FROM OR HAS HAD HIS OR HER EMPLOYMENT TERMINATED BY THE FIRM; AND (D) THE FIRM PAID A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$36,300,000 ON AUGUST 3, 2016.

**Disclosure 24 of 325****Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, HAWAII, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, HAWAII, ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, HAWAII
<b>Date Initiated:</b>	06/20/2016
<b>Docket/Case Number:</b>	SEU-2008-048
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	06/20/2016
<b>Sanctions Ordered:</b>	Monetary/Fine \$47,703.26 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.





**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, HAWAII, ON JUNE 20, 2016, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$47,703.26 TO THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, HAWAII, WHICH AMOUNT WAS PAID ON JUNE 28, 2016.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, HAWAII, ON JUNE 20, 2016, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$47,703.26 TO THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, HAWAII, WHICH AMOUNT WAS PAID ON JUNE 28, 2016.

#### Disclosure 25 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** THE BUSINESS CONDUCT COMMITTEE ("COMMITTEE"), PURSUANT TO RULE 960.2(F) OF THE RULES OF THE NASDAQ PHLX LLC ("EXCHANGE RULES") AND UPON INFORMATION AND BELIEF, HEREBY AUTHORIZES THE ISSUANCE OF THIS STATEMENT OF CHARGES AND ALLEGES. ON THREE CONSECUTIVE TRADING DAYS, THE FIRM EFFECTED TRANSACTIONS IN THE OPTIONS OF A CORPORATION THAT RESULTED IN ONE OF THE FIRM'S CUSTOMERS EXCEEDING THE APPLICABLE POSITION LIMIT OF 250,000 CONTRACTS ON THE BEARISH SIDE OF THE MARKET ON THE THREE TRADING DAYS. BY ENGAGING IN THE ACTS, PRACTICES AND CONDUCT SET FORTH, THE FIRM VIOLATED EXCHANGE RULE 1001. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WSPS, AND A SYSTEM OF SUPERVISION, THAT WAS REASONABLY DESIGNED TO DETECT AND PREVENT VIOLATIONS OF, AND ACHIEVE COMPLIANCE WITH, THE EXCHANGE'S POSITION LIMIT RULE. SPECIFICALLY, THE TIMING AND REVIEW OF THE FIRM'S POSITION LIMIT REPORTS UNDER ITS WSPS WERE NOT REASONABLY DESIGNED TO TIMELY DETECT POSITION LIMIT OVERAGES FROM THE TRADE DATE NOTIFY ITS CUSTOMERS OF SUCH OVERAGES, OR TAKE PROPHYLACTIC MEASURES TO REDUCE OVERAGES AND PREVENT FURTHER OVERAGES. BY ENGAGING IN THE ACTS, PRACTICES AND CONDUCT SET FORTH, THE FIRM VIOLATED EXCHANGE RULE 748(H).

**Initiated By:** NASDAQ PHLX LLC





**Date Initiated:** 07/12/2016

**Docket/Case Number:** 2014042644601

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 07/15/2016

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$25,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** THE FIRM IS CENSURED, FINED \$25,000 AND AN UNDERTAKING TO, WITHIN 60 DAYS OF THE ISSUANCE OF A DECISION BY THE COMMITTEE,: (A) FORMULATE AND SUBMIT TO THE EXCHANGE, IN CARE OF FINRA, A PLAN DETAILING WHAT REMEDIAL ACTIONS IT INTENDS TO TAKE TO CORRECT THE SUPERVISORY DEFICIENCIES IDENTIFIED; (B) PROVIDE A DEADLINE BY WHICH SUCH ACTIONS WILL BE IMPLEMENTED; AND (C) WITHIN 30 DAYS OF ITS IMPLEMENTATION OF SUCH CORRECTIVE ACTIONS: (I) REVISE ITS WSPS AND SUPERVISORY SYSTEM TO REFLECT THE CORRECTIVE ACTIONS TAKEN; AND (II) SUBMIT TO THE EXCHANGE, A SIGNED, DATED LETTER CERTIFYING COMPLETION OF THE AFOREMENTIONED UNDERTAKING AND ENCLOSING A COPY OF THE RELEVANT EXCERPTS OF THE REVISED WSPS.

IF RESPONDENT FAILS TO PAY THE FINE WITHIN 30 CALENDAR DAYS OF THE DATE OF THIS DECISION, OR FAILS TO COMPLY WITH ANY OTHER SANCTION BY THE DATE SET FORTH HEREIN, THE COMMITTEE SHALL DECLARE RESPONDENT TO BE IN MATERIAL BREACH OF ITS AGREEMENT AND MAY TAKE WHATEVER ACTIONS IT DEEMS NECESSARY TO RESPOND TO THE BREACH, INCLUDING, BUT NOT LIMITED TO, RESCINDING THIS DECISION AND ALLOWING THE MATTER TO PROCEED IN ACCORDANCE



WITH EXCHANGE RULES 960.1 THROUGH 960.12.

## Regulator Statement

THE FIRM MADE AN OFFER OF SETTLEMENT, STIPULATION OF FACTS AND CONSENT TO SANCTIONS. AND THE BUSINESS CONDUCT COMMITTEE ("COMMITTEE") OF NASDAQ PHLX LLC (THE "EXCHANGE" OR "PHLX") RENDERED THE DECISION IN THE MATTER. RESPONDENT AGREES THAT THE DECISION TO BE ISSUED SHALL BE FINAL, AND WAIVES ANY RIGHT TO A REVIEW OF THE DECISION OR ANY OTHER PHASE OR ASPECT OF THIS PROCEEDING BY THE BOARD OF DIRECTORS OF THE EXCHANGE; BY THE U.S. SECURITIES AND EXCHANGE COMMISSION; BY ANY FEDERAL OR STATE COURT; OR IN ANY OTHER FORUM OR BY ANY OTHER MEANS. THE COMMITTEE ACCEPTS THE STIPULATION OF FACTS AND ON THE BASIS THEREOF FINDS THAT RESPONDENT VIOLATED EXCHANGE RULES 1001 AND 748(H). THE COMMITTEE BELIEVES THAT THE SANCTIONS PROPOSED BY RESPONDENT IN ITS OFFER SERVE THE PUBLIC INTEREST, ARE SUFFICIENTLY REMEDIAL UNDER THE CIRCUMSTANCES, AND REPRESENT A PROPER DISCHARGE OF THE EXCHANGE'S REGULATORY RESPONSIBILITIES UNDER THE EXCHANGE ACT.  
(ASSOCIATED CASE PHLX ENFORCEMENT # 2016-06)

## Reporting Source:

Firm

## Current Status:

Final

## Allegations:

THE BUSINESS CONDUCT COMMITTEE (THE "COMMITTEE") OF NASDAQ PHLX LLC ("PHLX") ALLEGED THAT DURING THE PERIOD BETWEEN AUGUST 13, 2014 AND AUGUST 15, 2014, GOLDMAN, SACHS & CO. (THE "FIRM"): (I) EFFECTED TRANSACTIONS IN AN OPTIONS POSITION THAT RESULTED IN ONE OF THE FIRM'S CUSTOMERS EXCEEDING THE APPLICABLE POSITION LIMIT FOR THREE CONSECUTIVE TRADING DAYS, IN ALLEGED VIOLATION OF PHLX RULE 1001; AND (II) FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES ("WSPS") AND A SYSTEM OF SUPERVISION THAT WAS REASONABLY DESIGNED TO DETECT AND PREVENT VIOLATIONS OF, AND ACHIEVE COMPLIANCE WITH, PHLX'S POSITION LIMIT RULE: SPECIFICALLY, THE TIMING AND REVIEW OF THE FIRM'S POSITION LIMIT REPORTS UNDER ITS WSPS WERE NOT REASONABLY DESIGNED TO TIMELY DETECT CERTAIN POSITION LIMIT OVERAGES FROM THE TRADE DATE, NOTIFY THE FIRM'S CUSTOMERS OF SUCH OVERAGES, OR TAKE CORRECTIVE MEASURES TO REDUCE AND PREVENT FURTHER OVERAGES, IN ALLEGED VIOLATION OF PHLX RULE 748(H).

## Initiated By:

NASDAQ PHLX LLC

## Date Initiated:

07/12/2016

## Docket/Case Number:

2014042644601



<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE; UNDERTAKING
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	07/15/2016
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$25,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING BY THE FIRM WITHIN 60 DAYS OF THE ISSUANCE OF THE DECISION BY THE COMMITTEE, TO FORMULATE AND SUBMIT TO PHLX, IN CARE OF FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.'S MARKET REGULATION DEPARTMENT, A PLAN DETAILING REMEDIAL ACTIONS TO CORRECT THE SUPERVISORY DEFICIENCIES IDENTIFIED ABOVE, PROVIDE A TIMEFRAME BY WHICH SUCH ACTIONS WILL BE IMPLEMENTED, AND WITHIN 30 DAYS OF IMPLEMENTATION OF SUCH CORRECTIVE ACTIONS, REVISE ITS WSPS AND SUPERVISORY SYSTEM TO REFLECT THE CORRECTIVE ACTIONS TAKEN AND CERTIFY TO PHLX THE COMPLETION OF THE AFOREMENTIONED UNDERTAKING AND PROVIDE RELEVANT EXCERPTS OF THE REVISED WSPS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$25,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON AUGUST 1, 2016.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE, A CENSURE, AND AN UNDERTAKING TO REVISE ITS WSPS, AND ENTERED INTO AN OFFER OF SETTLEMENT, STIPULATION OF FACTS AND CONSENT TO SANCTIONS WITH THE COMMITTEE WHICH WAS ACCEPTED BY THE COMMITTEE ON JULY 15, 2016, AND ON AUGUST 1, 2016, THE FIRM SUBMITTED A WIRE TO PHLX IN PAYMENT OF THE FINE IN THE AMOUNT OF \$25,000.

#### Disclosure 26 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM, ACTING AS A PROGRAM DEALER IN AUCTION RATE SECURITIES (ARS),



SUBMITTED INACCURATE INFORMATION IN CERTAIN RESPECTS REGARDING THE RESULT OF AN AUCTION IN APPROXIMATELY 1,000 INSTANCES TO THE MUNICIPAL SECURITIES RULEMAKING BOARD'S (MSRB) SHORT-TERM OBLIGATION RATE TRANSPARENCY (SHORT) SYSTEM. THE FINDINGS STATED THAT THE FIRM ERRONEOUSLY REPORTED RATE TYPES FOR THE ARS INDICATING THAT THE INTEREST RATES WERE "SET BY AUCTION" (A), INSTEAD OF THE MAXIMUM (M) INTEREST RATES. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE MSRB RULES, RELATING TO MSRB RULE G-34 CONCERNING SHORT REPORTING OF RATE TYPES.

**Initiated By:** FINRA

**Date Initiated:** 05/19/2016

**Docket/Case Number:** [2013039539801](#)

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/19/2016

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$50,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$50,000. FINE PAID IN FULL ON MAY 31, 2016.

**Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT: (I) DURING THE PERIOD OF JANUARY 30, 2009 THROUGH DECEMBER 31, 2011, GOLDMAN, SACHS & CO. (THE "FIRM"), ACTING AS A PROGRAM DEALER IN AUCTION RATE SECURITIES ("ARS"), SUBMITTED INACCURATE INFORMATION IN CERTAIN RESPECTS REGARDING THE RESULT OF AN AUCTION IN CERTAIN INSTANCES TO THE MSRB'S SHORT-TERM OBLIGATION RATE TRANSPARENCY ("SHORT") SYSTEM: SPECIFICALLY, THAT THE FIRM ERRONEOUSLY REPORTED RATE TYPES FOR THE ARS INDICATING THAT THE INTEREST RATES WERE SET BY AUCTION RATHER THAN THE MAXIMUM INTEREST RATES, IN ALLEGED VIOLATION OF MSRB RULE G-34; AND (II) THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE MSRB RULES, RELATING TO MSRB RULE G-34 CONCERNING SHORT REPORTING OF RATE TYPES, IN ALLEGED VIOLATION OF MSRB RULE G-27.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	05/18/2016
<b>Docket/Case Number:</b>	<a href="#">2013039539801</a>
<b>Principal Product Type:</b>	Debt - Municipal
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	05/18/2016
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$50,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$50,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON MAY 31, 2016.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED



BY FINRA ON MAY 18, 2016, AND ON MAY 31, 2016, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$50,000.

#### Disclosure 27 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ICE FUTURES U.S., INC. ("IFUS") MARKET REGULATION DEPARTMENT ISSUED A SUMMARY FINE, DATED MARCH 17, 2016, TO GOLDMAN, SACHS & CO. (THE "FIRM"), STATING THAT THE FIRM MAY HAVE VIOLATED IFUS RULE 6.10 BY FAILING TO ENSURE THAT THE PROPER CUSTOMER TYPE INDICATOR (CTI) CODE WAS AFFIXED TO CERTAIN ORDERS ENTERED BETWEEN MAY AND AUGUST 2015.
<b>Initiated By:</b>	ICE FUTURES U.S., INC.
<b>Date Initiated:</b>	03/17/2016
<b>Docket/Case Number:</b>	2015-106
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	03/17/2016
<b>Sanctions Ordered:</b>	Monetary/Fine \$2,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE SUMMARY FINE, IN THE AMOUNT OF \$2,000, WAS PAID BY SUBMISSION OF A WIRE ON MARCH 31, 2016.
<b>Firm Statement</b>	THE SUMMARY FINE, IN THE AMOUNT OF \$2,000, WAS PAID BY SUBMISSION OF A WIRE ON MARCH 31, 2016.

#### Disclosure 28 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final



<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ACCEPT OR DECLINE IN THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) TRANSACTIONS IN REPORTABLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION. THE FINDINGS STATED THAT THE MAJORITY OF THESE TRANSACTIONS WERE SUBJECT TO A QUALIFIED SPECIAL REPRESENTATIVE (QSR) AGREEMENT WITH AN EXECUTING BROKER, WHICH EXPERIENCED A TECHNOLOGY ISSUE THAT PREVENTED ITS AUTOMATIC ACCEPTANCE OF TRADES ON THE FIRM'S BEHALF AND REQUIRED THE FIRM TO ENGAGE IN A MORE TIME-CONSUMING MANUAL REVIEW PROCESS.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	04/06/2016
<b>Docket/Case Number:</b>	<a href="#">2014040037901</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNSPECIFIED SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/06/2016
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$20,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FIRM WAS CENSURED AND FINED \$20,000.  FINE PAID IN FULL ON APRIL 29, 2016.
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<b>Reporting Source:</b>	Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT FOR THE PERIOD SEPTEMBER 1, 2013 THROUGH DECEMBER 31, 2013, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO ACCEPT OR DECLINE IN THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) CERTAIN TRANSACTIONS IN REPORTABLE SECURITIES WITHIN TWENTY MINUTES AFTER EXECUTION, IN ALLEGED VIOLATION OF FINRA RULE 7230A(B).
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	04/05/2016
<b>Docket/Case Number:</b>	<a href="#">2014040037901</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNSPECIFIED SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/05/2016
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$20,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$20,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON APRIL 29, 2016.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON APRIL 5, 2016, AND ON APRIL 29, 2016, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$20,000.

#### Disclosure 29 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED





TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO SUBMIT SPECIAL HANDLING CODES, ACCURATE ROUTE (RT) PRICES, INFORMATION FOR REPORTABLE EVENTS, ACCURATE EXECUTION PRICES, AND AN ACCURATE LIMIT PRICE TO ORDER AUDIT TRAIL SYSTEM (OATS). THE FINDINGS STATED THAT THE FIRM REPORTED SHORT SALE TRANSACTIONS TO THE FINRA TRADE REPORTING FACILITY (FNTRF) WITHOUT THE REQUIRED SHORT SALE MODIFIER. THE FINDINGS ALSO STATED THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE CONCERNING THE REPORTING OF CORRECT SHORT SALE MODIFIERS TO THE FNTRF.

**Initiated By:** FINRA

**Date Initiated:** 04/05/2016

**Docket/Case Number:** [2013035825001](#)

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/05/2016

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$260,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$260,000.  
  
FINE PAID IN FULL ON APRIL 29, 2016.

**Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT: (I) FOR TRADE DATES AUGUST 15 AND 16, 2013, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO SUBMIT, OR INACCURATELY SUBMITTED, CERTAIN INFORMATION TO THE ORDER AUDIT TRAIL SYSTEM (OATS), IN ALLEGED VIOLATION OF FINRA RULE 7450; (II) DURING THE PERIOD FROM MAY 17, 2011 THROUGH FEBRUARY 28, 2014, THE FIRM REPORTED CERTAIN SHORT SALE TRANSACTIONS TO THE FINRA TRADE REPORTING FACILITY ("FTRF") WITHOUT THE REQUIRED SHORT SALE MODIFIER, IN ALLEGED VIOLATION OF FINRA RULE 6182; AND (III) THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO FINRA RULE 6182 CONCERNING THE REPORTING OF CORRECT SHORT SALE MODIFIERS TO THE FTRF, IN ALLEGED VIOLATION OF FINRA RULE 2010 AND NASD RULE 3010.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	04/04/2016
<b>Docket/Case Number:</b>	<a href="#">2013035825001</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNSPECIFIED SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/04/2016
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$260,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$260,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON APRIL 29, 2016.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON APRIL 4, 2016, AND ON APRIL 29, 2016, THE FIRM SUBMITTED



A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$260,000.

## Disclosure 30 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SEC ADMIN RELEASE 34-76899/JANUARY 14, 2016: THE SECURITIES AND EXCHANGE COMMISSION (COMMISSION) DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) AGAINST GOLDMAN, SACHS & CO. THESE PROCEEDINGS ARISE OUT OF PRACTICES ENGAGED IN BY GOLDMAN'S SECURITIES LENDING DEMAND TEAM (THE DEMAND TEAM), BETWEEN NOVEMBER 2008 AND MID-2013, IN PROVIDING AND DOCUMENTING "LOCATES" TO ENABLE ITS CUSTOMERS TO EXECUTE SHORT SALES. BETWEEN NOVEMBER 2008 AND MID-2013, TO COMPLY WITH REG SHO, GOLDMAN EMPLOYED A SYSTEM WHERE THE VAST MAJORITY OF CUSTOMER SHORT SALE LOCATE REQUESTS WERE HANDLED BY AN AUTOMATED MODEL THAT WOULD EITHER GRANT, IN WHOLE OR IN PART (OR FILL), DENY, OR ROUTE (OR PEND) THE REQUESTS FOR FURTHER REVIEW TO THE DEMAND TEAM, A GROUP OF TEN TO TWELVE INDIVIDUALS WHO WORKED ON GOLDMAN'S SECURITIES LENDING DESK. THE AUTOMATED MODEL WOULD REVIEW AND FILL LOCATE REQUESTS BASED ON CERTAIN AVAILABLE INVENTORY REPORTED TO GOLDMAN BY CERTAIN LENDING BANKS AND BROKERAGES THAT FED INTO GOLDMAN'S AUTOMATED MODEL AT THE START OF EACH DAY AFTER BEING REDUCED BY GOLDMAN BASED ON THEIR EXPERIENCE WITH VARIOUS LENDERS (THE START-OF-DAY INVENTORY). AS THE AUTOMATED MODEL PROCESSED LOCATE REQUESTS, IT REDUCED THAT START-OF-DAY INVENTORY ON A 1:1 BASIS FOR ALL SHARES THAT WERE USED TO GRANT LOCATE REQUESTS (REGARDLESS OF WHETHER THE CLIENT ACTUALLY USED THE LOCATE). WHEN THE START-OF-DAY INVENTORY WAS DEPLETED IN THAT MANNER, THE AUTOMATED MODEL WOULD PEND SUBSEQUENT LOCATE REQUESTS TO THE DEMAND TEAM FOR FURTHER REVIEW AND PROCESSING. OVER THE COURSE OF THE RELEVANT PERIOD, THE NUMBER OF LOCATE REQUESTS THAT PENDED TO THE DEMAND TEAM GREW SIGNIFICANTLY, REACHING MORE THAN 20,000 LOCATE REQUESTS PER DAY AT ITS PEAK. THE VOLUME OF LOCATE REQUESTS BECAME FAR MORE THAN THE DEMAND TEAM COULD MANUALLY HANDLE ON A REQUEST-BY-REQUEST BASIS. THUS, INSTEAD OF MANUALLY IDENTIFYING AN ALTERNATIVE SOURCE OF SECURITIES TO SATISFY THESE PENDED REQUESTS, THE DEMAND TEAM PROCESSED APPROXIMATELY 98 PERCENT OF THE PENDED REQUESTS BY RELYING ON A FUNCTION OF GOLDMAN'S ORDER



MANAGEMENT SYSTEM REFERRED TO AS "FILL FROM AUTOLOCATE," WHICH WAS ACTIVATED BY THE "F3" KEY. THIS FUNCTION ENABLED THE DEMAND TEAM TO CAUSE GOLDMAN'S AUTOMATED MODEL TO FILL LOCATE REQUESTS BASED ON THE AMOUNT OF INVENTORY THAT EXISTED AT THE START OF THE DAY (I.E., THE START-OF-DAY INVENTORY LEVEL BEFORE ANY LOCATES WERE GRANTED), EVEN THOUGH GOLDMAN'S AUTOMATED MODEL HAD ALREADY TREATED THE START-OF-DAY INVENTORY AS DEPLETED. IN PROCESSING LOCATE REQUESTS USING THE "F3" FUNCTION, THE DEMAND TEAM TYPICALLY DID NOT CHECK ALTERNATIVE SOURCES OF SECURITIES OR PERFORM A MEANINGFUL FURTHER REVIEW. INSTEAD, THEY RELIED ON THEIR GENERAL BELIEF THAT GOLDMAN'S AUTOMATED MODEL WAS CONSERVATIVE AND THAT THE PROVISION OF ADDITIONAL LOCATES WOULD NOT RESULT IN FAILURES TO DELIVER THE SECURITIES IF AND WHEN DUE FOR SETTLEMENT. THE DEMAND TEAM DID NOT DOCUMENT THE BASIS FOR THIS GENERAL BELIEF. ADDITIONALLY, GOLDMAN'S DOCUMENTATION OF ITS COMPLIANCE WITH REG SHO IN ITS LOCATE LOG WAS INACCURATE IN THAT GOLDMAN FAILED TO SUFFICIENTLY DIFFERENTIATE BETWEEN LOCATES THAT WERE FILLED BY ITS AUTOMATED MODEL AND LOCATES THAT WERE FILLED BY THE DEMAND TEAM USING THE "F3" FUNCTION. IN BOTH CASES, THE LOCATE LOG SIMPLY CONTAINED THE TERM "AUTOLOCATE" TO REFER TO THE START-OF-DAY INVENTORY UTILIZED BY GOLDMAN'S AUTOMATED MODEL AS THE SOURCE OF SECURITIES SUPPORTING THE LOCATE. AS A RESULT OF THE CONDUCT DESCRIBED ABOVE, GOLDMAN WILLFULLY VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULES 203(B)(1) AND 203(B)(1)(III) OF REGULATION SHO PROMULGATED UNDER THE EXCHANGE ACT.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 01/14/2016

**Docket/Case Number:** 3-17053

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order

**Resolution Date:** 01/14/2016



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?**

No

**Sanctions Ordered:**

Censure  
Monetary/Fine \$15,000,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:**

IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, GOLDMAN HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, GOLDMAN CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE, AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN GOLDMAN'S OFFER. ACCORDINGLY, PURSUANT TO SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, IT IS HEREBY ORDERED THAT: GOLDMAN IS CENSURED AND MUST CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULE 203(B)(1) OF REGULATION SHO PROMULGATED UNDER THE EXCHANGE ACT, AND ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 203(B)(1)(III) THEREUNDER RELATING TO SHORT SALE LOCATE RECORD. GOLDMAN SHALL, WITHIN 10 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$15,000,000 TO THE SECURITIES AND EXCHANGE COMMISSION FOR TRANSFER TO THE GENERAL FUND OF THE UNITED STATES TREASURY.

**Regulator Statement**

IN DETERMINING TO ACCEPT THE OFFER, THE COMMISSION CONSIDERED REMEDIAL ACTS UNDERTAKEN BY GOLDMAN. BY AT LEAST MID-2013, GOLDMAN HAD PHASED OUT THE USE OF ITS LEGACY AUTOMATED MODEL AND IMPLEMENTED A NEW AUTOMATED MODEL WITH LOGIC THAT SUBSTANTIALLY REDUCED THE NUMBER OF LOCATE REQUESTS PENDED FOR DEMAND TEAM REVIEW. ADDITIONALLY, GOLDMAN IMPLEMENTED REVISED WRITTEN POLICIES AND PROCEDURES GOVERNING THE



PROCESSING OF LOCATE REQUESTS PENDED TO THE DEMAND TEAM. SHORTLY AFTER THE CONCLUSION OF THE COMMISSION'S EXAMINATION GOLDMAN ALSO DISCONTINUED THE USE OF THE AUTOLOCATE FUNCTIONALITY. DEMAND TEAM MEMBERS ARE NOW REQUIRED TO LOCATE A SPECIFIC SOURCE OF INVENTORY FOR EACH LOCATE REQUEST AND TO IDENTIFY THAT SOURCE IN THE LOCATE LOG.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") VIOLATED REGULATION SHO UNDER THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") BY IMPROPERLY RELYING ON THE FIRM'S AUTOMATED LOCATE FUNCTION IN THE ORDER MANAGEMENT SYSTEM WITHOUT HAVING CONFIRMED THE AVAILABILITY OF THE SECURITIES TO BE LOCATED. IN ADDITION, THE SEC ALLEGED THAT FIRM EMPLOYEES DID NOT PROVIDE SUFFICIENT AND ACCURATE INFORMATION WITH RESPECT TO THESE LOCATES IN THE FIRM'S LOCATE LOG, WHICH MUST REFLECT THE BASIS UPON WHICH THE FIRM PROVIDED THE LOCATES. THE SEC ALLEGED THAT THE FIRM WILLFULLY VIOLATED RULE 203(B)(1) OF REGULATION SHO AND SECTION 17(A) OF THE EXCHANGE ACT.
<b>Initiated By:</b>	U.S. SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	01/14/2016
<b>Docket/Case Number:</b>	3-17053
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNSPECIFIED SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST; CENSURE
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	01/14/2016
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$15,000,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	



<b>Sanction Details:</b>	THE ORDER REQUIRED THE FIRM TO PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$15 MILLION, WHICH THE FIRM PAID ON JANUARY 20, 2016.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE VIOLATIONS, THE FIRM CONSENTED TO THE ENTRY BY THE SEC OF AN ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER (RELEASE NO. 34-76899, JAN. 14, 2016). PURSUANT TO THE ORDER, THE FIRM MUST CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULE 203(B)(1) OF REGULATION SHO, AND ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 203(B)(1)(III) THEREUNDER RELATING TO SHORT SALE LOCATE RECORDS. ALSO PURSUANT TO THE ORDER, THE FIRM WAS CENSURED AND PAID A CIVIL MONEY PENALTY IN THE AMOUNT OF \$15,000,000 ON JANUARY 20, 2016. THE SEC STATED THAT, IN DETERMINING TO ACCEPT THE FIRM'S OFFER OF SETTLEMENT, IT CONSIDERED CERTAIN REMEDIAL ACTS TAKEN BY THE FIRM.

#### Disclosure 31 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ICE FUTURES U.S., INC. ("IFUS") MARKET REGULATION DEPARTMENT ISSUED A SUMMARY FINE, DATED DECEMBER 14, 2015, TO GOLDMAN, SACHS & CO. (THE "FIRM"), STATING THAT THE FIRM MAY HAVE VIOLATED IFUS RULE 4.02(G)(2) IN ONE INSTANCE ON DECEMBER 12, 2014 BY FAILING TO UTILIZE IFUS'S CROSSING ORDER FUNCTIONALITY.
<b>Initiated By:</b>	ICE FUTURES U.S., INC.
<b>Date Initiated:</b>	12/14/2015
<b>Docket/Case Number:</b>	2015-030
<b>Principal Product Type:</b>	Futures - Financial
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision



<b>Resolution Date:</b>	12/14/2015
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE SUMMARY FINE, IN THE AMOUNT OF \$5,000, WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 24, 2015.
<b>Firm Statement</b>	THE SUMMARY FINE, IN THE AMOUNT OF \$5,000, WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 24, 2015.

#### Disclosure 32 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES (THE "DFS") HAS ALLEGED THAT: (A) A FORMER ASSOCIATE OF GOLDMAN, SACHS & CO. (TOGETHER WITH THE GOLDMAN SACHS GROUP, INC., "GOLDMAN SACHS") ENGAGED IN THE THEFT OF DFS CONFIDENTIAL SUPERVISORY INFORMATION, AND THAT A FORMER GOLDMAN SACHS MANAGING DIRECTOR IMPROPERLY RECEIVED THIS INFORMATION WITHOUT REPORTING IT; AND (B) GOLDMAN SACHS FAILED: (I) TO EFFECTIVELY SUPERVISE THE ASSOCIATE TO PREVENT THIS THEFT FROM OCCURRING; (II) TO IMPLEMENT AND MAINTAIN ADEQUATE POLICIES AND PROCEDURES RELATING TO POST-EMPLOYMENT RESTRICTIONS FOR FORMER GOVERNMENT EMPLOYEES; AND (III) TO IMPLEMENT AND MAINTAIN SUFFICIENT POLICIES AND PROCEDURES TO ENSURE COMPLIANCE WITH NEW YORK STATE BANKING LAW SECTION 36(10) ("SECTION 36(10)"), SPECIFICALLY WITH RESPECT TO GOLDMAN SACHS' UNAUTHORIZED POSSESSION AND DISTRIBUTION OF DFS CONFIDENTIAL SUPERVISORY INFORMATION.
<b>Initiated By:</b>	NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
<b>Date Initiated:</b>	10/28/2015
<b>Docket/Case Number:</b>	
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	UNDERTAKING





<b>Resolution:</b>	Order
<b>Resolution Date:</b>	10/28/2015
<b>Sanctions Ordered:</b>	Monetary/Fine \$50,000,000.00
<b>Other Sanctions Ordered:</b>	<p>PURSUANT TO THE CONSENT ORDER, GOLDMAN SACHS: (A) VOLUNTARILY WILL NOT ACCEPT ANY NEW ENGAGEMENTS THAT WOULD REQUIRE THE DFS TO AUTHORIZE THE DISCLOSURE OF CONFIDENTIAL SUPERVISORY INFORMATION UNDER SECTION 36(10) TO GOLDMAN SACHS DURING THE THREE-YEAR PERIOD FOLLOWING THE DATE OF THE CONSENT ORDER; AND (B) AGREED TO IMPLEMENT REFORMS TO ITS POLICIES AND PROCEDURES THAT ARE REASONABLY DESIGNED TO PREVENT THE IMPROPER USE OF CONFIDENTIAL SUPERVISORY INFORMATION UNDER SECTION 36(10), INCLUDING: (I) POLICIES AND PROCEDURES REASONABLY DESIGNED TO ENSURE THE PROTECTION AND PROPER HANDLING OF CONFIDENTIAL SUPERVISORY INFORMATION UNDER SECTION 36(10); (II) CONFIRMING THAT, TO THE BEST OF GOLDMAN SACHS' KNOWLEDGE, AS OF THE DATE OF THE CONSENT ORDER, GOLDMAN SACHS HAD NOT ACCEPTED ANY ENGAGEMENTS THAT WOULD REQUIRE THE DFS TO AUTHORIZE THE DISCLOSURE OF CONFIDENTIAL SUPERVISORY INFORMATION UNDER SECTION 36(10); (III) POLICIES AND PROCEDURES REASONABLY DESIGNED TO ENSURE THAT GOLDMAN SACHS IS AWARE OF APPLICABLE POST-EMPLOYMENT RESTRICTIONS FOR FORMER GOVERNMENT EMPLOYEES HIRED AFTER THE DATE OF THE CONSENT ORDER WHO HAVE LEFT THE GOVERNMENT WITHIN THE PAST FIVE YEARS AND THAT GOLDMAN SACHS HAS TAKEN STEPS NECESSARY TO ADDRESS COMPLIANCE WITH THOSE RESTRICTIONS; (IV) PROCESSES TO MONITOR THE ASSIGNMENT OF SUCH FORMER GOVERNMENT EMPLOYEES TO PREVENT VIOLATIONS OF POST-EMPLOYMENT RESTRICTIONS AND PROTECT CONFIDENTIAL SUPERVISORY INFORMATION UNDER SECTION 36(10); AND (V) PROCESSES TO MONITOR THE USE OF EMAIL TO ADDRESS THE MISUSE OF CONFIDENTIAL MATERIAL UNDER SECTION 36(10).</p>
<b>Sanction Details:</b>	<p>THE CONSENT ORDER REQUIRED GOLDMAN SACHS TO PAY A CIVIL MONETARY PENALTY TO THE DFS IN THE AMOUNT OF \$50 MILLION, WHICH GOLDMAN SACHS PAID ON NOVEMBER 9, 2015.</p>
<b>Firm Statement</b>	<p>GOLDMAN SACHS AND THE DFS ENTERED INTO A CONSENT ORDER UNDER NEW YORK STATE BANKING LAW SECTIONS 39 AND 44 ON OCTOBER 28, 2015 (THE "CONSENT ORDER"), PURSUANT TO WHICH GOLDMAN SACHS: (A) VOLUNTARILY WILL NOT ACCEPT ANY NEW ENGAGEMENTS THAT WOULD REQUIRE THE DFS TO AUTHORIZE THE DISCLOSURE OF CONFIDENTIAL SUPERVISORY INFORMATION UNDER SECTION 36(10) TO GOLDMAN SACHS DURING THE THREE-YEAR PERIOD FOLLOWING THE DATE OF THE CONSENT ORDER; (B) AGREED TO IMPLEMENT REFORMS TO ITS POLICIES AND PROCEDURES THAT ARE REASONABLY DESIGNED TO PREVENT THE IMPROPER USE OF</p>



CONFIDENTIAL SUPERVISORY INFORMATION UNDER SECTION 36(10), INCLUDING: (I) POLICIES AND PROCEDURES REASONABLY DESIGNED TO ENSURE THE PROTECTION AND PROPER HANDLING OF CONFIDENTIAL SUPERVISORY INFORMATION UNDER SECTION 36(10); (II) CONFIRMING THAT, TO THE BEST OF GOLDMAN SACHS' KNOWLEDGE, AS OF THE DATE OF THE CONSENT ORDER, GOLDMAN SACHS HAD NOT ACCEPTED ANY ENGAGEMENTS THAT WOULD REQUIRE THE DFS TO AUTHORIZE THE DISCLOSURE OF CONFIDENTIAL SUPERVISORY INFORMATION UNDER SECTION 36(10); (III) POLICIES AND PROCEDURES REASONABLY DESIGNED TO ENSURE THAT GOLDMAN SACHS IS AWARE OF APPLICABLE POST-EMPLOYMENT RESTRICTIONS FOR FORMER GOVERNMENT EMPLOYEES HIRED AFTER THE DATE OF THE CONSENT ORDER WHO HAVE LEFT THE GOVERNMENT WITHIN THE PAST FIVE YEARS AND THAT GOLDMAN SACHS HAS TAKEN STEPS NECESSARY TO ADDRESS COMPLIANCE WITH THOSE RESTRICTIONS; (IV) PROCESSES TO MONITOR THE ASSIGNMENT OF SUCH FORMER GOVERNMENT EMPLOYEES TO PREVENT VIOLATIONS OF POST-EMPLOYMENT RESTRICTIONS AND PROTECT CONFIDENTIAL SUPERVISORY INFORMATION UNDER SECTION 36(10); AND (V) PROCESSES TO MONITOR THE USE OF EMAIL TO ADDRESS THE MISUSE OF CONFIDENTIAL MATERIAL UNDER SECTION 36(10); AND (C) PAID A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$50 MILLION ON NOVEMBER 9, 2015.

#### Disclosure 33 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ICE CLEAR CREDIT, LLC ("ICC") ALLEGED THAT DURING THE MONTH OF SEPTEMBER 2015, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO SUBMIT ONE (1) INDEX END OF DAY PRICE IN ACCORDANCE WITH ICC RULES AND PROCEDURES, IN ALLEGED VIOLATION OF ICC RULE 404(B).
<b>Initiated By:</b>	ICE CLEAR CREDIT LLC
<b>Date Initiated:</b>	10/06/2015
<b>Docket/Case Number:</b>	2015-404B-039
<b>Principal Product Type:</b>	Derivative(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	



<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	10/19/2015
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	ICC MADE A SUMMARY ASSESSMENT AGAINST THE FIRM IN THE AMOUNT OF \$1,000, WHICH AMOUNT IS DIRECT DEBITED IN THE NEXT ICC MONTHLY CLEARING FEE INVOICE.
<b>Firm Statement</b>	ICC MADE A SUMMARY ASSESSMENT AGAINST THE FIRM IN THE AMOUNT OF \$1,000, WHICH AMOUNT IS DIRECT DEBITED IN THE NEXT ICC MONTHLY CLEARING FEE INVOICE.

#### Disclosure 34 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ICE CLEAR CREDIT LLC ("ICC") ALLEGED THAT DURING THE MONTH OF JUNE 2015, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO SUBMIT CERTAIN INDEX PRICES IN ACCORDANCE WITH ICC RULES AND PROCEDURES, IN ALLEGED VIOLATION OF ICC RULE 404(B).
<b>Initiated By:</b>	ICE CLEAR CREDIT LLC
<b>Date Initiated:</b>	07/08/2015
<b>Docket/Case Number:</b>	2015-404B-020
<b>Principal Product Type:</b>	Derivative(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	07/14/2015
<b>Sanctions Ordered:</b>	Monetary/Fine \$19,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	ICC MADE A SUMMARY ASSESSMENT AGAINST THE FIRM IN THE AMOUNT OF \$19,000, WHICH AMOUNT WAS DIRECT DEBITED IN AN ICC MONTHLY



CLEARING FEE INVOICE.

## Firm Statement

ICC MADE A SUMMARY ASSESSMENT AGAINST THE FIRM IN THE AMOUNT OF \$19,000, WHICH AMOUNT WAS DIRECT DEBITED IN AN ICC MONTHLY CLEARING FEE INVOICE.

## Disclosure 35 of 325

### Reporting Source:

Regulator

### Current Status:

Final

### Allegations:

SEC ADMIN RELEASE 34-75331 / JUNE 30, 2015: THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST GOLDMAN, SACHS & CO. ("GSCO" OR "RESPONDENT"). ON THE BASIS OF THIS ORDER AND RESPONDENT'S OFFER, THE COMMISSION FINDS THAT THIS PROCEEDING ARISES OUT OF GSCO'S VIOLATIONS OF THE MARKET ACCESS RULE AND AN EVENT THAT DISRUPTED TRADING IN THE OPTIONS MARKETS ON AUGUST 20, 2013. ON AUGUST 20, 2013, AS A RESULT OF A CONFIGURATION ERROR IN ONE OF GSCO'S OPTIONS ORDER ROUTERS, THE FIRM ERRONEOUSLY SENT THOUSANDS OF \$1.00 LIMIT ORDERS TO THE OPTIONS EXCHANGES PRIOR TO THE START OF REGULAR MARKET TRADING. BEFORE THE MARKET OPEN AT 9:30 A.M., GSCO SHUT OFF THE CREATION OF ADDITIONAL OPTIONS ORDERS AND INITIATED EFFORTS TO CANCEL THE ERRONEOUS ORDERS THAT IT HAD SENT TO THE EXCHANGES. HOWEVER, WITHIN MINUTES AFTER THE OPENING OF REGULAR MARKET TRADING, GSCO ALREADY HAD RECEIVED EXECUTIONS FOR A PORTION OF ITS UNINTENDED SELL ORDERS, REPRESENTING APPROXIMATELY 1.5 MILLION OPTIONS CONTRACTS (REPRESENTING 150 MILLION UNDERLYING SHARES). THOUGH GSCO FACED UP TO A POTENTIAL \$500 MILLION LOSS FROM THE EXECUTIONS, THE FIRM'S LOSS ULTIMATELY AMOUNTED TO APPROXIMATELY \$38 MILLION, AFTER TAKING INTO ACCOUNT EXECUTED ORDERS THAT WERE CANCELLED OR RECEIVED PRICE ADJUSTMENTS PURSUANT TO THE OPTIONS EXCHANGES' RULES CONCERNING CLEARLY ERRONEOUS TRADES. THE AUGUST 20, 2013 OPTIONS TRADING EVENT RESULTED FROM A SERIES OF FAILURES IN GSCO'S THEN-EXISTING SYSTEM OF RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES, EXACERBATED BY HUMAN ERROR. FIRST, THE PRICE CHECKS IN GSCO'S SIGMA OPTIONS ORDER MATCHING SYSTEM FAILED TO PREVENT THE ENTRY OF THE ERRONEOUSLY PRICED PRE-MARKET ORDERS. IN ADDITION, THE FIRM'S OPERATION AND MANAGEMENT OF ITS ELECTRONIC "CIRCUIT BREAKERS" DID NOT EFFECTIVELY BLOCK THE ERRONEOUS ORDERS SENT ON AUGUST 20. BEFORE LIFTING THE



CIRCUIT BREAKER BLOCKS, THE CONTROL PERSONNEL DID NOT OBTAIN AUTHORIZATION FROM THE RESPONSIBLE TECHNOLOGY EMPLOYEES, AS REQUIRED UNDER WRITTEN FIRM POLICIES. THE FIRM'S POLICIES RELATING TO THE MANUAL "LIFTING" OF THOSE CIRCUIT BREAKERS WERE NOT DISSEMINATED TO OR FULLY UNDERSTOOD BY THE EMPLOYEES RESPONSIBLE FOR DECIDING WHEN THE CIRCUIT BREAKERS SHOULD BE LIFTED, AND, PRIOR TO AUGUST 20, 2013, GSCO PERSONNEL HAD LIFTED CIRCUIT BREAKER BLOCKS SHORTLY AFTER LEARNING OF THE BLOCK AND WHILE STILL INVESTIGATING THE CAUSE OF THE CIRCUIT BREAKER TRIP. THE MANNER IN WHICH GSCO IMPLEMENTED SOFTWARE CHANGES THAT IMPACTED THE FIRM'S ORDER FLOW ALSO CONTRIBUTED TO THE AUGUST 20 EVENT. GSCO ALSO HAD DEFICIENCIES IN THE RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES DESIGNED TO PREVENT ORDERS THAT EXCEED THE FIRM'S PRE-SET CAPITAL THRESHOLD. AS A RESULT OF THE FOREGOING, DURING THE PERIOD FROM AT LEAST NOVEMBER 30, 2011 THROUGH AUGUST 20, 2013, GSCO DID NOT HAVE A SYSTEM OF RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MANAGE THE FINANCIAL, REGULATORY, AND OTHER RISKS OF MARKET ACCESS IN RELATION TO ITS LISTED EQUITY OPTIONS BUSINESS. THUS, GSCO WILLFULLY VIOLATED THIS SECTION 15(C)(3) OF THE EXCHANGE ACT, AND WILLFULLY VIOLATED THE REQUIREMENT OF SUBSECTION (C)(1)(I) OF RULE 15C3-5 BY (A) ONLY COMPUTING ITS CAPITAL USAGE LEVEL EVERY 30 MINUTES WITH AN AUTOMATED WARNING WHEN CAPITAL USAGE REACHED 75%; (B) FAILING TO IMPLEMENT A REASONABLE PROCESS TO PREVENT THE ENTRY OF ORDERS THAT EXCEEDED ITS CAPITAL THRESHOLD; AND (C) FAILING TO INCLUDE A PORTION OF THE TRADING FLOW FROM SEVERAL BUSINESS UNITS, AND CERTAIN UNEXECUTED ORDERS, IN ITS CAPITAL USAGE CALCULATIONS. WILLFULLY VIOLATED THE REQUIREMENTS OF SUBSECTION (C)(1)(II) OF RULE 15C3-5 AND SUBSECTION (B) OF RULE 15C3-5.

<b>Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	06/30/2015
<b>Docket/Case Number:</b>	3-16665
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Order



**Resolution Date:** 06/30/2015

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,000,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULE 15C3-5 THEREUNDER; IS CENSURED; AND SHALL PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$7,000,000 (\$7 MILLION).

**Regulator Statement** IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT, WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. ACCORDINGLY, IT IS HEREBY ORDERED THAT: RESPONDENT GSCO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULE 15C3-5 THEREUNDER. RESPONDENT GSCO IS CENSURED. RESPONDENT GSCO SHALL, WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$7,000,000 (\$7 MILLION) TO THE UNITED STATES TREASURY.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") HAS ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") DID NOT HAVE A



SYSTEM OF RISK MANAGEMENT CONTROLS AND SUPERVISORY PROCEDURES REASONABLY DESIGNED TO MANAGE THE FINANCIAL, REGULATORY, AND OTHER RISKS OF MARKET ACCESS IN RELATION TO ITS LISTED EQUITY OPTIONS BUSINESS, WHICH CONTRIBUTED TO THE ENTRY OF ERRONEOUS ELECTRONIC OPTIONS ORDERS ON MULTIPLE OPTIONS EXCHANGES ON AUGUST 20, 2013. THE SEC ALLEGED THAT THE FIRM WILLFULLY VIOLATED SECTION 15(C)(3) OF THE EXCHANGE ACT AND RULE 15C3-5 THEREUNDER IN RELATION TO ITS CONTROLS AND SUPERVISORY PROCEDURES ADDRESSING (I) THE ENTRY OF ORDERS THAT EXCEED APPROPRIATE PRE-SET CREDIT OR CAPITAL THRESHOLDS; (II) THE ENTRY OF ERRONEOUS ORDERS THAT EXCEED APPROPRIATE PRICE OR SIZE PARAMETERS OR THAT INDICATE DUPLICATIVE ORDERS; AND (III) THE MANAGEMENT OF SOFTWARE CHANGES THAT IMPACT ORDER FLOW.

**Initiated By:** U.S. SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 06/30/2015

**Docket/Case Number:** 3-16665

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CEASE AND DESIST; CENSURE

**Resolution:** Order

**Resolution Date:** 06/30/2015

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,000,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** THE ORDER REQUIRED THE FIRM TO PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$7 MILLION, WHICH THE FIRM PAID ON JUNE 30, 2015.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE VIOLATIONS, THE FIRM CONSENTED TO THE ENTRY OF AN ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER ON JUNE 30, 2015 BY THE SEC PURSUANT TO WHICH THE FIRM: (I) SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15(C)(3) OF THE EXCHANGE



ACT AND RULE 15C3-5 THEREUNDER; (II) IS CENSURED; AND (III) PAID A TOTAL CIVIL MONEY PENALTY OF \$7 MILLION ON JUNE 30, 2015.

#### Disclosure 36 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** GOLDMAN, SACHS & CO. ("GOLDMAN"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$2,500 FOR THE FOLLOWING CONDUCT. GOLDMAN FAILED TO REGISTER ITS FINANCIAL AND OPERATIONS PRINCIPAL AS A FINANCIAL AND OPERATIONS PRINCIPAL (FN) WITH THE EXCHANGE IN WEBCRD. (EXCHANGE RULE 3.4 - QUALIFICATION AND REGISTRATION)

**Initiated By:** C2 OPTIONS EXCHANGE, INCORPORATED

**Date Initiated:** 02/26/2015

**Docket/Case Number:** C2 15-0001 / 20150442481

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 07/16/2015

**Sanctions Ordered:** Censure  
Monetary/Fine \$2,500.00

**Other Sanctions Ordered:**

**Sanction Details:** A \$2,500 FINE AND A CENSURE.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** C2 OPTIONS EXCHANGE, INCORPORATED ("C2") BUSINESS CONDUCT COMMITTEE (THE "COMMITTEE") ALLEGED THAT, FROM ON OR ABOUT MARCH 27, 2013 THROUGH ON OR ABOUT JULY 11, 2014, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO APPROPRIATELY REGISTER ITS FINANCIAL





AND OPERATIONS PRINCIPAL AS A FINANCIAL AND OPERATIONS PRINCIPAL (FN) WITH C2, IN ALLEGED VIOLATION OF C2 RULE 3.4.

**Initiated By:** C2 OPTIONS EXCHANGE, INCORPORATED

**Date Initiated:** 02/26/2015

**Docket/Case Number:** C2 15-0001 / 20150442481

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Consent

**Resolution Date:** 07/16/2015

**Sanctions Ordered:** Censure  
Monetary/Fine \$2,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$2,500, WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON JULY 30, 2015.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM SUBMITTED AN OFFER OF SETTLEMENT TO THE COMMITTEE. ON JULY 16, 2015, THE COMMITTEE ISSUED A DECISION ACCEPTING THE OFFER OF SETTLEMENT, AND ON JULY 30, 2015, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$2,500.

#### Disclosure 37 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** GOLDMAN, SACHS & CO. ("GOLDMAN"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$15,000 FOR THE FOLLOWING CONDUCT. GOLDMAN (I) FAILED TO REGISTER FIVE (5) ASSOCIATED PERSONS AS A PROPRIETARY TRADER (PT) WITH THE EXCHANGE IN WEBCRD; AND (II) FAILED TO REGISTER ITS CHIEF COMPLIANCE OFFICER AS A PROPRIETARY TRADER COMPLIANCE OFFICER (CT) WITH THE EXCHANGE IN WEBCRD. (EXCHANGE RULE 3.6A - QUALIFICATION AND



# REGISTRATION OF TRADING PERMIT HOLDERS AND ASSOCIATED PERSONS)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 02/26/2015

**Docket/Case Number:** 15-0005 / 20150442706

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 07/16/2015

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** A \$15,000 FINE AND A CENSURE.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED ("CBOE") BUSINESS CONDUCT COMMITTEE (THE "COMMITTEE") ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO APPROPRIATELY REGISTER WITH THE CBOE: (I) ON VARIOUS DATES BETWEEN ON OR ABOUT NOVEMBER 5, 2011 THROUGH ON OR ABOUT OCTOBER 10, 2014, FIVE (5) ASSOCIATED PERSONS AS A PROPRIETARY TRADER (PT), AND (II) BY NOVEMBER 5, 2011, ITS CHIEF COMPLIANCE OFFICER AS A PROPRIETARY TRADER COMPLIANCE OFFICER (CT), EACH IN ALLEGED VIOLATION OF CBOE RULE 3.6A.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED

**Date Initiated:** 02/26/2015

**Docket/Case Number:** 15-0005 / 20150442706

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Consent

**Resolution Date:** 07/16/2015

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$15,000, WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON JULY 30, 2015.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM SUBMITTED AN OFFER OF SETTLEMENT TO THE COMMITTEE. ON JULY 16, 2015, THE COMMITTEE ISSUED A DECISION ACCEPTING THE OFFER OF SETTLEMENT, AND ON JULY 30, 2015, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$15,000.

**Disclosure 38 of 325**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ICE FUTURES U.S., INC. ("IFUS") COMPLIANCE DEPARTMENT ISSUED A NOTICE OF SUMMARY FINE, DATED MAY 26, 2015, TO GOLDMAN, SACHS & CO. (THE "FIRM"), STATING THAT THE FIRM MAY HAVE VIOLATED IFUS RULE 4.07 ON MARCH 9, 2015 BY FAILING TO REPORT A BLOCK TRADE IN A TIMELY MANNER.

**Initiated By:** ICE FUTURES U.S., INC.

**Date Initiated:** 05/26/2015

**Docket/Case Number:** 2015-042

**Principal Product Type:** Other

**Other Product Type(s):** BLOCK TRADE

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)


**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 05/26/2015

**Sanctions Ordered:** Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE SUMMARY FINE, IN THE AMOUNT OF \$1,000, WAS PAID BY SUBMISSION OF A WIRE ON JUNE 9, 2015.

**Firm Statement** THE SUMMARY FINE, IN THE AMOUNT OF \$1,000, WAS PAID BY SUBMISSION OF A WIRE ON JUNE 9, 2015.

**Disclosure 39 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SEC ADMIN RELEASES 33- 9825; 34- 75219 / JUNE 18, 2015: THE SECURITIES AND EXCHANGE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST GOLDMAN, SACHS & CO., ("RESPONDENT"). RESPONDENT WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT. THIS MATTER INVOLVES VIOLATIONS OF AN ANTIFRAUD PROVISION OF THE FEDERAL SECURITIES LAWS IN CONNECTION WITH RESPONDENT'S UNDERWRITING OF CERTAIN MUNICIPAL SECURITIES OFFERINGS. RESPONDENT, A REGISTERED BROKER-DEALER, CONDUCTED INADEQUATE DUE DILIGENCE IN CERTAIN OFFERINGS AND AS A RESULT, FAILED TO FORM A REASONABLE BASIS FOR BELIEVING THE TRUTHFULNESS OF CERTAIN MATERIAL REPRESENTATIONS IN OFFICIAL STATEMENTS ISSUED IN CONNECTION WITH THOSE OFFERINGS. THIS RESULTED IN RESPONDENT OFFERING AND SELLING MUNICIPAL SECURITIES ON THE BASIS OF MATERIALLY MISLEADING DISCLOSURE DOCUMENTS. THE VIOLATIONS WERE SELF-REPORTED BY RESPONDENT TO THE COMMISSION PURSUANT TO THE DIVISION OF ENFORCEMENT'S (THE "DIVISION") MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION (MCDC) INITIATIVE.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 06/18/2015

**Docket/Case Number:** 3-16619



<b>Principal Product Type:</b>	Debt - Municipal
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	06/18/2015
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	Yes
<b>Sanctions Ordered:</b>	Monetary/Fine \$500,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	UNDERTAKINGS
<b>Sanction Details:</b>	THE RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$500,000.00 AND COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE OFFER OF SETTLEMENT.
<b>Regulator Statement</b>	IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENT'S OFFER. ACCORDINGLY, IT IS HEREBY ORDERED THAT RESPONDENT SHALL, CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF 17(A)(2) OF



THE SECURITIES ACT; WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$500,000.00 TO THE SECURITIES AND EXCHANGE COMMISSION; AND RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF RESPONDENT'S POLICIES AND PROCEDURES AS THEY RELATE TO MUNICIPAL SECURITIES UNDERWRITING DUE DILIGENCE.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") HAS ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") CONDUCTED INADEQUATE DUE DILIGENCE IN CERTAIN OFFERINGS AND, AS A RESULT, FAILED TO FORM A REASONABLE BASIS FOR BELIEVING THE TRUTHFULNESS OF CERTAIN MATERIAL REPRESENTATIONS IN OFFICIAL STATEMENTS ISSUED IN CONNECTION WITH THOSE OFFERINGS. THIS RESULTED IN THE FIRM OFFERING AND SELLING MUNICIPAL SECURITIES ON THE BASIS OF MATERIALLY MISLEADING DISCLOSURE DOCUMENTS. THE SEC ALLEGED THAT THE FIRM WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT OF 1933. THE VIOLATIONS DISCUSSED IN THE ORDER WERE SELF-REPORTED BY THE FIRM TO THE SEC PURSUANT TO THE DIVISION OF ENFORCEMENT'S MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE.
<b>Initiated By:</b>	U.S. SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	06/18/2015
<b>Docket/Case Number:</b>	3-16619
<b>Principal Product Type:</b>	Debt - Municipal
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST; UNDERTAKING
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	06/18/2015
<b>Sanctions Ordered:</b>	Monetary/Fine \$500,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	THE ORDER ALSO REQUIRES THE FIRM TO RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF THE FIRM'S POLICIES AND



PROCEDURES AS THEY RELATE TO MUNICIPAL SECURITIES UNDERWRITING DUE DILIGENCE AND REQUIRES THE FIRM TO ADOPT THE INDEPENDENT CONSULTANT'S RECOMMENDATIONS (UNLESS THE SEC FINDS A RECOMMENDATION UNDULY BURDENSOME, IMPRACTICAL, OR INAPPROPRIATE, IN WHICH CASE THE FIRM SHALL NOT BE REQUIRED TO ABIDE BY, ADOPT, OR IMPLEMENT THAT RECOMMENDATION).

**Sanction Details:**

THE ORDER REQUIRED THE FIRM TO PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$500,000, WHICH THE FIRM PAID ON JUNE 25, 2015.

**Firm Statement**

WITHOUT ADMITTING OR DENYING THE VIOLATIONS, THE FIRM CONSENTED TO THE ENTRY OF AN ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER ON JUNE 18, 2015 BY THE SEC PURSUANT TO WHICH THE FIRM: (I) SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT OF 1933; (II) PAID A CIVIL MONEY PENALTY IN THE AMOUNT OF \$500,000 ON JUNE 25, 2015; AND (III) SHALL COMPLY WITH THE UNDERTAKINGS ENUMERATED IN THE ORDER.

**Disclosure 40 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT S1 TRANSACTIONS IN TRADE REPORTING AND COMPLIANCE ENGINE (TRACE)-ELIGIBLE CORPORATE DEBT SECURITIES AND TRACE-ELIGIBLE AGENCY DEBT SECURITIES TO TRACE WITHIN 15 MINUTES OF THE TIME OF EXECUTION. THE FINDINGS STATED THAT THE FIRM FAILED TO REPORT TRANSACTIONS IN TRACE-ELIGIBLE SECURITIZED PRODUCTS TO TRACE WITHIN THE TIME REQUIRED. THE FINDINGS ALSO STATED THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS AND THE RULES OF FINRA. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) FAILED TO PROVIDE FOR THE MINIMUM REQUIREMENTS FOR ADEQUATE WSPS, REGARDING THE TIMELY SUBMISSION OF ACCURATE REPORTS TO TRACE.

**Initiated By:** FINRA

**Date Initiated:** 06/03/2015



<b>Docket/Case Number:</b>	<a href="#">2013037909601</a>
<b>Principal Product Type:</b>	Debt - Corporate
<b>Other Product Type(s):</b>	AGENCY DEBT AND SECURITIZED PRODUCTS
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	06/03/2015
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$185,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	THE FIRM WAS CENSURED, FINED \$185,000, AND AN UNDERTAKING TO PROVIDE REPORTS, WRITTEN AND ORAL, TO FINRA REGARDING THE EFFECTIVENESS OF THE FIRM'S WSPS WITH RESPECT TO THE AREAS DESCRIBED IN THE AWC. FINE PAID IN FULL JULY 9, 2015.
<hr/>	
<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT: (I) GOLDMAN, SACHS & CO. ("GSCO") FAILED TO TIMELY REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE ("TRACE"), CERTAIN TRANSACTIONS IN (A) TRACE-ELIGIBLE CORPORATE DEBT SECURITIES, DURING THE PERIOD OF APRIL 1, 2013 THROUGH JUNE 30, 2013 IN ALLEGED VIOLATION OF FINRA RULES 6730(A) AND 2010; AND (B) SECURITIZED PRODUCTS AND AGENCY DEBT SECURITIES, DURING THE PERIOD OF JANUARY 1, 2014 THROUGH MARCH 31, 2014, EACH IN ALLEGED VIOLATION OF FINRA RULE 6730(A), AND WITH REGARD TO THE TRACE-ELIGIBLE SECURITIZED PRODUCTS, IN ALLEGED VIOLATION OF FINRA RULE 2010; AND (II) GSCO'S WRITTEN SUPERVISORY PROCEDURES





FAILED TO PROVIDE FOR THE MINIMUM REQUIREMENTS FOR TIMELY SUBMISSION OF ACCURATE REPORTS TO TRACE, IN ALLEGED VIOLATION OF FINRA RULE 2010 AND NASD RULE 3010.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 06/03/2015

**Docket/Case Number:** [2013037909601](#)

**Principal Product Type:** Debt - Corporate

**Other Product Type(s):** AGENCY DEBT AND SECURITIZED PRODUCTS

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE; UNDERTAKING

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/03/2015

**Sanctions Ordered:** Censure  
Monetary/Fine \$185,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$185,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON JULY 9, 2015.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE, FINE AND UNDERTAKING AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON JUNE 3, 2015, AND ON JULY 9, 2015, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$185,000. IN THE UNDERTAKING, THE FIRM CONSENTED TO PROVIDE THREE REPORTS, WRITTEN AND ORAL, TO FINRA ON DATES THAT ARE NO MORE THAN 3 MONTHS, 6 MONTHS, AND 12 MONTHS AFTER THE DATE OF THE NOTICE OF ACCEPTANCE OF THE AWC, REGARDING THE EFFECTIVENESS OF THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO TIMELY SUBMISSION OF ACCURATE REPORTS TO TRACE.

#### Disclosure 41 of 325

**Reporting Source:** Firm

**Current Status:** Final



<b>Allegations:</b>	CBOE FUTURES EXCHANGE, LLC ("CFE") ALLEGED THAT GOLDMAN, SACHS & CO. FAILED TO DESIGNATE ONE CFE OFF EXCHANGE TRADE ON AN ACCOUNT STATEMENT AS A BLOCK TRADE, AND TO PROVIDE AN ORDER TICKET FOR ANOTHER BLOCK TRADE, EACH IN ALLEGED VIOLATION OF CFE RULE 415(E).
<b>Initiated By:</b>	CBOE FUTURES EXCHANGE, LLC
<b>Date Initiated:</b>	04/12/2015
<b>Docket/Case Number:</b>	105141/107480
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	BLOCK TRADES
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	04/12/2015
<b>Sanctions Ordered:</b>	Monetary/Fine \$2,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE CFE IMPOSED A FINE FOR MINOR RULE VIOLATIONS IN THE AMOUNT OF \$2,500, WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON APRIL 9, 2015.
<b>Firm Statement</b>	THE CFE IMPOSED A FINE FOR MINOR RULE VIOLATIONS IN THE AMOUNT OF \$2,500, WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON APRIL 9, 2015.

#### Disclosure 42 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT AFTER IT'S PARENT COMPANY ACQUIRED ANOTHER MEMBER FIRM, THE FIRMS SOUGHT AN EXEMPTION FROM THE INTERMARKET SURVEILLANCE GROUP (ISG) FROM AGGREGATING ITS OPTION POSITIONS FOR THE PURPOSES OF POSITION AND EXERCISE LIMIT COMPLIANCE. THE FINDINGS STATED THAT UPON DEMONSTRATING THAT THE FIRMS DID NOT



SHARE CONTROL OR INFLUENCE DECISIONS MADE WITH RESPECT TO TRADING IN EACH FIRM'S ACCOUNTS, ISG GRANTED THE EXEMPTION REQUEST (THE AGGREGATION EXEMPTION). THE AGGREGATION EXEMPTION GRANTED ON BEHALF OF THE OPTIONS EXCHANGES (THE EXCHANGES) WAS MEMORIALIZED IN A LETTER TO THE FIRMS DATED OCTOBER 31, 2000, WHICH STATED THAT THE FIRMS MUST NOTIFY THE EXCHANGES OF ANY CHANGES MADE TO THE STRUCTURE OF THE ACCOUNTS SO THAT THE AGGREGATION EXEMPTION DETERMINATION COULD BE RE-EXAMINED IF CIRCUMSTANCES CHANGED. CERTAIN FIRM PERSONNEL WERE GRANTED ACCESS TO THE NEW ACQUISITION'S ACCOUNTS THAT WERE SUBJECT TO THE AGGREGATION EXEMPTION. THE ACCESS WAS GRANTED IN CONNECTION WITH THE INTEGRATION OF THE STOCK LOAN SERVICES OFFERED BY THE FIRMS. THIS WAS DONE PURSUANT TO APPROVAL FROM THE NEW YORK STOCK EXCHANGE AND THE AMERICAN STOCK EXCHANGE BECAUSE SUCH ACCESS REQUIRED RELIEF FROM RULES 98 AND 193, RESPECTIVELY. THE FIRMS DID NOT PROVIDE THE EXCHANGES WITH NOTICE OF THIS CHANGE AS REQUIRED BY THE TERMS OF THE AGGREGATION EXEMPTION. THE FINDINGS ALSO STATED THAT THE FIRMS FAILED TO HAVE ADEQUATE PROCEDURES, INCLUDING WRITTEN SUPERVISORY PROCEDURES, REASONABLY DESIGNED TO IDENTIFY MATERIAL CHANGES IN ACCESS AND MANAGEMENT OF ACCOUNTS THAT WERE THE SUBJECT OF THE AGGREGATION EXEMPTION IN ORDER TO ASSURE THAT PROPER NOTICE WAS GIVEN TO THE EXCHANGES, AND PROPER NOTICE TO THE EXCHANGES WAS NOT PROVIDED.

**Initiated By:** FINRA

**Date Initiated:** 12/29/2014

**Docket/Case Number:** [2012031743301](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/29/2014



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?**

No

**Sanctions Ordered:**

Censure

Monetary/Fine \$18,750.00

**Other Sanctions Ordered:**

**Sanction Details:**

THE FIRM WAS CENSURED AND FINED \$18,750. IN DETERMINING TO RESOLVE THIS MATTER IN THE MANNER SET FORTH HEREIN, AND IN DETERMINING THE APPROPRIATE MONETARY SANCTION, FINRA TOOK INTO CONSIDERATION THE FOLLOWING: THE FIRMS SELF-REPORTED THE VIOLATIONS AT ISSUE AND PROMPTLY TOOK ACTION TO CORRECT THE VIOLATIVE ACTIVITY; ON THEIR OWN ACCORD, THE FIRMS PERFORMED A LOOK-BACK REVIEW OF OPTION POSITION AND EXERCISE LIMITS FOR THE TIME PERIOD OF BETWEEN AUGUST 2004 (THE FIRST DATE SUCH ACCOUNTS HELD OPTION POSITIONS) AND DECEMBER 2011 (WHEN IT BEGAN AGGREGATING POSITIONS) AND IDENTIFIED NO VIOLATIONS STEMMING FROM A FAILURE TO AGGREGATE ITS OPTION POSITIONS OCCURRED; AND THE FIRMS REVIEWED A SIGNIFICANT NUMBER OF EMAILS TO DETERMINE IF ANY INAPPROPRIATE COMMUNICATIONS OCCURRED DURING THE REVIEW PERIOD AND FOUND NO EVIDENCE THAT UNDERLYING VIOLATIONS OCCURRED.  
FINE PAID IN FULL ON JANUARY 9, 2015.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT DURING THE PERIOD OF AUGUST 2003 THROUGH DECEMBER 2011, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO: (I) HAVE ADEQUATE PROCEDURES, INCLUDING WRITTEN SUPERVISORY PROCEDURES, REASONABLY DESIGNED TO IDENTIFY MATERIAL CHANGES IN ACCESS AND MANAGEMENT OF CERTAIN ACCOUNTS THAT WERE GRANTED AN EXEMPTION FROM AGGREGATING OPTIONS POSITIONS BY THE INTERMARKET SURVEILLANCE GROUP (ISG) IN ORDER TO ASSURE THAT PROPER NOTICE WAS GIVEN TO CERTAIN OPTIONS EXCHANGES (THE "EXCHANGES"); AND (II) PROVIDE NOTICE TO THE EXCHANGES OF ANY SUCH CHANGES, IN ALLEGED VIOLATION OF NASD RULES 3010 AND 2110 (FOR CONDUCT PRIOR TO DECEMBER 15, 2008) AND FINRA RULE 2010 (FOR CONDUCT ON AND AFTER DECEMBER 15, 2008).



**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 12/23/2014

**Docket/Case Number:** [2012031743301](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/23/2014

**Sanctions Ordered:** Censure  
Monetary/Fine \$18,750.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$18,750, WHICH WAS PAID BY SUBMISSION OF A WIRE ON JANUARY 9, 2015.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON DECEMBER 23, 2014, AND ON JANUARY 9, 2015, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$18,750.

#### Disclosure 43 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** GOLDMAN SACHS & CO. ("GOLDMAN SACHS"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED \$20,000 FOR THE FOLLOWING CONDUCT. GOLDMAN SACHS (I) ON NUMEROUS OCCASIONS, FAILED TO GRANT PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER WHEN SUCH BID OR OFFER WAS AVAILABLE AND, ON NUMEROUS OCCASIONS, FAILED TO USE DUE DILIGENCE TO EXECUTE ORDERS AT THE BEST PRICES AVAILABLE; AND (II) FAILED TO ASSURE COMPLIANCE WITH EXCHANGE RULES 6.45A, 6.45B AND 6.73. IN ACCEPTING THIS LETTER OF CONSENT, THE BUSINESS CONDUCT COMMITTEE CONSIDERED AMONG OTHER THINGS, THE TOTAL NUMBER OF EXCEPTIONS INVOLVED IN THE



CONDUCT DESCRIBED ABOVE. (EXCHANGE RULES 4.2 - ADHERENCE TO LAW, 6.45A - PRIORITY AND ALLOCATION OF EQUITY OPTION TRADES ON THE CBOE HYBRID SYSTEM, 6.45B - PRIORITY AND ALLOCATION OF TRADES IN INDEX OPTIONS AND OPTIONS ON ETFS ON THE CBOE HYBRID SYSTEM, AND 6.73 - RESPONSIBILITIES OF FLOOR BROKERS)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 10/24/2014

**Docket/Case Number:** 14-0047

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 12/01/2014

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** A \$20,000 FINE AND A CENSURE.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED ("CBOE") ALLEGED THAT, DURING THE APPROXIMATE PERIOD FROM IN OR ABOUT JANUARY 2009 THROUGH IN OR ABOUT FEBRUARY 2011, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED: (I) ON CERTAIN OCCASIONS, TO GRANT PRIORITY TO THE HIGHEST BID AND/OR LOWEST OFFER WHEN SUCH BID OR OFFER WAS AVAILABLE, AND TO USE DUE DILIGENCE TO EXECUTE CERTAIN ORDERS AT THE BEST PRICES AVAILABLE, IN ALLEGED VIOLATION OF CBOE RULES 6.45A, 6.45B AND 6.73; AND (II) TO ASSURE COMPLIANCE WITH SUCH RULES, IN ALLEGED VIOLATION OF CBOE RULE 4.2.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED

**Date Initiated:** 12/01/2014



<b>Docket/Case Number:</b>	14-0047
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	12/01/2014
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$20,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$20,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 9, 2014.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF CONSENT WHICH WAS APPROVED BY THE CBOE BUSINESS CONDUCT COMMITTEE ON DECEMBER 1, 2014, AND ON DECEMBER 9, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$20,000.

#### Disclosure 44 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ICE FUTURES U.S., INC. ("IFUS") COMPLIANCE DEPARTMENT ISSUED A NOTICE OF SUMMARY FINE, DATED NOVEMBER 19, 2014, TO GOLDMAN, SACHS & CO. (THE "FIRM"), STATING THAT: (I) ON FEBRUARY 11, 2013 AND MARCH 11, 2013, THE FIRM FAILED TO ENTER CERTAIN CROSSING ORDERS ("CO") FOR CERTAIN OPPOSING ORDERS SUBMITTED SIMULTANEOUSLY BY A COMMON ACCOUNT MANAGER ON BEHALF OF ACCOUNTS WITH SEPARATE BENEFICIAL OWNERS; AND (II) SPECIFICALLY, ON EACH DATE, THE FIRM ENTERED CERTAIN OPPOSING ORDERS WITHOUT THE USE OF IFUS CO FUNCTIONALITY, RESULTING IN CERTAIN FUTURES SPREADS TRANSACTING AGAINST ONE ANOTHER, IN VIOLATION OF IFUS RULE 4.02(I)(2).
<b>Initiated By:</b>	ICE FUTURES U.S., INC.



**Date Initiated:** 11/19/2014

**Docket/Case Number:** 2013-016/028

**Principal Product Type:** Derivative(s)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 11/19/2014

**Sanctions Ordered:** Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE SUMMARY FINE, IN THE AMOUNT OF \$15,000, WAS PAID BY SUBMISSION OF A WIRE ON NOVEMBER 28, 2014.

**Firm Statement** THE SUMMARY FINE, IN THE AMOUNT OF \$15,000, WAS PAID BY SUBMISSION OF A WIRE ON NOVEMBER 28, 2014.

#### Disclosure 45 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM VIOLATED PROVISIONS OF NASD RULE 2711, THROUGH ITS PARTICIPATION IN A PLANNED INITIAL PUBLIC OFFERING (IPO). THE FINDINGS STATED THAT A COMPANY AND ITS PRIVATE EQUITY OWNERS ("SPONSORS") INVITED THE FIRM TO COMPETE FOR A ROLE IN THE COMPANY'S PLANNED IPO. THE FIRM ALLOWED ITS RESEARCH ANALYST TO PARTICIPATE IN THE FIRM'S SOLICITATION EFFORTS BY ALLOWING THE ANALYST TO PRESENT HIS VIEWS ON THE COMPANY TO THE COMPANY'S MANAGEMENT AND SPONSORS DURING THE SOLICITATION PERIOD. TO WIN THIS INVESTMENT BANKING BUSINESS FROM THE COMPANY THE FIRM ALLOWED ITS EQUITY RESEARCH ANALYST TO PARTICIPATE IN THE FIRM'S SOLICITATION EFFORTS. THEREFORE, IN THE CONTEXT OF THE COMPANY'S IPO, THIS WAS A CONFLICT OF INTEREST BY THE RESEARCH ANALYST AS THEY WERE PROHIBITED FROM PARTICIPATING IN EFFORTS TO SOLICIT INVESTMENT BANKING BUSINESS. ADDITIONALLY, THE FIRM





COMPLIED WITH THE COMPANY'S REQUEST FOR A VALUATION THAT INCLUDED THE ANALYST'S VIEWS. THE FINDINGS ALSO STATED THAT THE FIRM OFFERED FAVORABLE RESEARCH TO INDUCE THE COMPANY TO AWARD THE FIRM ITS INVESTMENT BANKING BUSINESS. THE FIRM'S ANALYST'S PRESENTATION TO THE COMPANY AND THE SPONSORS SUPPORTED THE FIRM'S INVESTMENT BANKING PITCH AND OFFERED A POSITIVE EVALUATION OF THE COMPANY. UNDER THE CIRCUMSTANCES OF THE COMPANY IPO, THE FIRM OFFERED FAVORABLE RESEARCH COVERAGE TO INDUCE RECEIPT OF INVESTMENT BANKING BUSINESS. THE FIRM RESEARCH ANALYST EXPRESSED FAVORABLE VIEWS ABOUT THE COMPANY DURING HIS PRESENTATION. ADDITIONALLY, THE FIRM OFFERED FAVORABLE COVERAGE BY COMPLETING AND SUBMITTING TO THE COMPANY, DURING THE SOLICITATION PERIOD, A VALUATION TEMPLATE REQUESTED BY THE COMPANY AND THE SPONSORS. THE FIRM UNDERSTOOD THAT THE COMPANY AND THE SPONSORS WANTED A FINAL VALUATION THAT THE ENTIRE FIRM, INCLUDING ITS ANALYST, WOULD SUPPORT IF SELECTED AS AN UNDERWRITER. BY INCLUDING FAVORABLE VIEWS OF THE COMPANY IN THE ANALYST'S PRESENTATION AND PROVIDING THE COMPANY THE UNIFIED VALUATION IT SOUGHT, THE FIRM INDICATED TO THE COMPANY THAT POST-IPO RESEARCH COVERAGE WOULD BE POSITIVE AND ALIGNED WITH INVESTMENT BANKING. SHORTLY THEREAFTER, THE COMPANY AND THE SPONSORS SELECTED THE FIRM AS LEAD UNDERWRITER FOR ITS IPO. THE COMPANY, HOWEVER, EVENTUALLY DECIDED NOT TO PROCEED WITH THE OFFERING. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ADOPT AND IMPLEMENT WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH NASD RULE 2711 SO AS TO AVOID CONDUCT THAT, UNDER THE CIRCUMSTANCES, CONSTITUTED (A) PARTICIPATION BY ITS RESEARCH ANALYST IN THE SOLICITATION OF A ROLE IN THE COMPANY'S IPO, AND (B) AN OFFER OF FAVORABLE RESEARCH.

<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	12/11/2014
<b>Docket/Case Number:</b>	<a href="#">2011030683301</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	INITIAL PUBLIC OFFERING
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)



**Resolution Date:** 12/11/2014

**Sanctions Ordered:** Censure  
Monetary/Fine \$5,000,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$5,000,000. FINE PAID IN FULL ON DECEMBER 18, 2014.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF ENFORCEMENT ALLEGED THAT IN CONNECTION WITH EFFORTS BY GOLDMAN, SACHS & CO. (THE "FIRM") AND OTHER BROKER-DEALERS TO PARTICIPATE IN A COMPANY'S PLANNED INITIAL PUBLIC OFFERING (IPO), THE FIRM: (A) ALLOWED A RESEARCH ANALYST TO PARTICIPATE IN THE SOLICITATION OF CERTAIN INVESTMENT BANKING BUSINESS; (B) OFFERED FAVORABLE RESEARCH COVERAGE TO INDUCE THE RECEIPT OF INVESTMENT BANKING BUSINESS; AND (C) FAILED TO ADOPT AND IMPLEMENT POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT VIOLATIONS OF NASD RULE 2711, IN ALLEGED VIOLATION OF NASD RULES 2711(C)(4), 2711(E), AND 2711(I), RESPECTIVELY, AND EACH IN ALLEGED VIOLATION OF FINRA RULE 2010.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 12/10/2014

**Docket/Case Number:** [2011030683301](#)

**Principal Product Type:** Other

**Other Product Type(s):** INITIAL PUBLIC OFFERING

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/10/2014

**Sanctions Ordered:** Censure  
Monetary/Fine \$5,000,000.00

**Other Sanctions Ordered:****Sanction Details:**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$5,000,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 18, 2014.

**Firm Statement**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON DECEMBER 10, 2014, AND ON DECEMBER 18, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$5,000,000.

**Disclosure 46 of 325****Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

A PANEL OF THE CHICAGO BOARD OF TRADE ("CBOT") BUSINESS CONDUCT COMMITTEE (THE "PANEL") ACCEPTED A NEGOTIATED SETTLEMENT OFFER MADE BY GOLDMAN, SACHS & CO. (THE "FIRM") AND SUPPORTED BY THE MARKET REGULATION DEPARTMENT WHICH CONCERNED ALLEGATIONS THAT ON ONE OR MORE OCCASIONS FROM 2010 THROUGH 2013, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO PROPERLY REGISTER CERTAIN TAG50 USER IDS AND ALLOWED CERTAIN ORDERS TO BE ENTERED ON GLOBEX USING INCORRECT TAG50 USER IDS, IN ALLEGED VIOLATION OF CBOT RULE 576.

**Initiated By:**

CHICAGO BOARD OF TRADE

**Date Initiated:**

10/30/2014

**Docket/Case Number:**

CBOT 13-7766-7767-BC

**Principal Product Type:**

No Product

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:**

Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:****Resolution:**

Consent

**Resolution Date:**

10/30/2014

**Sanctions Ordered:**

Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**



<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$1,000, WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON NOVEMBER 7, 2014.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM SUBMITTED A SETTLEMENT OFFER TO THE PANEL. ON OCTOBER 28, 2014, THE PANEL ACCEPTED THE SETTLEMENT OFFER AND ISSUED A DECISION EFFECTIVE ON OCTOBER 30, 2014. ON NOVEMBER 7, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$1,000.

#### Disclosure 47 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	A PANEL OF THE CHICAGO MERCANTILE EXCHANGE ("CME") BUSINESS CONDUCT COMMITTEE (THE "PANEL") ACCEPTED A NEGOTIATED SETTLEMENT OFFER MADE BY GOLDMAN, SACHS & CO. (THE "FIRM") AND SUPPORTED BY THE MARKET REGULATION DEPARTMENT WHICH CONCERNED ALLEGATIONS THAT ON ONE OR MORE OCCASIONS FROM 2010 THROUGH 2013, THE FIRM FAILED TO PROPERLY REGISTER CERTAIN TAG50 USER IDS AND ALLOWED CERTAIN ORDERS TO BE ENTERED ON GLOBEX USING INCORRECT TAG50 USER IDS, IN ALLEGED VIOLATION OF CME RULE 576.
<b>Initiated By:</b>	CHICAGO MERCANTILE EXCHANGE
<b>Date Initiated:</b>	10/30/2014
<b>Docket/Case Number:</b>	CME 13-7766-7767-BC
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	10/30/2014
<b>Sanctions Ordered:</b>	Monetary/Fine \$2,500.00
<b>Other Sanctions Ordered:</b>	



<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$2,500, WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON NOVEMBER 7, 2014.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM SUBMITTED A SETTLEMENT OFFER TO THE PANEL. ON OCTOBER 28, 2014, THE PANEL ACCEPTED THE SETTLEMENT OFFER AND ISSUED A DECISION EFFECTIVE ON OCTOBER 30, 2014. ON NOVEMBER 7, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$2,500.

#### Disclosure 48 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	A PANEL OF THE NEW YORK MERCANTILE EXCHANGE ("NYMEX") BUSINESS CONDUCT COMMITTEE (THE "PANEL") ACCEPTED A NEGOTIATED SETTLEMENT OFFER MADE BY GOLDMAN, SACHS & CO. (THE "FIRM") AND SUPPORTED BY THE MARKET REGULATION DEPARTMENT WHICH CONCERNED ALLEGATIONS THAT THE FIRM, ON JANUARY 18, 2013, AND JANUARY 23, 2013: (I) EXECUTED CERTAIN BLOCK TRADES IN COMMODITIES FUTURES CONTRACTS THAT WERE NOT REPORTED TO NYMEX WITHIN THE APPLICABLE TIME LIMIT FOLLOWING EXECUTION; (II) REPORTED INACCURATE EXECUTION TIMES FOR THESE BLOCK TRADES; AND (III) EXECUTED THE TRADES AS SPREAD TRANSACTIONS BUT MISREPORTED THEM AS OUTRIGHT TRANSACTIONS, EACH IN ALLEGED VIOLATION OF NYMEX RULE 526.F.
<b>Initiated By:</b>	NEW YORK MERCANTILE EXCHANGE
<b>Date Initiated:</b>	10/30/2014
<b>Docket/Case Number:</b>	<a href="#">NYMEX 10-04626-BC</a>
<b>Principal Product Type:</b>	Derivative(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	10/30/2014



<b>Sanctions Ordered:</b>	Monetary/Fine \$40,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$40,000, WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON NOVEMBER 7, 2014.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM SUBMITTED A SETTLEMENT OFFER TO THE PANEL. ON OCTOBER 28, 2014, THE PANEL ACCEPTED THE SETTLEMENT OFFER AND ISSUED A DECISION EFFECTIVE ON OCTOBER 30, 2014. ON NOVEMBER 7, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$40,000.

#### Disclosure 49 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	A PANEL OF THE CHICAGO MERCANTILE EXCHANGE ("CME") BUSINESS CONDUCT COMMITTEE (THE "PANEL") ACCEPTED A NEGOTIATED SETTLEMENT OFFER MADE BY GOLDMAN, SACHS & CO. (THE "FIRM") AND SUPPORTED BY THE MARKET REGULATION DEPARTMENT WHICH CONCERNED ALLEGATIONS THAT THE FIRM: (I) ON THREE OCCASIONS BETWEEN NOVEMBER 28, 2011, AND JUNE 26, 2013, EXECUTED CERTAIN BLOCK TRADES FOR CUSTOMERS IN CME CONTRACTS THAT WERE NOT REPORTED TO CME WITHIN THE APPLICABLE TIME LIMIT FOLLOWING EXECUTION, IN VIOLATION OF CME RULE 526.F, AND ON TWO ADDITIONAL OCCASIONS, EXECUTED BLOCK ELIGIBLE SPREAD TRADES WHERE EACH LEG OF THE SPREAD WAS NOT EXECUTED AT THE SAME PRICE, IN ALLEGED VIOLATION OF CME RULE 526.D; (II) ON JUNE 26, 2013, CONSUMMATED A BLOCK TRADE TO SELL CURRENCY FUTURES TO A CUSTOMER AND, AFTER REALIZING THE TRADE WAS NOT REPORTED TO CME WITHIN THE REQUISITE TIME LIMIT, CANCELED THE BLOCK TRADE AND EXECUTED AN IDENTICAL TRADE WITH THE SAME CUSTOMER, IN ALLEGED VIOLATION OF CME RULE 526.F; AND (III) ON ONE OF THE ABOVE OCCASIONS, FAILED TO MAINTAIN ACCURATE RECORDS WITH RESPECT TO THE BLOCK TRADE EXECUTIONS IN THAT AN ORDER TICKET WAS MISSING, AND ON AT LEAST ONE OF THE ABOVE OCCASIONS, REPORTED TO CME AN INACCURATE EXECUTION TIME OF THE BLOCK TRADE, IN ALLEGED VIOLATION OF CME RULES 536.A AND 526.F.
<b>Initiated By:</b>	CHICAGO MERCANTILE EXCHANGE
<b>Date Initiated:</b>	10/30/2014



<b>Docket/Case Number:</b>	<a href="#">CME 10-04626-BC</a>
<b>Principal Product Type:</b>	Derivative(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	10/30/2014
<b>Sanctions Ordered:</b>	Monetary/Fine \$70,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$70,000, WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON NOVEMBER 7, 2014.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM SUBMITTED A SETTLEMENT OFFER TO THE PANEL. ON OCTOBER 28, 2014, THE PANEL ACCEPTED THE SETTLEMENT OFFER AND ISSUED A DECISION EFFECTIVE ON OCTOBER 30, 2014. ON NOVEMBER 7, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$70,000.

#### Disclosure 50 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	A PANEL OF THE CHICAGO BOARD OF TRADE ("CBOT") BUSINESS CONDUCT COMMITTEE (THE "PANEL") ACCEPTED A NEGOTIATED SETTLEMENT OFFER MADE BY GOLDMAN, SACHS & CO. (THE "FIRM") AND SUPPORTED BY THE MARKET REGULATION DEPARTMENT WHICH CONCERNED ALLEGATIONS THAT THE FIRM: (I) ON SEVERAL OCCASIONS BETWEEN DECEMBER 30, 2009, AND NOVEMBER 27, 2012, EXECUTED MULTIPLE BLOCK TRADES FOR CUSTOMERS IN VARIOUS CBOT INTEREST RATE FUTURES CONTRACTS THAT WERE NOT REPORTED TO CBOT WITHIN THE APPLICABLE TIME LIMIT FOLLOWING EXECUTION, REPORTED TO CBOT INACCURATE EXECUTION TIMES OF CERTAIN BLOCK TRADES, FAILED TO MAINTAIN ACCURATE RECORDS WITH RESPECT TO CERTAIN BLOCK TRADE EXECUTIONS, AND DID NOT ACCURATELY REFLECT THE



TIME OF EXECUTION ON CERTAIN ORDER TICKETS, IN ALLEGED VIOLATION OF CBOT RULES 526.F AND 536.A; AND (II) ON JANUARY 6, 2010, AND ON AUGUST 1, 2013, THE FIRM CONSUMMATED A BLOCK TRADE WITH A CUSTOMER AND, AFTER REALIZING THE TRADE WAS NOT REPORTED TO CBOT WITHIN THE REQUISITE TIME LIMIT, CANCELED THE BLOCK TRADE AND EXECUTED AN IDENTICAL TRADE WITH THE SAME CUSTOMER, IN ALLEGED VIOLATION OF CBOT RULE 526.F.

**Initiated By:** CHICAGO BOARD OF TRADE

**Date Initiated:** 10/30/2014

**Docket/Case Number:** [CBOT 10-04626-BC](#)

**Principal Product Type:** Derivative(s)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 10/30/2014

**Sanctions Ordered:** Monetary/Fine \$90,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$90,000, WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON NOVEMBER 7, 2014.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE RULE VIOLATIONS, ALLEGATIONS OR FINDINGS, THE FIRM SUBMITTED A SETTLEMENT OFFER TO THE PANEL. ON OCTOBER 28, 2014, THE PANEL ACCEPTED THE SETTLEMENT OFFER AND ISSUED A DECISION EFFECTIVE ON OCTOBER 30, 2014. ON NOVEMBER 7, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$90,000.

#### Disclosure 51 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO





REPORT APPARENT CUSTOMER ORDER EVENTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS), FAILED TO PROVIDE A RECORD OF ORDER ROUTE REPORTS SUBMITTED TO OATS, FAILED TO ACCURATELY APPEND THE SHORT SALE INDICATOR TO FINRA/NASDAQ TRADE REPORTING FACILITY (TRF) REPORTS, FAILED TO DOCUMENT "STOPPED STOCK" INFORMATION ON CUSTOMER ORDER MEMORANDUM, FAILED TO PROVIDE COMPLETE AND/OR ACCURATE CUSTOMER ORDER MEMORANDUM, AND INACCURATELY MARKED SELL TRANSACTIONS ON ITS TRADING LEDGER. THE FINDINGS STATED THAT THE FIRM INCORRECTLY REPORTED THE NUMBER OF SHARES EXECUTED AT THE MARKET CENTER AS AWAY EXECUTED SHARES IN THE FIRM'S RULE 605 OF REGULATION NMS REPORT AND TRANSMITTED REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA TO OATS.

**Initiated By:** FINRA

**Date Initiated:** 10/28/2014

**Docket/Case Number:** [2011026096702](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/28/2014

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$55,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM WAS CENSURED AND FINED \$55,000.  
FINE PAID IN FULL ON NOVEMBER 13, 2014.

**Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT GOLDMAN, SACHS &amp; CO. (THE "FIRM"): (A) BASED UPON CERTAIN ITEMS FROM THE 2011 TRADING AND MARKET MAKING SURVEILLANCE EXAMINATION OF THE FIRM WHICH EXAMINED TRADE DATES OCTOBER 5, 2011 AND OCTOBER 6, 2011, FAILED TO (I) REPORT CERTAIN APPARENT CUSTOMER ORDER EVENTS TO THE ORDER AUDIT TRAIL SYSTEM ("OATS"); (II) PROVIDE A RECORD OF CERTAIN ORDER ROUTE REPORTS SUBMITTED TO OATS; AND (III) ACCURATELY APPEND THE SHORT SALE INDICATOR TO CERTAIN FINRA/NASDAQ TRADE REPORTING FACILITY (TRF) REPORTS, IN ALLEGED VIOLATION OF FINRA RULES 7450, 7440 AND 6182, RESPECTIVELY; AND (IV) DOCUMENT "STOPPED STOCK" INFORMATION ON CERTAIN CUSTOMER ORDER MEMORANDA, PROVIDE CERTAIN COMPLETE AND/OR ACCURATE CUSTOMER ORDER MEMORANDA, AND ACCURATELY MARK CERTAIN SELL TRANSACTIONS ON THE FIRM'S TRADING LEDGER, IN ALLEGED VIOLATION OF SECTION 17 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND RULE 17(A)-3 THEREUNDER, AS WELL AS NASD RULE 3110; AND (B) BASED UPON CERTAIN ITEMS FROM THE 2012 TRADING AND MARKET MAKING SURVEILLANCE EXAMINATION OF THE FIRM WHICH EXAMINED TRADE DATES OCTOBER 11, 2012 AND OCTOBER 12, 2012, (I) INCORRECTLY REPORTED THE NUMBER OF SHARES EXECUTED AT THE MARKET CENTER AS AWAY EXECUTED SHARES IN CERTAIN INSTANCES IN THE FIRM'S RULE 605 OF REGULATION NMS REPORT, AND (II) TRANSMITTED CERTAIN REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA TO OATS, IN ALLEGED VIOLATION OF RULE 605 OF REGULATION NMS AND FINRA RULE 7450, RESPECTIVELY.</p>
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	10/24/2014
<b>Docket/Case Number:</b>	<a href="#">2011026096702</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	10/24/2014



**Sanctions Ordered:** Censure  
Monetary/Fine \$55,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$55,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON NOVEMBER 13, 2014.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON OCTOBER 24, 2014, AND ON NOVEMBER 13, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$55,000.

## Disclosure 52 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT SUBMITTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. THE FINDINGS STATED THAT THE FIRM IMPROPERLY SUBMITTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS THAT IT WAS NOT REQUIRED TO REPORT.

**Initiated By:** FINRA

**Date Initiated:** 10/07/2014

**Docket/Case Number:** [2012033550001](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/07/2014



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FIRM WAS CENSURED AND FINED \$5,000.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT, FOR THE PERIOD BETWEEN APRIL 1, 2012 AND JUNE 30, 2012, GOLDMAN, SACHS & CO. (THE "FIRM") IMPROPERLY SUBMITTED CERTAIN EXECUTION OR COMBINED ORDER/EXECUTION REPORTS THAT THE FIRM WAS NOT REQUIRED TO REPORT, IN ALLEGED VIOLATION OF FINRA RULE 7450.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	10/06/2014
<b>Docket/Case Number:</b>	<a href="#">2012033550001</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	10/06/2014
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$5,000, WHICH WAS PAID



BY SUBMISSION OF A WIRE ON OCTOBER 16, 2014.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON OCTOBER 6, 2014, AND ON OCTOBER 16, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$5,000.

#### Disclosure 53 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	IN A NOTICE OF A DISCIPLINARY MEASURE DATED AUGUST 25, 2014, THE SECRETARY OF THE DISCIPLINARY AND ARBITRATION COMMITTEE OF MEXDER, MERCADO MEXICANO DE DERIVADOS, S.A. DE C.V. ("MEXDER"), INFORMED GOLDMAN, SACHS & CO. (THE "FIRM") OF MEXDER'S CONCLUSION THAT THE FIRM FAILED TO TIMELY NOTIFY MEXDER OF THE WITHDRAWAL FROM REGISTRATION WITH MEXDER OF AN EMPLOYEE OF THE FIRM WHO WAS AN ACCREDITED MEXDER SALES REPRESENTATIVE AND TRADER, IN ALLEGED FAILURE TO COMPLY WITH ARTICLE 6036.00 SUBSECTION III OF MEXDER INTERNAL REGULATIONS.
<b>Initiated By:</b>	MEXDER, MERCADO MEXICANO DE DERIVADOS, S.A. DE C.V.
<b>Date Initiated:</b>	08/25/2014
<b>Docket/Case Number:</b>	SAN0372014
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	08/25/2014
<b>Sanctions Ordered:</b>	Monetary/Fine \$851.36
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	MEXDER IMPOSED AN ECONOMIC PENALTY ON THE FIRM IN THE AMOUNT OF \$11,268.24 MEXICAN PESOS IN THE AGGREGATE, WHICH AMOUNT WAS PAID BY SUBMISSION OF A WIRE ON SEPTEMBER 18, 2014. WHILE THE ACTUAL PAYMENT WAS MADE IN MEXICAN PESOS, USING THE FEDERAL



RESERVE FOREIGN EXCHANGE RATE OF MXN13.2355:USD1 AS OF SEPTEMBER 18, 2014, THE EQUIVALENT U.S. DOLLAR VALUE ON SEPTEMBER 18, 2014 WAS \$851.36, WHICH AMOUNT IS REFLECTED IN ITEM 12.A. ABOVE.

#### Firm Statement

MEXDER IMPOSED AN ECONOMIC PENALTY ON THE FIRM IN THE AMOUNT OF \$11,268.24 MEXICAN PESOS IN THE AGGREGATE, WHICH AMOUNT WAS PAID BY SUBMISSION OF A WIRE ON SEPTEMBER 18, 2014.

#### Disclosure 54 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT AS MANAGING UNDERWRITER, LEAD INITIAL PURCHASER, OR INITIAL PURCHASER, IT FAILED TO TIMELY REPORT NEW ISSUE OFFERINGS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES IN ACCORDANCE WITH THE REQUIREMENTS OF FINRA RULE 6760(C).
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	08/05/2014
<b>Docket/Case Number:</b>	<a href="#">2012032500201</a>
<b>Principal Product Type:</b>	Debt - Corporate
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	08/05/2014
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$7,500.00

**Other Sanctions Ordered:**

**Sanction Details:** SEE ABOVE

FINE PAID IN FULL ON AUGUST 13, 2014.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT, DURING THE PERIOD OF OCTOBER 1, 2011 THROUGH MARCH 31, 2012, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO TIMELY REPORT CERTAIN NEW ISSUE OFFERINGS IN TRACE-ELIGIBLE CORPORATE DEBT SECURITIES, IN ALLEGED VIOLATION OF FINRA RULE 6760(C).

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 08/01/2014

**Docket/Case Number:** [2012032500201](#)

**Principal Product Type:** Debt - Corporate

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 08/01/2014

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$7,500, WHICH WAS PAID BY SUBMISSION OF A WIRE ON AUGUST 13, 2014.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON AUGUST 1, 2014, AND ON AUGUST 13, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$7,500.



## Disclosure 55 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	IN AN ORIGINATING NOTICE TO GOLDMAN, SACHS & CO. (THE "FIRM") DATED JUNE 18, 2013, THE BOURSE DE MONTRÉAL INC. (THE "BOURSE") ALLEGED THAT, DURING THE PERIOD FROM DECEMBER 1, 2005 TO JUNE 30, 2012, THE FIRM PROVIDED CERTAIN PERSONNEL ACCESS TO THE ELECTRONIC TRADING SYSTEM OF THE BOURSE WITHOUT HAVING OBTAINED THE PRIOR APPROVAL OF THE BOURSE, IN ALLEGED CONTRAVENTION OF SECTION A) OF ARTICLE 6366 OF THE RULES OF THE BOURSE.
<b>Initiated By:</b>	BOURSE DE MONTRÉAL INC.
<b>Date Initiated:</b>	07/16/2014
<b>Docket/Case Number:</b>	12-011-DISC
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	11/25/2014
<b>Sanctions Ordered:</b>	Monetary/Fine \$61,969.15
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FIRM AGREED TO THE PAYMENT OF A FINE IN THE AMOUNT OF CAD\$65,000, AS WELL AS AN ADDITIONAL AMOUNT OF CAD\$6,500 FOR COSTS, WHICH AMOUNT WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 18, 2014. WHILE THE ACTUAL PAYMENT WAS MADE IN CANADIAN DOLLARS, USING THE MOST RECENTLY PUBLISHED FEDERAL RESERVE FOREIGN EXCHANGE RATE OF CAD\$1.1538:USD\$1 AS OF DECEMBER 12, 2014, THE EQUIVALENT US DOLLAR VALUE ON DECEMBER 12, 2014 WAS USD\$61,969.15, WHICH AMOUNT IS REFLECTED IN ITEM 12.A. ABOVE.
<b>Firm Statement</b>	ON NOVEMBER 25, 2014, THE DISCIPLINARY COMMITTEE OF THE BOURSE (THE "COMMITTEE") INFORMED THE FIRM OF THE COMMITTEE'S





APPROVAL OF AN OFFER OF SETTLEMENT (THE "OFFER OF SETTLEMENT") NEGOTIATED BETWEEN THE STAFF OF THE REGULATORY DIVISION OF THE BOURSE AND THE FIRM. THE COMMITTEE APPROVED THE OFFER OF SETTLEMENT ON NOVEMBER 14, 2014. IN THE OFFER OF SETTLEMENT, THE FIRM AGREED TO THE PAYMENT OF A FINE IN THE AMOUNT OF CAD\$65,000, AS WELL AS AN ADDITIONAL AMOUNT OF CAD\$6,500 FOR COSTS, WHICH AMOUNT WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 18, 2014. AS INDICATED IN THE COMMITTEE'S APPROVAL OF THE OFFER OF SETTLEMENT, UPON LEARNING OF CERTAIN UNAPPROVED ACCESS TO THE ELECTRONIC TRADING SYSTEM OF THE BOURSE, THE FIRM TOOK CORRECTIVE MEASURES, AND THE BOURSE NOTED THAT THE PROBLEM WAS CORRECTED.

#### Disclosure 56 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO ACCEPT OR DECLINE IN THE FINRA/NASDAQ TRADE REPORTING FACILITY TRANSACTIONS IN REPORTABLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	07/16/2014
<b>Docket/Case Number:</b>	<a href="#">2012033321101</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNSPECIFIED SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	07/16/2014



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** SEE ABOVE

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT, DURING THE PERIOD OF JANUARY 1, 2012 THROUGH APRIL 30, 2012, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO ACCEPT OR DECLINE IN THE FINRA/NASDAQ TRADE REPORTING FACILITY CERTAIN TRANSACTIONS IN REPORTABLE SECURITIES WITHIN TWENTY MINUTES AFTER EXECUTION, IN ALLEGED VIOLATION OF FINRA RULES 7230A(B) AND 2010.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 07/16/2014

**Docket/Case Number:** 20120333211-01

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/16/2014

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE



FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$20,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON JULY 29, 2014.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON JULY 16, 2014, AND ON JULY 29, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$20,000.

#### Disclosure 57 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ICE CLEAR CREDIT, LLC ("ICE") ALLEGED THAT DURING THE MONTH OF MAY, 2014, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO SUBMIT THREE (3) INDEX END OF DAY PRICES IN ACCORDANCE WITH ICE RULES AND PROCEDURES, IN ALLEGED VIOLATION OF ICE RULE 404(B).
<b>Initiated By:</b>	ICE CLEAR CREDIT LLC
<b>Date Initiated:</b>	06/09/2014
<b>Docket/Case Number:</b>	2014-404B-008
<b>Principal Product Type:</b>	Derivative(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	06/24/2014
<b>Sanctions Ordered:</b>	Monetary/Fine \$3,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	ICE MADE A SUMMARY ASSESSMENT AGAINST THE FIRM IN THE AMOUNT OF \$3,000. THE ASSESSMENT AMOUNT WAS BILLED IN AN ICE MONTHLY CLEARING FEE INVOICE, AND WAS PAID ON JULY 17, 2014.
<b>Firm Statement</b>	ICE MADE A SUMMARY ASSESSMENT AGAINST THE FIRM IN THE AMOUNT OF \$3,000. THE ASSESSMENT AMOUNT WAS BILLED IN AN ICE MONTHLY CLEARING FEE INVOICE, AND WAS PAID ON JULY 17, 2014.



## Disclosure 58 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE NORTH CAROLINA DEPARTMENT OF THE SECRETARY OF STATE, SECURITIES DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE NORTH CAROLINA DEPARTMENT OF THE SECRETARY OF STATE, SECURITIES DIVISION, ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	NORTH CAROLINA DEPARTMENT OF THE SECRETARY OF STATE, SECURITIES DIVISION
<b>Date Initiated:</b>	06/18/2014
<b>Docket/Case Number:</b>	09SEC049
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVES
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	06/18/2014
<b>Sanctions Ordered:</b>	Monetary/Fine \$125,175.05 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL



DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE NORTH CAROLINA DEPARTMENT OF THE SECRETARY OF STATE, SECURITIES DIVISION, ON JUNE 18, 2014, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$125,175.05 TO THE NORTH CAROLINA DEPARTMENT OF THE SECRETARY OF STATE, SECURITIES DIVISION, WHICH AMOUNT WAS PAID ON JUNE 26, 2014.

**Firm Statement**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE NORTH CAROLINA DEPARTMENT OF THE SECRETARY OF STATE, SECURITIES DIVISION, ON JUNE 18, 2014, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$125,175.05 TO THE NORTH CAROLINA DEPARTMENT OF THE SECRETARY OF STATE, SECURITIES DIVISION, WHICH AMOUNT WAS PAID ON JUNE 26, 2014.

**Disclosure 59 of 325**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CME GROUP, INC. ("CME") MARKET REGULATION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") SUBMITTED A POSITION ADJUSTMENT DECREASING OPEN INTEREST IN THE JUNE 2013 10-YR USD INTEREST RATE SWAP CONTRACT THAT RESULTED IN AN OFFSET OF CONTRACTS REPRESENTING MORE THAN ONE PERCENT OF THE REPORTED OPEN INTEREST, IN ALLEGED VIOLATION OF CBT RULE 854.

**Initiated By:** CME GROUP, INC.

**Date Initiated:** 05/20/2014

**Docket/Case Number:** CBT-RSRH-13-1735

**Principal Product Type:** Futures - Financial

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)


**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 06/05/2014

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM CONSENTED TO THE IMPOSITION OF A FINE BY THE CME IN THE AMOUNT OF \$5,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON MAY 27, 2014.

**Firm Statement** THE FIRM CONSENTED TO THE IMPOSITION OF A FINE BY THE CME IN THE AMOUNT OF \$5,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON MAY 27, 2014.

**Disclosure 60 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT SUBMITTED TO FINRA AND THE SEC BLUE SHEETS THAT INACCURATELY REPORTED CERTAIN SHORT SALE TRANSACTIONS AS LONG SALE TRANSACTIONS WITH RESPECT TO THE FIRM SIDE OF CUSTOMER FACILITATION TRADES. THE FINDINGS STATED THAT THE FIRM REPORTED SHORT SALES AS LONG SALES ON ITS BLUE SHEETS SUBMISSIONS WHEN THE TRADING DESK USED A PARTICULAR MIDDLE OFFICE SYSTEM, THE DESK'S TRANSACTIONS WERE PROCESSED THROUGH A CONTROL ACCOUNT, AND DETAILS ABOUT SEPARATE TRANSACTIONS WERE TRANSMITTED TO THE BLUE SHEET REPORTING PLATFORM VIA THE END OF DAY BATCH PROCESS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO INCLUDE CERTAIN STREET-SIDE TRANSACTIONS EXECUTED FOR CUSTOMERS IN ITS BLUE SHEETS SUBMISSIONS TO FINRA CAUSING THEM TO BE INACCURATE. THE FIRM'S FAILURE TO SUBMIT ACCURATE BLUE SHEETS HAD A NEGATIVE IMPACT ON REGULATORY INVESTIGATIONS INTO POSSIBLE VIOLATIONS OF SECURITIES LAWS. THE FINDINGS ALSO INCLUDED THAT THE FIRM DID NOT HAVE IN PLACE AN ADEQUATE AUDIT SYSTEM PROVIDING FOR ACCOUNTABILITY OF ITS BLUE SHEET SUBMISSIONS.

**Initiated By:** FINRA

**Date Initiated:** 06/04/2014



<b>Docket/Case Number:</b>	<a href="#">2013037230001</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNSPECIFIED SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	06/04/2014
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$1,000,000.00
<b>Other Sanctions Ordered:</b>	THE FIRM FURTHER AGREES THAT IT HAS CONDUCTED A REVIEW OF ITS POLICIES, SYSTEMS, AND PROCEDURES (WRITTEN OR OTHERWISE) RELATING TO THE DEFICIENCIES ADDRESSED HEREIN.
<b>Sanction Details:</b>	SEE ABOVE
<b>Regulator Statement</b>	IN DETERMINING THE APPROPRIATE SANCTION IN THIS MATTER, FINRA'S ENFORCEMENT DEPARTMENT CONSIDERED THE FIRM'S SELF-REPORT FOLLOWING ITS DISCOVERY OF THE VIOLATIONS DESCRIBED ABOVE. THE FIRM DETECTED THE VIOLATIONS; INITIATED INTERNAL REVIEWS UPON DISCOVERY OF THE VIOLATIONS, IDENTIFIED THE CAUSE OF THE VIOLATIONS, AND ENGAGED IN REMEDIATION. ACCORDINGLY, THE FIRM HAS RECEIVED A REDUCED FINE. FINE PAID IN FULL JUNE 18, 2014.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM"): (I) BETWEEN 2004 AND 2012, SUBMITTED TO FINRA, THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), AND OTHER REGULATORS, BLUE SHEETS THAT INACCURATELY REPORTED CERTAIN SHORT-SALE TRANSACTIONS AS LONG-SALE TRANSACTIONS, AND



BETWEEN NOVEMBER 2012 AND JANUARY 2013, FAILED TO INCLUDE CERTAIN TRANSACTIONS IN ITS BLUE SHEETS SUBMISSIONS TO FINRA, EACH IN ALLEGED VIOLATION OF SECTION 17(A) OF THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"); RULES 17A-4(J) AND 17A-25 THEREUNDER; NASD RULES 8211, 8213, AND 2110 (FOR INACCURATE BLUE SHEETS SUBMITTED BEFORE DECEMBER 15, 2008); AND FINRA RULES 8211, 8213, AND 2010; AND (II) BETWEEN 2004 AND 2013, DID NOT HAVE IN PLACE AN ADEQUATE AUDIT SYSTEM PROVIDING FOR ACCOUNTABILITY OF ITS BLUE SHEET SUBMISSIONS, IN ALLEGED VIOLATION OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4(F)(3)(V) THEREUNDER; NASD RULE 2110 AND FINRA RULE 2010.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 06/04/2014

**Docket/Case Number:** [2013037230001](#)

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/04/2014

**Sanctions Ordered:** Censure  
Monetary/Fine \$1,000,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$1,000,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON JUNE 18, 2014.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY FINRA ON JUNE 4, 2014, AND ON JUNE 18, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$1,000,000. THE FIRM FURTHER AGREED THAT IT HAS CONDUCTED A REVIEW OF ITS POLICIES, SYSTEMS AND PROCEDURES RELATING TO THE DEFICIENCIES ALLEGED IN THIS AWC.





### Disclosure 61 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	CME GROUP, INC. ("CME") MARKET REGULATION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO MAINTAIN A COMPLETE AUDIT TRAIL FOR A MINIMUM OF 5 YEARS, IN ALLEGED VIOLATION OF CME RULE 536.B.2.
<b>Initiated By:</b>	CME GROUP, INC.
<b>Date Initiated:</b>	05/02/2014
<b>Docket/Case Number:</b>	13-1386
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	05/17/2014
<b>Sanctions Ordered:</b>	Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FIRM CONSENTED TO THE IMPOSITION OF A FINE BY THE CME IN THE AMOUNT OF \$10,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON MAY 19, 2014.
<b>Firm Statement</b>	THE FIRM CONSENTED TO THE IMPOSITION OF A FINE BY THE CME IN THE AMOUNT OF \$10,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON MAY 19, 2014.

### Disclosure 62 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT SUBMITTED TRADES WITH INACCURATE ACCOUNT TYPE INDICATORS (ATIS) TO THE NYSE FOR COMPARISON AND/OR SETTLEMENT ON



APPROXIMATELY 901,462 OCCASIONS. THE FIRM SUBMITTED TRADES WITH INACCURATE ATIS ON SOME OF THE OCCASIONS DUE TO A PROGRAMMING ERROR INVOLVING ONE OF THE FIRM'S TRADING SYSTEMS (SYSTEM A), BY INCORRECTLY ASSIGNING A "P" (PROPRIETARY) IDENTIFIER TO TRADES THAT SHOULD HAVE BEEN MARKED WITH AN "A" (AGENCY) IDENTIFIER. THE FIRM SUBMITTED TRADES WITH INACCURATE ATIS ON SOME OTHER OCCASIONS DUE TO A SYSTEM ISSUE INVOLVING THE ROUTING OF CERTAIN ORDERS FROM ONE OF THE FIRM'S FRONT-END ORDER ENTRY AND TRADING SYSTEMS (SYSTEM B), BY INCORRECTLY ASSIGNING AN "A" IDENTIFIER TO TRADES THAT SHOULD HAVE BEEN MARKED WITH A "P" IDENTIFIER. AS A RESULT OF THE CONDUCT SET FORTH ABOVE, THE FIRM VIOLATED NYSE RULE 132(A). THE FIRM FAILED TO IMPLEMENT ADEQUATE SYSTEMS AND CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULE 132, IN VIOLATION OF NYSE RULE 342.

**Initiated By:** NEW YORK STOCK EXCHANGE

**Date Initiated:** 04/21/2014

**Docket/Case Number:** 2012035378301

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/21/2014

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$77,500.00

**Other Sanctions Ordered:**

**Sanction Details:** SEE ABOVE



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION, ON BEHALF OF THE NEW YORK STOCK EXCHANGE LLC ("NYSE"), ALLEGED THAT, DURING THE PERIOD BETWEEN APRIL 1, 2009 AND SEPTEMBER 15, 2011, GOLDMAN, SACHS & CO. (THE "FIRM"): (I) SUBMITTED CERTAIN TRADES WITH INACCURATE ACCOUNT TYPE INDICATORS (ATIS) TO THE NYSE FOR COMPARISON AND/OR SETTLEMENT, IN ALLEGED VIOLATION OF NYSE RULE 132(A); AND (II) FAILED TO IMPLEMENT ADEQUATE SYSTEMS AND CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULE 132, IN ALLEGED VIOLATION OF NYSE RULE 342.
<b>Initiated By:</b>	THE NEW YORK STOCK EXCHANGE LLC
<b>Date Initiated:</b>	04/16/2014
<b>Docket/Case Number:</b>	20120353783-01
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNSPECIFIED SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/16/2014
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$77,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$77,500, WHICH WAS PAID BY SUBMISSION OF A WIRE ON MAY 5, 2014.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON BEHALF OF THE NYSE ON APRIL 16, 2014, AND ON MAY 5, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT



OF \$77,500.

**Disclosure 63 of 325**

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT FAILED TO IMPLEMENT REASONABLE PROCEDURES, INCLUDING APPROPRIATE TESTING, TO ENSURE THAT THE ORDER ROUTING LOGIC IN ITS TRADING SYSTEMS WAS UPDATED TO ACCOUNT FOR ALL CURRENT MARKET VENUES TO WHICH IT ROUTED ORDERS TO PREVENT TRADE-THROUGHS OF PROTECTED QUOTATIONS IN NMS STOCKS. THE FINDINGS STATED THAT AS A RESULT, AT VARIOUS TIMES, THE FIRM'S SYSTEMS FAILED TO ROUTE INTERMARKET SWEEP ORDERS (ISOS) TO BATS Y, EDGE A, AND EDGE X AS REQUIRED BY SEC RULE 611(A)(2) OF REGULATION NMS.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	04/14/2014
<b>Docket/Case Number:</b>	<a href="#">2011028857201</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/14/2014
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$15,000.00
<b>Other Sanctions Ordered:</b>	THE FINE TAKES INTO ACCOUNT THAT THE FIRM SELF-DETECTED, SELF-CORRECTED AND SELF-REPORTED THE VIOLATIONS.



**Sanction Details:** SEE ABOVE

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT, DURING THE PERIOD OF JULY 2010 THROUGH JUNE 2011: (I) CERTAIN SYSTEMS OF GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO ROUTE INTERMARKET SWEEP ORDERS (ISOS) TO BATS Y, EDGE A, AND EDGE X, IN ALLEGED VIOLATION OF SEC RULE 611(A)(2); AND THAT (II) THE FIRM FAILED TO IMPLEMENT REASONABLE PROCEDURES, INCLUDING APPROPRIATE TESTING, TO ENSURE THAT THE ORDER ROUTING LOGIC IN CERTAIN TRADING SYSTEMS WAS UPDATED TO ACCOUNT FOR ALL CURRENT MARKET VENUES TO WHICH THE FIRM ROUTED ORDERS TO PREVENT TRADE-THROUGHS OF PROTECTED QUOTATIONS IN NMS STOCKS, IN ALLEGED VIOLATION OF FINRA RULE 2010 AND NASD RULE 3010.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 04/14/2014

**Docket/Case Number:** 20110288572-01

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/14/2014

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$15,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON APRIL 28, 2014.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER



OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON APRIL 14, 2014, AND ON APRIL 28, 2014, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$15,000.

#### Disclosure 64 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	IN A NOTICE OF SUMMARY FINE DATED JANUARY 10, 2014, ICE FUTURES U.S., INC. ("ICE") COMPLIANCE DEPARTMENT INFORMED GOLDMAN, SACHS & CO. (THE "FIRM") THAT ON OCTOBER 23, 2013, OCTOBER 29, 2013, AND NOVEMBER 20, 2013, CERTAIN BLOCK TRADES WERE REPORTED LATE IN ALLEGED VIOLATION OF ICE RULE 4.07(C).
<b>Initiated By:</b>	ICE FUTURES U.S., INC.
<b>Date Initiated:</b>	01/10/2014
<b>Docket/Case Number:</b>	2013-141/148
<b>Principal Product Type:</b>	Futures - Financial
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	01/10/2014
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$1,500 WHICH WAS PAID BY SUBMISSION OF A WIRE ON FEBRUARY 3, 2014.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$1,500 WHICH WAS PAID BY SUBMISSION OF A WIRE ON FEBRUARY 3, 2014.

#### Disclosure 65 of 325

<b>Reporting Source:</b>	Firm
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<b>Current Status:</b>	Final
<b>Allegations:</b>	ICE CLEAR CREDIT, LLC ("ICE") ALLEGED THAT DURING THE MONTH OF DECEMBER, 2013, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO SUBMIT TWO (2) INDEX END OF DAY PRICES IN ACCORDANCE WITH ICE RULES AND PROCEDURES, IN ALLEGED VIOLATION OF ICE RULE 404(B).
<b>Initiated By:</b>	ICE CLEAR CREDIT LLC
<b>Date Initiated:</b>	01/03/2014
<b>Docket/Case Number:</b>	2013-404B-056
<b>Principal Product Type:</b>	Derivative(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	01/31/2014
<b>Sanctions Ordered:</b>	Monetary/Fine \$2,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	ICE MADE A SUMMARY ASSESSMENT AGAINST THE FIRM IN THE AMOUNT OF \$2,000, WHICH WAS BILLED IN AN ICE MONTHLY CLEARING FEE INVOICE DATED JANUARY 31, 2014, AND PAID ON FEBRUARY 20, 2014.
<b>Firm Statement</b>	ICE MADE A SUMMARY ASSESSMENT AGAINST THE FIRM IN THE AMOUNT OF \$2,000, WHICH WAS BILLED IN AN ICE MONTHLY CLEARING FEE INVOICE DATED JANUARY 31, 2014, AND PAID ON FEBRUARY 20, 2014.

#### Disclosure 66 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ICE CLEAR CREDIT, LLC ("ICE") ALLEGED THAT DURING THE MONTH OF JULY 2013, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO SUBMIT ONE (1) INDEX END OF DAY PRICE IN ACCORDANCE WITH ICE RULES AND PROCEDURES, IN ALLEGED VIOLATION OF ICE RULE 404(B).
<b>Initiated By:</b>	ICE CLEAR CREDIT LLC
<b>Date Initiated:</b>	11/06/2013



<b>Docket/Case Number:</b>	2013-404B-015
<b>Principal Product Type:</b>	Index Option(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	11/06/2013
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	ICE MADE A SUMMARY ASSESSMENT AGAINST THE FIRM OF \$1,000, WHICH WAS MADE FINAL ON NOVEMBER 6, 2013. THE ASSESSMENT AMOUNT WAS BILLED IN AN ICE MONTHLY CLEARING FEE INVOICE, AND WAS PAID ON DECEMBER 19, 2013.
<b>Firm Statement</b>	ICE MADE A SUMMARY ASSESSMENT AGAINST THE FIRM OF \$1,000, WHICH WAS MADE FINAL ON NOVEMBER 6, 2013. THE ASSESSMENT AMOUNT WAS BILLED IN AN ICE MONTHLY CLEARING FEE INVOICE, AND WAS PAID ON DECEMBER 19, 2013.

#### Disclosure 67 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULE 17A-3, FINRA RULES 6730, 6730(C)6), 6730(C)(8), NASD RULE 3110 - GOLDMAN, SACHS & CO. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) THE CORRECT TIME OF TRADE EXECUTION FOR P1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES AND REPORTED TO TRACE P1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES IT WAS NOT REQUIRED TO REPORT. THE FIRM FAILED TO SHOW THE CORRECT EXECUTION TIME ON BROKERAGE ORDER MEMORANDA. THE FIRM FAILED TO REPORT TO TRACE THE CORRECT CONTRA-PARTY'S IDENTIFIER FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	10/22/2013





<b>Docket/Case Number:</b>	<a href="#">2011028403101</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	TRACE-ELIGIBLE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	10/22/2013
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$25,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$25,000. FINE PAID IN FULL ON NOVEMBER 7, 2013.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT (I) DURING THE PERIOD OF JANUARY 1, 2011 THROUGH MARCH 31, 2011, GOLDMAN, SACHS & CO. (THE "FIRM"): (I) FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE ("TRACE") THE CORRECT TIME OF TRADE EXECUTION FOR CERTAIN P1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES, IN ALLEGED VIOLATION OF FINRA RULE 6730(C)(8); (II) REPORTED TO TRACE CERTAIN P1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT IT WAS NOT REQUIRED TO REPORT, IN ALLEGED VIOLATION OF FINRA RULE 6730; (III) FAILED TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDUM OF CERTAIN BROKERAGE ORDERS, IN ALLEGED VIOLATION OF SEC RULE 17A-3 AND NASD RULE



3110; AND (IV) FAILED TO REPORT TO TRACE THE CORRECT CONTRA-PARTY'S IDENTIFIER FOR CERTAIN TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES, IN ALLEGED VIOLATION OF FINRA RULE 6730(C)(6).

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 10/22/2013

**Docket/Case Number:** 20110284031-01

**Principal Product Type:** Other

**Other Product Type(s):** TRACE-ELIGIBLE SECURITIES

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/22/2013

**Sanctions Ordered:** Censure  
Monetary/Fine \$25,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$25,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON NOVEMBER 7, 2013.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON OCTOBER 22, 2013, AND ON NOVEMBER 7, 2013, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$25,000.

#### Disclosure 68 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** A CHICAGO BOARD OF TRADE ("CBOT") BUSINESS CONDUCT COMMITTEE ("BCC") PANEL (THE "PANEL") ALLEGED THAT: (I) IN DECEMBER 2008, CME GROUP INC. MARKET REGULATION DEPARTMENT ("MARKET REGULATION") WAS IN REGULAR CONTACT WITH GOLDMAN, SACHS & CO. (THE "FIRM") REGARDING A LARGE POSITION HELD BY THE FIRM IN A TREASURY FUTURES CONTRACT WHICH WAS SET TO EXPIRE (THE "CONTRACT"), AND THAT THE FIRM DID NOT ADEQUATELY RELAY CERTAIN MARKET



REGULATION CONCERNS TO CERTAIN FIRM TRADERS; AND (II) DURING THE FINAL MINUTE PRIOR TO EXPIRATION OF THE CONTRACT, A FIRM TRADER EXECUTED A MARKET ORDER, AND THEN SUBMITTED A LIMIT ORDER, WHICH WAS ONLY PARTIALLY FILLED AS A RESULT OF ILLIQUIDITY IN THE MARKET, AND THAT DURING THE COURSE OF THESE ORDERS AND SUBSEQUENT FILLS, THE MARKET TRADED UP RESULTING IN THE FINAL PRICE OF THE CONTRACT SETTLING ABOVE WHAT WAS INDICATED BY THE DECEMBER-MARCH CALENDAR SPREAD, IN ALLEGED VIOLATION OF CBOT RULE 432.W.

**Initiated By:** CHICAGO BOARD OF TRADE

**Date Initiated:** 05/31/2013

**Docket/Case Number:** CBOT 09-03091-BC

**Principal Product Type:** Futures - Financial

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 05/31/2013

**Sanctions Ordered:** Monetary/Fine \$875,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$875,000 WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON JUNE 12, 2013.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM SUBMITTED A SETTLEMENT OFFER TO THE PANEL. ON JUNE 29, 2013, THE PANEL ACCEPTED THE SETTLEMENT OFFER AND ISSUED A DECISION EFFECTIVE ON MAY 31, 2013. ON JUNE 12, 2013, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$875,000.

#### Disclosure 69 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CME GROUP, INC. ("CME") MARKET REGULATION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") NETTED DOWN 25 JANUARY 2013



COMEX COPPER FUTURES CONTRACTS ON JANUARY 9, 2013, IN ALLEGED VIOLATION OF CME RULE 854.B.

**Initiated By:** CME GROUP, INC.

**Date Initiated:** 05/15/2013

**Docket/Case Number:** 13-9246

**Principal Product Type:** Futures - Commodity

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 05/15/2013

**Sanctions Ordered:** Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE IMPOSITION OF A FINE BY CME IN THE AMOUNT OF \$1,000, WHICH WAS PAID BY SUBMISSION OF A CHECK ON MAY 9, 2013.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE IMPOSITION OF A FINE BY CME IN THE AMOUNT OF \$1,000, WHICH WAS PAID BY SUBMISSION OF A CHECK ON MAY 9, 2013.

#### Disclosure 70 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE CHICAGO MERCANTILE EXCHANGE INC. ("CME") MARKET REGULATION DEPARTMENT ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") TRADE DATA FOR THE TRADE DATES OF AUGUST 1, 2012 THROUGH OCTOBER 5, 2012 REFLECTED AN UNACCEPTABLE COMPUTERIZED TRADE RECONSTRUCTION (CTR) ERROR RATE, IN ALLEGED VIOLATION OF CME RULE 536.F.

**Initiated By:** CHICAGO MERCANTILE EXCHANGE INC.

**Date Initiated:** 03/20/2013

**Docket/Case Number:** 12-08956



<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	03/20/2013
<b>Sanctions Ordered:</b>	Monetary/Fine \$2,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE IMPOSITION OF A FINE BY CME IN THE AMOUNT OF \$2,500, WHICH WAS PAID BY SUBMISSION OF A CHECK ON MARCH 19, 2013.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE IMPOSITION OF A FINE BY CME IN THE AMOUNT OF \$2,500, WHICH WAS PAID BY SUBMISSION OF A CHECK ON MARCH 19, 2013.

#### Disclosure 71 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULES 2010, 6622(A), 7230A(B), 7230A(G), 7330(D)(4) - GOLDMAN, SACHS & CO. FAILED TO REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) BY 8:00 P.M. EASTERN TIME TRANSACTIONS THAT REQUIRED A .RO, .RA OR .RX MODIFIER. THE FIRM FAILED WITHIN 30 SECONDS AFTER EXECUTION TO TRANSMIT TO THE OVER-THE-COUNTER (OTC) REPORTING FACILITY LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES DURING THE REVIEW PERIOD. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6622(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010. THE FIRM FAILED TO REPORT TO THE OTC REPORTING FACILITY THE CORRECT EXECUTION TIME FOR TRANSACTIONS IN REPORTABLE SECURITIES. THE FIRM FAILED TO ACCEPT OR DECLINE IN THE FNTRF TRANSACTIONS IN REPORTABLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION THAT THE FIRM HAD AN OBLIGATION TO ACCEPT OR DECLINE AS THE ORDER ENTRY IDENTIFIER.
<b>Initiated By:</b>	FINRA



<b>Date Initiated:</b>	04/02/2013
<b>Docket/Case Number:</b>	<a href="#">2010025148901</a>
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	REPORTABLE SECURITIES, UNSPECIFIED SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/02/2013
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$47,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$47,500. FINE PAID IN FULL ON APRIL 18, 2013
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") FAILED: (I) FROM MAY 1 TO AUGUST 31, 2010, TO REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY BY 8:00 P.M. EASTERN TIME CERTAIN TRANSACTIONS THAT REQUIRED A .RO, .RA OR .RX MODIFIER, IN ALLEGED VIOLATION OF FINRA RULE 7230A(G); (II) FROM SEPTEMBER 1 TO DECEMBER 31, 2010, TO TRANSMIT TO THE OTC REPORTING FACILITY WITHIN 30 SECONDS AFTER EXECUTION CERTAIN LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES, IN ALLEGED VIOLATION OF FINRA RULES 6622(A) AND 2010, AND TO REPORT TO THE OTC REPORTING FACILITY THE CORRECT TIME OF EXECUTION



FOR CERTAIN TRANSACTIONS IN REPORTABLE SECURITIES, IN ALLEGED VIOLATION OF FINRA RULE 7330(D)(4); AND (III) FROM JANUARY 1 TO APRIL 30, 2011, TO ACCEPT OR DECLINE IN THE FINRA/NASDAQ TRADE REPORTING FACILITY CERTAIN TRANSACTIONS IN REPORTABLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION, IN ALLEGED VIOLATION OF FINRA RULES 7230A(B) AND 2010.

<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	04/02/2013
<b>Docket/Case Number:</b>	<a href="#">2010025148901</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/02/2013
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$47,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$47,500, WHICH WAS PAID BY SUBMISSION OF A WIRE ON APRIL 18, 2013.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON APRIL 2, 2013, AND ON APRIL 18, 2013, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$47,500.

#### Disclosure 72 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULE 17A-3, FINRA RULES 6730(C), 6730(C)(8) - GOLDMAN, SACHS & CO. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) THE CORRECT CONTRA-PARTY'S IDENTIFIER FOR SOME S1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES. THE FIRM FAILED TO



REPORT TO TRACE THE CORRECT TRADE EXECUTION TIME FOR SOME P1 TRANSACTIONS IN TRACE-ELIGIBLE AGENCY DEBT SECURITIES. THE FIRM FAILED TO SHOW THE CORRECT EXECUTION TIME ON BROKERAGE ORDER MEMORANDUM.

**Initiated By:** FINRA

**Date Initiated:** 03/15/2013

**Docket/Case Number:** [2011026827001](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 03/15/2013

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$39,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$39,000.

FINE PAID IN FULL ON APRIL 4, 2013

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") FAILED: (I) DURING THE PERIOD OF JULY 1 TO SEPTEMBER 30, 2010, TO REPORT TO THE TRADE REPORTING AND





COMPLIANCE ENGINE ("TRACE") THE CORRECT CONTRA-PARTY'S IDENTIFIER FOR CERTAIN S1 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES, IN ALLEGED VIOLATION OF FINRA RULE 6730(C), AND (II) DURING THE PERIOD OF APRIL 1 TO JUNE 30, 2011, TO REPORT TO TRACE THE CORRECT TIME OF TRADE EXECUTION FOR CERTAIN P1 TRANSACTIONS IN TRACE-ELIGIBLE AGENCY DEBT SECURITIES, AND TO SHOW THE CORRECT TIME OF EXECUTION ON THE MEMORANDUM OF CERTAIN BROKERAGE ORDERS, IN ALLEGED VIOLATION OF FINRA RULE 6730(C)8 AND SEC RULE 17A-3, RESPECTIVELY.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 03/15/2013

**Docket/Case Number:** [2011026827001](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 03/15/2013

**Sanctions Ordered:** Censure  
Monetary/Fine \$39,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$39,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON APRIL 4, 2013.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON MARCH 15, 2013, AND ON APRIL 4, 2013, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$39,000.

#### Disclosure 73 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASDAQ RULES 2110, 3010, 4755 - GOLDMAN, SACHS & CO. ENTERED



ORDERS INTO THE NASDAQ/SINGLE BOOK SYSTEM THAT FAILED TO CORRECTLY INDICATE WHETHER THE ORDERS WERE A BUY, SHORT SALE, OR LONG SALE. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND/OR NASDAQ RULES ADDRESSING QUALITY OF MARKET TOPICS. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FAILED TO PROVIDE FOR ONE OR MORE OF THE MINIMUM REQUIREMENTS FOR ADEQUATE WRITTEN SUPERVISORY PROCEDURES IN PREVENTION OF ORDER ENTRY/CLEARLY ERRONEOUS TRANSACTION REVIEW REQUEST FILINGS AND BOOKS AND RECORDS.

**Initiated By:** NASDAQ STOCK MARKET

**Date Initiated:** 03/12/2013

**Docket/Case Number:** 2009017007401

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 03/12/2013

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$17,500.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$17,500 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING PREVENTION OF ORDER ENTRY/CLEARLY ERRONEOUS TRANSACTION REVIEW REQUEST FILINGS AND BOOKS AND RECORDS WITHIN 90 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NASDAQ REVIEW COUNCIL.



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION, ON BEHALF OF THE NASDAQ STOCK MARKET LLC ("NASDAQ"), ALLEGED THAT DURING THE PERIOD OF SEPTEMBER 16-17, 2009, GOLDMAN, SACHS & CO. (THE "FIRM") ENTERED 10 ORDERS INTO THE NASDAQ/SINGLEBOOK SYSTEM THAT FAILED TO CORRECTLY INDICATE WHETHER THE ORDERS WERE A BUY, SHORT SALE, OR LONG SALE, IN ALLEGED VIOLATION OF NASDAQ RULE 4755, AND THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO CERTAIN APPLICABLE SECURITIES LAWS AND REGULATIONS, AND/OR THE RULES OF NASDAQ, IN ALLEGED VIOLATION OF NASDAQ RULES 3010 AND 2110.
<b>Initiated By:</b>	THE NASDAQ STOCK MARKET LLC
<b>Date Initiated:</b>	03/12/2013
<b>Docket/Case Number:</b>	2009017007401
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/12/2013
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$17,500.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$17,500, WHICH WAS PAID BY SUBMISSION OF A WIRE ON APRIL 11, 2013.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE, FINE AND UNDERTAKING AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), WHICH WAS ACCEPTED BY FINRA ON BEHALF OF NASDAQ ON MARCH 12, 2013,



AND ON APRIL 11, 2013, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$17,500. IN THE UNDERTAKING, THE FIRM CONSENTED TO REVISE AND IMPLEMENT APPLICABLE WRITTEN SUPERVISORY PROCEDURES AND, WITHIN 90 BUSINESS DAYS OF THE ACCEPTANCE OF THE AWC, TO PROVIDE A REPRESENTATION TO FINRA THAT THE APPLICABLE WRITTEN SUPERVISORY PROCEDURES HAVE BEEN REVISED AND IMPLEMENTED.

#### Disclosure 74 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULES 7230A, 7450 - GOLDMAN, SACHS & CO. TRANSMITTED REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA. THE FIRM FAILED TO SUBMIT TO OATS INFORMATION FOR ONE OR MORE EXECUTIONS; SUBMITTED AN INACCURATE ORDER ENTRY TIME TO OATS; SUBMITTED AN INACCURATE ACCOUNT TYPE CODE OF "P" TO OATS FOR A CUSTOMER ORDER; AND SUBMITTED AN INACCURATE ORDER ENTRY TIME TO OATS AND FAILED TO SUBMIT CANCELLATION INFORMATION TO OATS FOR AN EXECUTION. THE FIRM ERRONEOUSLY SUBMITTED A DUPLICATE NON-TAPE REPORT WITH THE .RX MODIFIER TO THE FINRA/NASDAQ TRADE REPORTING FACILITY.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	03/15/2013
<b>Docket/Case Number:</b>	<a href="#">2009017007402</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/15/2013



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$20,000.

FINE PAID IN FULL ON APRIL 4, 2013

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM"): (I) DURING THE PERIOD OF SEPTEMBER 16-17, 2009, TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) 13 REPORTS THAT CONTAINED CERTAIN INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA, IN ALLEGED VIOLATION OF FINRA RULE 7450, AND (II) DURING THE PERIOD OF JULY 13-14, 2010, ERRONEOUSLY SUBMITTED A DUPLICATE NON-TAPE REPORT WITH THE .RX MODIFIER TO THE FINRA/NASDAQ TRADE REPORTING FACILITY, IN ALLEGED VIOLATION OF FINRA RULE 7230A.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 03/15/2013

**Docket/Case Number:** [2009017007402](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)



<b>Resolution Date:</b>	03/15/2013
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$20,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$20,000, WHICH WAS PAID BY SUBMISSION OF A WIRE ON APRIL 4, 2013.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON MARCH 15, 2013, AND ON APRIL 4, 2013, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$20,000.

#### Disclosure 75 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE CHICAGO BOARD OF TRADE ("CBT") ALLEGED THAT DURING A REVIEW OF GOLDMAN, SACHS & CO. (THE "FIRM") POSITION REPORTING DURING DECEMBER 2012, THE FIRM FAILED TO ACCURATELY SUBMIT CERTAIN LONG POSITIONS ELIGIBLE FOR DELIVERY, IN ALLEGED VIOLATION OF CBT RULE 807.
<b>Initiated By:</b>	CHICAGO BOARD OF TRADE
<b>Date Initiated:</b>	02/15/2013
<b>Docket/Case Number:</b>	13-9273
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	02/15/2013
<b>Sanctions Ordered:</b>	Monetary/Fine \$2,500.00
<b>Other Sanctions Ordered:</b>	



**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE IMPOSITION OF A FINE BY CBT IN THE AMOUNT OF \$2,500, WHICH WAS PAID BY SUBMISSION OF A CHECK ON FEBRUARY 13, 2013.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE IMPOSITION OF A FINE BY CBT IN THE AMOUNT OF \$2,500, WHICH WAS PAID BY SUBMISSION OF A CHECK ON FEBRUARY 13, 2013.

## Disclosure 76 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** MSRB RULES G-17, G-27- GOLDMAN, SACHS & CO. WAS A MEMBER OF A MUNICIPAL SECURITIES ASSOCIATION WHICH REQUESTED THAT ITS MEMBERS MAKE UNDERWRITING ASSESSMENT PAYMENTS OF \$0.01 PER BOND, AND LATER \$0.02 PER BOND, WHEN THEY PARTICIPATED IN BOND ISSUANCES IN CALIFORNIA OF MORE THAN \$2 MILLION IN ISSUE SIZE WITH MORE THAN TWO YEARS TO MATURITY. THE MUNICIPAL SECURITIES ASSOCIATION'S MISSION WAS TO KEEP ITS MEMBERS INFORMED OF LEGISLATIVE AND REGULATORY DEVELOPMENTS AFFECTING THE MUNICIPAL SECURITIES INDUSTRY AND TO PROVIDE A FORUM THROUGH WHICH THE MUNICIPAL SECURITIES INDUSTRY COULD REVIEW AND RESPOND TO THESE DEVELOPMENTS. THE ASSOCIATION BILLED ITS MEMBERS ON THE PER-BOND BASIS, REGARDLESS OF WHETHER THERE WAS ANY DIRECT RELATIONSHIP BETWEEN THAT BOND ISSUANCE AND THE ASSOCIATION'S ACTIVITIES, AND REGARDLESS OF WHETHER THE ASSOCIATION PROVIDED ANY SERVICES REQUIRED FOR THE UNDERWRITING. THE FIRM PAID THE ASSOCIATION A TOTAL OF \$168,321.69 FOR PARTICIPATING IN THE UNDERWRITING OF APPROXIMATELY 52 APPLICABLE TRANSACTIONS. THE FIRM OBTAINED REIMBURSEMENT FOR THE VOLUNTARY PAYMENTS FROM THE PROCEEDS OF MUNICIPAL AND STATE BOND OFFERINGS WHICH WAS UNFAIR. THE ASSESSMENTS DID NOT HAVE A DIRECT RELATIONSHIP TO ANY ACTIVITIES CONDUCTED WITH RESPECT TO EACH BOND OFFERING. THE FIRM WAS NOT REQUIRED BY ANY STATUTE OR REGULATION TO BE A MEMBER OF THE ASSOCIATION YET TREATED ITS ASSESSMENTS AS AN EXPENSE OF EACH TRANSACTION AND REQUESTED AND RECEIVED REIMBURSEMENT OF THE PAYMENTS FROM THE PROCEEDS OF EACH BOND OFFERING. THE FIRM LISTED THE UNDERWRITING ASSESSMENTS AS EXPENSES OF THE UNDERWRITING BUT ITS REQUESTS FOR REIMBURSEMENT WERE NOT FAIR BECAUSE THEY WERE NOT ACCOMPANIED BY ADEQUATE DISCLOSURE TO ISSUERS. THE FIRM'S PRACTICES RESULTED IN THE EXPENDITURE OF THE



PROCEEDS OF MUNICIPAL AND STATE BOND OFFERINGS TO AN ORGANIZATION ENGAGED IN POLITICAL ACTIVITIES. IN RESPONSE TO A REQUEST FROM THE TREASURER OF THE STATE OF CALIFORNIA, THE FIRM HAS RETURNED \$52,324.19 TO MULTIPLE ISSUERS AS A REFUND FOR THE UNDERWRITING ASSESSMENTS REIMBURSED FROM OFFERING PROCEEDS. THE FIRM FAILED TO ADOPT, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES (WSPS) REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH MSRB RULE G-17. THE FIRM FAILED TO ESTABLISH REASONABLE PROCEDURES FOR REVIEWING AND DISCLOSING EXPENSES FOR MUNICIPAL SECURITIES ASSOCIATIONS FOR WHICH IT REQUESTED REIMBURSEMENT FROM THE PROCEEDS OF MUNICIPAL AND STATE OFFERINGS, AND FOR ENSURING THAT THOSE REQUESTS WERE FAIR AND ADEQUATE. THE FIRM ALSO FAILED TO ADOPT, MAINTAIN AND ENFORCE ADEQUATE SYSTEMS AND WSPS REASONABLY DESIGNED TO MONITOR HOW THE MUNICIPAL SECURITIES ASSOCIATIONS TO WHICH IT BELONGED USED THE FUNDS THAT THE FIRM PROVIDED. ADEQUATE POLICIES AND PROCEDURES WERE ESPECIALLY NECESSARY IN LIGHT OF ONE ASSOCIATION'S ENGAGEMENT IN POLITICAL ACTIVITIES.

**Initiated By:** FINRA

**Date Initiated:** 12/27/2012

**Docket/Case Number:** [2010022049803](#)

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/27/2012

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$568,000.00  
Disgorgement/Restitution

**Other Sanctions Ordered:** UNDERTAKING



**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$568,000 FOR MSRB RULE VIOLATIONS AND ORDERED TO PAY \$115,997.50 IN RESTITUTION AND TO SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE DOCUMENTED EFFORTS TO EFFECT RESTITUTION TO THE ISSUERS LOCATED IN CALIFORNIA TO WHICH THE FIRM HAS NOT YET PROVIDED RESTITUTION. PROOF SHALL BE FORWARDED TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE OFFER. IF THE FIRM CANNOT LOCATE ANY SUCH ISSUER WITHIN 120 DAYS, OR SUCH ADDITIONAL PERIOD AGREED TO BY FINRA, THE FIRM SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE OF CALIFORNIA. THE FIRM SHALL PROVIDE SATISFACTORY PROOF OF SUCH ACTION TO FINRA WITHIN 14 DAYS OF FORWARDING THE UNDISTRIBUTED RESTITUTION. WITHIN 180 DAYS OF THE ISSUANCE OF THIS AWC, AN OFFICER OR EQUIVALENT OF THE FIRM WILL CERTIFY IN WRITING TO FINRA THAT IT HAS COMPLETED A REVIEW OF ITS WSPS AND SYSTEMS CONCERNING COMPLIANCE WITH MSRB RULE G-17; AND IMPLEMENTED NECESSARY REVISIONS TO ENSURE THAT THEY ARE IN COMPLIANCE WITH MSRB RULE G-27. \$568,000 FINE PAID IN FULL ON 1/11/2013.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF ENFORCEMENT ALLEGED THAT DURING THE PERIOD BETWEEN FEBRUARY 2006 AND DECEMBER 2010, GOLDMAN, SACHS & CO. (THE "FIRM") UNFAIRLY REQUESTED AND RECEIVED REIMBURSEMENTS FOR CERTAIN CALIFORNIA PUBLIC SECURITIES ASSOCIATION (CAL PSA) UNDERWRITING ASSESSMENTS, IN ALLEGED VIOLATION OF MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB") RULE G-17, AND FAILED TO ADOPT, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH MSRB RULE G-17, IN ALLEGED VIOLATION OF MSRB RULE G-27.

**Initiated By:**

FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:**

12/27/2012

**Docket/Case Number:**[2010022049803](#)**Principal Product Type:**

Debt - Municipal

**Other Product Type(s):**



<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE; RESTITUTION; UNDERTAKING
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/27/2012
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$568,000.00 Disgorgement/Restitution
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$568,000, WHICH WAS PAID BY SUBMISSION OF A CHECK ON JANUARY 10, 2013, AND TO PAY RESTITUTION IN THE AMOUNT OF \$115,997.50 AND SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE DOCUMENTED EFFORTS TO EFFECT RESTITUTION TO THE APPLICABLE ISSUERS IN CALIFORNIA TO WHICH THE FIRM HAS NOT YET PROVIDED RESTITUTION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY FINRA ON DECEMBER 27, 2012, AND ON JANUARY 10, 2013, THE FIRM SUBMITTED A CHECK IN PAYMENT OF THE FINE IN THE AMOUNT OF \$568,000. THE FIRM CONSENTED TO PAY RESTITUTION IN THE AMOUNT OF \$115,997.50 AND TO SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE DOCUMENTED EFFORTS TO EFFECT RESTITUTION TO THE APPLICABLE ISSUERS IN CALIFORNIA TO WHICH THE FIRM HAS NOT YET PROVIDED RESTITUTION, AND WITHIN 180 DAYS OF THE ISSUANCE OF THE AWC, TO CERTIFY WITH FINRA THAT IT HAS COMPLETED A REVIEW OF RELEVANT WRITTEN SUPERVISORY PROCEDURES AND SYSTEMS AND IMPLEMENTED NECESSARY REVISIONS TO SUCH PROCEDURES AND SYSTEMS IN ORDER TO ENSURE THAT THE PROCEDURES AND SYSTEMS ARE IN COMPLIANCE WITH MSRB RULE G-27.

#### Disclosure 77 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULE 7450 - GOLDMAN, SACHS & CO. TRANSMITTED EXECUTION OR COMBINED ORDER/EXECUTION REPORTS TO THE ORDER AUDIT TRAIL



SYSTEM (OATS) THAT WERE IMPROPERLY TRANSMITTED WITH A REPORTING EXCEPTION CODE (REC) OF "P" THAT WERE REQUIRED TO BE MATCHED TO A RELATED TRADE REPORT IN A FINRA TRADE REPORTING SYSTEM.

**Initiated By:** FINRA

**Date Initiated:** 12/12/2012

**Docket/Case Number:** [2010023688101](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/12/2012

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$15,000. FINE PAID IN FULL ON 12/24/12.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT DURING THE PERIODS OF JULY 1 TO SEPTEMBER 30, 2009, AND APRIL 1 TO JUNE 30, 2010, GOLDMAN, SACHS & CO. (THE "FIRM") IMPROPERLY TRANSMITTED CERTAIN EXECUTION OR COMBINED ORDER/EXECUTION REPORTS WITH A



REPORTING EXCEPTION CODE (REC) OF "P" TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT WERE REQUIRED TO BE MATCHED TO A RELATED TRADE REPORT IN A FINRA TRADE REPORTING SYSTEM, IN ALLEGED VIOLATION OF FINRA RULE 7450.

<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	12/12/2012
<b>Docket/Case Number:</b>	<a href="#">2010023688101</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/12/2012
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$15,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$15,000 WHICH WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 24, 2012.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON DECEMBER 12, 2012, AND ON DECEMBER 24, 2012, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$15,000.

#### Disclosure 78 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	CFTC PRESS RELEASE 6450-12, DECEMBER 7, 2012: THE COMMODITY FUTURES TRADING COMMISSION ("COMMISSION") HAS REASON TO BELIEVE THAT GOLDMAN, SACHS & CO. ("GOLDMAN" OR "RESPONDENT") VIOLATED COMMISSION REGULATION ("REGULATION") 166.3, 17 C.F.R. § 166.3 (2012). THEREFORE, THE COMMISSION DEEMED IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE



PROCEEDINGS BE INSTITUTED TO DETERMINE WHETHER RESPONDENT ENGAGED IN THE VIOLATIONS AND TO DETERMINE WHETHER AN ORDER SHOULD BE ISSUED IMPOSING REMEDIAL SANCTIONS.

THE COMMISSION FOUND THAT FOR SEVERAL MONTHS INCLUDING AT LEAST NOVEMBER AND DECEMBER 2007 (THE "RELEVANT PERIOD"), GOLDMAN FAILED TO ENSURE THAT CERTAIN ASPECTS OF ITS RISK MANAGEMENT, COMPLIANCE, AND SUPERVISION PROGRAMS COMPORTED WITH ITS OBLIGATIONS TO SUPERVISE DILIGENTLY ITS BUSINESS AS A COMMISSION REGISTRANT. DURING NOVEMBER AND DECEMBER 2007, GOLDMAN FURTHER FAILED TO SUPERVISE DILIGENTLY THE TRADING ACTIVITIES OF AN ASSOCIATED PERSON (HEREINAFTER "TRADER"), WHOSE TRADING ACTIVITIES ON SEVEN DAYS IN MID-NOVEMBER AND MID-DECEMBER 2007 IN THE E-MINI S&P 500 FUTURES CONTRACT TRADED ON THE CHICAGO MERCANTILE EXCHANGE'S ("CME") GLOBEX PLATFORM RESULTED IN A SUBSTANTIAL LOSS TO GOLDMAN.

SPECIFICALLY, IN VIOLATION OF COMMISSION REGULATION 166.3, GOLDMAN FAILED TO HAVE POLICIES OR PROCEDURES REASONABLY DESIGNED TO DETECT AND PREVENT THE MANUAL ENTRY OF FABRICATED FUTURES TRADES INTO ITS FRONT OFFICE SYSTEMS, WHICH AGGREGATED MANUALLY ENTERED AND ELECTRONICALLY EXECUTED TRADES IN THE SAME PRODUCT. AS A RESULT, ON SEVEN TRADING DAYS IN NOVEMBER AND DECEMBER 2007, THE TRADER CIRCUMVENTED GOLDMAN'S RISK MANAGEMENT, COMPLIANCE, AND SUPERVISION SYSTEMS, BY ENTERING FABRICATED E-MINI S&P 500 SELL TRADES INTO ITS MANUAL TRADING SYSTEM, WHICH ARTIFICIALLY OFFSET AND THEREBY CAMOUFLAGED E-MINI S&P 500 BUY TRADES THE TRADER HAD EXECUTED IN THE MARKET. IN PARTICULAR, THE TRADER ESTABLISHED AN \$8.3 BILLION E-MINI S&P 500 POSITION IN A FIRM TRADING ACCOUNT ON DECEMBER 13, 2007. GOLDMAN SUFFERED A LOSS OF OVER \$118 MILLION IN UNWINDING THE TRADER'S POSITION.

SEPARATELY, AFTER THE TRADER WAS DISCHARGED, GOLDMAN ORALLY NOTIFIED THE CME AND THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA"). GOLDMAN'S ENSUING REGULATORY FILINGS WITH THE NATIONAL FUTURES ASSOCIATION ("NFA") AND FINRA STATED THAT THE TRADER HAD BEEN ACCUSED OF "VIOLATING INVESTMENT-RELATED STATUTES, REGULATIONS, RULES, OR INDUSTRY STANDARDS OF CONDUCT" FOR "CONDUCT RELATED TO INAPPROPRIATELY LARGE PROPRIETARY FUTURES POSITIONS IN A FIRM TRADING ACCOUNT." THEREAFTER, IN RESPONSE TO FINRA'S FOLLOW-UP INQUIRIES, GOLDMAN PROVIDED ADDITIONAL IMPORTANT INFORMATION ONLY TO FINRA, I.E., THAT THE TRADER ATTEMPTED TO CONCEAL HIS TRADING VIA FABRICATED TRADES. GOLDMAN NEVER PROVIDED THAT ADDITIONAL



IMPORTANT INFORMATION TO THE NFA OR THE COMMISSION UNTIL AFTER THE CFTC'S DIVISION OF ENFORCEMENT COMMENCED ITS INVESTIGATION.

GOLDMAN, A REGISTERED FCM, VIOLATED REGULATION 166.3 BECAUSE IT FAILED TO IMPLEMENT OR FOLLOW POLICIES AND PROCEDURES REASONABLY DESIGNED TO DETECT AND PREVENT THE ENTRY OF FABRICATED FUTURES TRADES INTO ITS MANUAL TRADE ENTRY SYSTEMS. GOLDMAN'S TRADERS' ACCESS AND USE OF A MANUAL TRADE ENTRY SYSTEM FOR ELECTRONICALLY-TRADED CONTRACTS WAS IMPROPERLY SUPERVISED.

<b>Initiated By:</b>	COMMODITY FUTURES TRADING COMMISSION
<b>Date Initiated:</b>	12/07/2012
<b>Docket/Case Number:</b>	13-08
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	12/07/2012
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,500,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	UNDERTAKINGS
<b>Sanction Details:</b>	UPON CONSIDERATION, THE COMMISSION DETERMINED TO ACCEPT THE OFFER. ACCORDINGLY, IT IS HEREBY ORDERED THAT RESPONDENT SHALL CEASE AND DESIST FROM VIOLATING REGULATION 166.3, 17 C.F.R. § 166.3 (2012).  RESPONDENT SHALL PAY A CIVIL MONETARY PENALTY IN THE AMOUNT OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$ 1,500,000) WITHIN



TEN (10) DAYS OF THE DATE OF ENTRY OF THE ORDER.

RESPONDENT AND ITS SUCCESSORS AND ASSIGNS SHALL COMPLY WITH THE CONDITIONS AND UNDERTAKINGS SET FORTH IN THE OFFER.

### Regulator Statement

IN ANTICIPATION OF THE INSTITUTION OF AN ADMINISTRATIVE PROCEEDING, RESPONDENT SUBMITTED AN OFFER OF SETTLEMENT ("OFFER"), WHICH THE COMMISSION DETERMINED TO ACCEPT. WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS OR CONCLUSIONS, RESPONDENT CONSENTED TO THE ENTRY OF THE ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(C) AND 6(D) OF THE COMMODITY EXCHANGE ACT, AS AMENDED, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS ("ORDER") AND ACKNOWLEDGED SERVICE OF THE ORDER.

IN SETTLING THE MATTER, THE COMMISSION TOOK INTO ACCOUNT THE COOPERATION OF GOLDMAN AND THE CORRECTIVE ACTION GOLDMAN UNDERTOOK AFTER THE TRADER'S ACTIVITIES WERE DISCOVERED.

### Reporting Source:

Firm

### Current Status:

Final

### Allegations:

THE COMMODITY FUTURES TRADING COMMISSION ("CFTC"), IN AN ORDER, SET FORTH FINDINGS AND CONCLUSIONS TO WHICH GOLDMAN, SACHS & CO. (THE "FIRM") CONSENTED, WITHOUT ADMITTING OR DENYING THEM, AS PART OF AN OFFER OF SETTLEMENT THAT WAS ACCEPTED BY THE CFTC AND BECAME EFFECTIVE ON DECEMBER 7, 2012 (THE "ORDER"). IN ITS FINDINGS IN THE ORDER, THE CFTC ASSERTED THAT THE FIRM FAILED FOR SEVERAL MONTHS, INCLUDING AT LEAST NOVEMBER AND DECEMBER 2007, TO ENSURE THAT CERTAIN ASPECTS OF ITS RISK MANAGEMENT, COMPLIANCE, AND SUPERVISION PROGRAMS COMPORTED WITH ITS OBLIGATIONS TO SUPERVISE DILIGENTLY ITS BUSINESS AS A CFTC REGISTRANT. DURING NOVEMBER AND DECEMBER 2007, THE FIRM FURTHER FAILED TO SUPERVISE DILIGENTLY THE TRADING ACTIVITIES OF AN ASSOCIATED PERSON, WHOSE TRADING ACTIVITIES ON SEVEN DAYS IN MID-NOVEMBER AND MID-DECEMBER 2007 IN THE E-MINI S&P 500 FUTURES CONTRACT, TRADED ON THE CHICAGO MERCANTILE EXCHANGE'S GLOBEX PLATFORM, RESULTED IN A SUBSTANTIAL LOSS TO THE FIRM (\$118 MILLION). AS A RESULT, THE CFTC ALLEGED THAT THE FIRM FAILED TO HAVE POLICIES OR PROCEDURES REASONABLY DESIGNED TO DETECT AND PREVENT THE MANUAL ENTRY OF FABRICATED FUTURES TRADES INTO ITS FRONT OFFICE SYSTEMS, WHICH AGGREGATED MANUALLY ENTERED AND ELECTRONICALLY EXECUTED TRADES IN THE SAME PRODUCT, IN ALLEGED VIOLATION OF



CFTC REGULATION 166.3.

<b>Initiated By:</b>	COMMODITY FUTURES TRADING COMMISSION
<b>Date Initiated:</b>	12/07/2012
<b>Docket/Case Number:</b>	13-08
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST; UNDERTAKINGS
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	12/07/2012
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,500,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	UNDERTAKINGS
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS OR CONCLUSIONS THEREIN, THE FIRM MADE AN OFFER OF SETTLEMENT AND CONSENTED TO THE ENTRY OF AN ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(C) AND 6(D) OF THE COMMODITY EXCHANGE ACT, AS AMENDED, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS THAT WAS ACCEPTED BY THE CFTC AND BECAME EFFECTIVE ON DECEMBER 7, 2012 (THE "ORDER"). THE ORDER ORDERS THE FIRM TO CEASE AND DESIST FROM VIOLATING CFTC REGULATION 166.3 AND IMPOSES A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$1,500,000, WHICH WAS PAID BY THE SUBMISSION OF A WIRE TO THE CFTC ON DECEMBER 14, 2012. IN ADDITION, THE ORDER INCLUDED UNDERTAKINGS BY THE FIRM.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS OR CONCLUSIONS THEREIN, THE FIRM MADE AN OFFER OF SETTLEMENT AND CONSENTED TO THE ENTRY OF AN ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(C) AND 6(D) OF THE COMMODITY EXCHANGE ACT, AS AMENDED, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS THAT WAS ACCEPTED BY THE CFTC AND BECAME EFFECTIVE ON DECEMBER 7, 2012 (THE "ORDER"). THE ORDER ORDERS THE FIRM TO CEASE AND DESIST FROM VIOLATING CFTC REGULATION 166.3 AND IMPOSES A CIVIL MONETARY PENALTY IN THE AMOUNT OF \$1,500,000, WHICH WAS PAID BY THE SUBMISSION OF A WIRE TO THE CFTC ON DECEMBER 14, 2012. IN ADDITION, THE ORDER INCLUDED UNDERTAKINGS





BY THE FIRM. IN SETTLING THE MATTER, THE CFTC TOOK INTO ACCOUNT THE COOPERATION OF THE FIRM AND THE CORRECTIVE ACTION THE FIRM UNDERTOOK AFTER THE TRADER'S ACTIVITIES WERE DISCOVERED.

#### Disclosure 79 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULE 2360(B)(5) - GOLDMAN, SACHS & CO. FAILED TO REPORT AND/OR INACCURATELY REPORTED IN NUMEROUS INSTANCES THE CONTRA PARTY FOR REPORTABLE OPTIONS POSITIONS.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	11/21/2012
<b>Docket/Case Number:</b>	<a href="#">2010023566501</a>
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	11/21/2012
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$50,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$50,000. FINE PAID IN FULL ON 12/11/12.



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT DURING THE PERIOD OF JANUARY 19, 2010 THROUGH MARCH 18, 2011, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO REPORT AND/OR INACCURATELY REPORTED, IN CERTAIN INSTANCES, THE CONTRA PARTY FOR CERTAIN REPORTABLE OPTIONS POSITIONS, IN ALLEGED VIOLATION OF FINRA RULE 2360(B)(5).
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	11/21/2012
<b>Docket/Case Number:</b>	20100235665-01
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	11/21/2012
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$50,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$50,000 WHICH WAS PAID BY SUBMISSION OF A WIRE ON DECEMBER 11, 2012.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON NOVEMBER 21, 2012, AND ON DECEMBER 11, 2012, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$50,000.

#### Disclosure 80 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final



<b>Allegations:</b>	NASDAQ OMX PHLX, LLC. ("PHLX") ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM"), DURING THE PERIOD BETWEEN JANUARY 2004 AND MAY 2010 (THE "RELEVANT PERIOD"): (I) IMPROPERLY MARKED CERTAIN OPTIONS ORDERS ON THE EXCHANGE AS "CUSTOMER" THROUGH VARIOUS PROPRIETARY ORDER ENTRY SYSTEMS EMPLOYED BY THE FIRM TO SEND OPTIONS ORDERS TO THE EXCHANGE, IN ALLEGED VIOLATION OF PHLX RULES 707, 760 AND 785, AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3 PROMULGATED THEREUNDER AND (II) FAILED TO REMEDIATE CERTAIN CODING DEFICIENCIES UNTIL AFTER THE RELEVANT PERIOD, AND TO HAVE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S ORIGIN CODE REQUIREMENTS, EACH IN ALLEGED VIOLATION OF PHLX RULE 748(G).
<b>Initiated By:</b>	NASDAQ OMX PHLX, LLC
<b>Date Initiated:</b>	09/25/2012
<b>Docket/Case Number:</b>	2012-09
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Stipulation and Consent
<b>Resolution Date:</b>	09/25/2012
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$448,459.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$6,750,000 IN THE AGGREGATE, PAYABLE TO PHLX AND SEVEN OTHER OPTION EXCHANGES, OF WHICH \$448,459 WAS PAID BY SUBMISSION OF A CHECK TO PHLX ON OCTOBER 22, 2012.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE AND CENSURE AND ENTERED INTO AN OFFER OF SETTLEMENT, STIPULATION OF FACTS AND CONSENT TO SANCTIONS WITH THE PHLX BUSINESS CONDUCT COMMITTEE ON SEPTEMBER 25, 2012, AND ON OCTOBER 22, 2012, THE FIRM SUBMITTED A CHECK TO PHLX



IN PAYMENT OF THE FINE IN THE AMOUNT OF \$448,459. THE OFFER OF SETTLEMENT, STIPULATION OF FACTS AND CONSENT TO SANCTIONS WAS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE FOLLOWING OPTIONS EXCHANGES: (I) THE CHICAGO BOARD OPTIONS EXCHANGE, INC. (CBOE); (II) BATS EXCHANGE, INC. (BATS); (III) BOSTON OPTIONS EXCHANGE LLC (BOX); (IV) THE NASDAQ OPTIONS MARKET (NOM); (V) INTERNATIONAL SECURITIES EXCHANGE, LLC (ISE); (VI) NYSE AMEX LLC (NYSE AMEX); AND (VII) NYSE ARCA, INC. (ARCA).

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	INTERNATIONAL SECURITIES EXCHANGE, LLC ("ISE") ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM"): (I) DURING THE PERIOD BETWEEN JANUARY 2004 AND MAY 2010, IMPROPERLY MARKED CERTAIN OPTIONS ORDERS ON THE EXCHANGE AS "CUSTOMER" THROUGH VARIOUS PROPRIETARY ORDER ENTRY SYSTEMS EMPLOYED BY THE FIRM TO SEND OPTIONS ORDERS TO THE EXCHANGE, IN ALLEGED VIOLATION OF ISE RULES 400, 712(A), AND 1400(A), AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3 PROMULGATED THEREUNDER AND (II) FAILED TO HAVE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S ORIGIN CODE REQUIREMENTS, IN ALLEGED VIOLATION OF ISE RULE 401.
<b>Initiated By:</b>	INTERNATIONAL SECURITIES EXCHANGE, LLC
<b>Date Initiated:</b>	09/20/2012
<b>Docket/Case Number:</b>	20100235041
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	09/20/2012



**Sanctions Ordered:** Censure  
Monetary/Fine \$1,074,788.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$6,750,000 IN THE AGGREGATE, PAYABLE TO ISE AND SEVEN OTHER OPTION EXCHANGES, OF WHICH \$1,074,788 WAS PAID BY SUBMISSION OF A WIRE TO ISE ON OCTOBER 19, 2012.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE AND CENSURE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), WHICH WAS APPROVED BY ISE BUSINESS CONDUCT COMMITTEE AND A SUMMARY OF WHICH WAS PUBLISHED BY ISE ON SEPTEMBER 20, 2012, AND ON OCTOBER 19, 2012, THE FIRM SUBMITTED A WIRE TO ISE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$1,074,788. THE AWC WAS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE FOLLOWING OPTIONS EXCHANGES: (I) THE CHICAGO BOARD OPTIONS EXCHANGE, INC. (CBOE); (II) BATS EXCHANGE, INC. (BATS); (III) BOX OPTIONS EXCHANGE, LLC (BOX); (IV) THE NASDAQ OPTIONS MARKET (NOM); (V) NASDAQ OMX PHLX, INC. (PHLX); (VI) NYSE AMEX LLC (AMEX); AND (VII) NYSE ARCA, INC. (ARCA).

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**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3 PROMULGATED THEREUNDER, CHAPTER III, RULE 3.1, CHAPTER IV, RULE 4.1, CHAPTER V, RULES 5.1 AND 5.2, CHAPTER XVIII, RULE 18.1, CHAPTER XXIV, RULES 24.1 AND 24.4(A) OF THE BZX EXCHANGE RULES.: THE FIRM MAINTAINED MULTIPLE PROPRIETARY ORDER ENTRY SYSTEMS, INCLUDING G2 AND STRIDE. THE G2 ORDER ENTRY SYSTEM WAS DEFICIENT IN THAT, AMONG OTHER THINGS, IT ONLY ALLOWED OPTIONS ORDERS TO BE CODED AS "FIRM" "BROKER-DEALER" OR "CUSTOMER", WITHOUT INCLUDING FUNCTIONALITY THAT WOULD ENABLE THE SELECTION OF ORDERS AS "MARKET MAKER", AND DEFAULTED TO THE "CUSTOMER" ORIGIN CODE IF NO ORIGIN CODE CATEGORY HAD BEEN EXPLICITLY SELECTED BY THE FIRM'S SALES TRADERS OR OTHERS ENTERING AN ORDER. THE STRIDE ORDER ENTRY SYSTEM WAS DEFICIENT IN THAT, AMONG OTHER THINGS, IT HAD BEEN PROGRAMMED TO CODE ALL ORDERS AS "CUSTOMER", WITHOUT ANY FUNCTIONALITY FOR THE FIRM'S SALES TRADERS OR OTHERS TO SELECT AN ORIGIN



CODE. INSUFFICIENT COORDINATION AND INADEQUATE COMMUNICATION AMONG THE DIFFERENT GROUPS INVOLVED IN THE DEVELOPMENT OF THE G2 AND STRIDE SYSTEMS, INCLUDING COMPLIANCE, EQUITY DERIVATIVE SALES, AND SALES TECHNOLOGY, AS WELL AS A LACK OF AWARENESS OF THE SIGNIFICANCE OF OPTIONS ORDER ORIGIN CODE REGULATORY REQUIREMENTS AND AN INADEQUATE UNDERSTANDING OF THE FIRM'S CLIENT BASE FOR ITS LISTED OPTIONS BUSINESS AMONG THE SYSTEM DEVELOPERS, CONTRIBUTED TO THE CREATION OF THE DEFICIENCIES IN THE ORDER ENTRY SYSTEMS PREVIOUSLY REFERENCED. AS A RESULT OF THE DEFICIENCIES IN THE FIRM'S ORDER ENTRY SYSTEMS DESCRIBED ABOVE, THE FIRM MARKED NUMEROUS OPTIONS ORDERS WITH IMPROPER ORIGIN CODES. IN THE CASE OF G2 AND STRIDE, THE IMPROPER MARKING OF THESE OPTIONS ORDERS PREVENTED THE EXCHANGE FROM RECEIVING PROPER EXECUTION FEES FROM THE FIRM, AS "CUSTOMER" ORDERS SENT TO THE EXCHANGE ARE CHARGED A LOWER EXECUTION RATE THAN OTHER ORDERS. FINALLY, THE CONDUCT DESCRIBED ABOVE ADVERSELY IMPACTED THE EXCHANGE'S ABILITY TO SURVEIL FOR AND DETECT CONDUCT POTENTIALLY VIOLATIVE OF ITS RULES AND FEDERAL SECURITIES LAWS. THE FIRM FAILED TO ADEQUATELY RESPOND TO A NUMBER OF "RED FLAGS" RELATING TO THE PROPER CODING OF ORIGIN CODES ON ORDERS ROUTED TO THE OPTIONS EXCHANGES, IN THAT DESPITE THE IDENTIFICATION OF SEVERAL OF THE ISSUES IDENTIFIED ABOVE ON SEVERAL OCCASIONS BY CERTAIN COMPLIANCE AND TECHNOLOGY EMPLOYEES OF THE FIRM, THE FIRM FAILED TO REMEDIATE ITS CODING DEFICIENCIES UNTIL AFTER THE REVIEW PERIOD. THE FIRM FAILED TO HAVE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S ORIGIN CODE REQUIREMENTS, IN THAT THE FIRM FAILED TO: (I) REASONABLY ADDRESS ORIGIN CODE REQUIREMENTS IN THE DEVELOPMENT AND PROGRAMMING OF ITS ORDER ENTRY SYSTEMS; (II) MAINTAIN WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S RULES RELATING TO THE ASSIGNMENT OF ORIGIN CODES; (III) ADEQUATELY TRAIN ITS EMPLOYEES WITH RESPECT TO THE SIGNIFICANCE OF PROPERLY MARKING ORIGIN CODES IN ITS ORDER ENTRY SYSTEMS; AND (IV) ADEQUATELY SUPERVISE ITS EMPLOYEES WITH RESPECT TO THE PROPER MARKING OF ORIGIN CODES.

**Initiated By:** BATS Z-EXCHANGE, INC.

**Date Initiated:** 07/09/2012

**Docket/Case Number:** 20100826

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:** N/A

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/09/2012

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$6,750,000.00

**Other Sanctions Ordered:****Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED AND FINED \$6,750,000 DUE TO BATS AND THE SEVEN OPTIONS EXCHANGE BELOW, OF WHICH \$813.00 SHALL BE PAID TO BATS. IN ACCEPTING THIS AWC, BATS CONSIDERED: (I) THE SIGNIFICANT SUBSEQUENT REMEDIAL MEASURES IMPLEMENTED BY THE FIRM, INCLUDING SYSTEMS ENHANCEMENTS IN ITS OPTIONS ORDER ENTRY SYSTEMS AND THE DEVELOPMENT AND DELIVERY OF TRAINING CONCERNING OPTIONS ORIGIN CODES FOR USERS OF THE AFOREMENTIONED SYSTEMS; (II) THAT THE FIRM SEPARATELY PAID TO THE EXCHANGE THE SHORTFALL IN TRANSACTIONS FEES (FEE PAYMENT) ASSOCIATED WITH THE CONDUCT DESCRIBED ABOVE; AND (III) THE FIRM'S INFORMING THE OPTIONS EXCHANGES OF SYSTEMS ISSUES THAT THE FIRM IDENTIFIED IN THE COURSE OF RESPONDING TO A REGULATORY INQUIRY THAT AFFECTED ITS ASSIGNMENT OF ORIGIN CODES ON CERTAIN LISTED OPTIONS ORDERS AND ITS ENSUING COOPERATION THROUGHOUT FINRA'S INVESTIGATION. THIS FEE PAYMENT FULLY SATISFIED ALL TRANSACTIONS FEES OWED TO THE EXCHANGE ASSOCIATED WITH THE CONDUCT DESCRIBED ABOVE. ADDITIONALLY, ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE FOLLOWING OPTIONS EXCHANGES: (I) THE CHICAGO BOARD OPTIONS EXCHANGE, INC. (CBOE); (II) NASDAQ OMX PHLX, INC. (PHLX); (III) BOSTON OPTIONS EXCHANGE LLC (BOX); (IV) THE NASDAQ OPTIONS MARKET (NOM); (V) INTERNATIONAL



SECURITIES EXCHANGE, LLC (ISE); (VI) NYSE AMEX LLC (AMEX); AND (VII) NYSE ARCA, INC. (ARCA). (CASE #20100235041 IS AN ASSOCIATED CASE NUMBER.)

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION, ON BEHALF OF BATS Z-EXCHANGE, INC. ("BATS"), ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM"): (I) DURING THE PERIOD BETWEEN FEBRUARY 2010 AND MAY 2010, IMPROPERLY MARKED CERTAIN OPTIONS ORDERS ON THE EXCHANGE AS "CUSTOMER" THROUGH VARIOUS PROPRIETARY ORDER ENTRY SYSTEMS EMPLOYED BY THE FIRM TO SEND OPTIONS ORDERS TO THE EXCHANGE, IN ALLEGED VIOLATION OF BATS RULES CHAPTER III, RULE 3.1, CHAPTER IV, RULE 4.1, AND CHAPTER XXIV, RULES 24.1 AND 24.4(A); AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3 PROMULGATED THEREUNDER AND (II) FAILED TO HAVE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S ORIGIN CODE REQUIREMENTS, IN ALLEGED VIOLATION OF BATS RULES CHAPTER V, RULES 5.1 AND 5.2, AND CHAPTER XVIII, RULE 18.1.

**Initiated By:** BATS Z-EXCHANGE, INC.

**Date Initiated:** 07/09/2012

**Docket/Case Number:** 20100826

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/09/2012

**Sanctions Ordered:** Censure  
Monetary/Fine \$813.00

**Other Sanctions Ordered:**





<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$6,750,000 IN THE AGGREGATE, PAYABLE TO BATS AND SEVEN OTHER OPTION EXCHANGES, OF WHICH \$813.00 WAS PAID BY SUBMISSION OF A CHECK TO BATS ON OCTOBER 22, 2012.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE AND CENSURE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), WHICH WAS ACCEPTED AND WHICH WAS PUBLISHED BY BATS ON SEPTEMBER 21, 2012, AND ON OCTOBER 22, 2012, THE FIRM SUBMITTED A CHECK TO BATS IN PAYMENT OF THE FINE IN THE AMOUNT OF \$813.00. THE AWC WAS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE FOLLOWING OPTIONS EXCHANGES: (I) THE CHICAGO BOARD OPTIONS EXCHANGE, INC. (CBOE); (II) NASDAQ OMX PHLX, INC. (PHLX); (III) BOSTON OPTIONS EXCHANGE LLC (BOX); (IV) THE NASDAQ OPTIONS MARKET ("NOM"); (V) INTERNATIONAL SECURITIES EXCHANGE, LLC (ISE); (VI) NYSE AMEX LLC (AMEX); AND (VII) NYSE ARCA, INC. (ARCA).

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<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p><b>**7/5/12** STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT FINRA. NYSE MKT: CONSENTED TO FINDINGS: FOR THE SOLE PURPOSE OF SETTling THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, GOLDMAN SACHS &amp; CO. STIPULATED THAT DURING THE PERIOD BETWEEN JANUARY 2004 AND JUNE 2011, IT:</b></p> <ol style="list-style-type: none"> <li>1. VIOLATED NYSE AMEX RULES 16, 324, 956NY(A) AND SECTION 17(A) OF THE ACT AND RULE 17A-3 PROMULGATED THEREUNDER IN THAT THE FIRM MISMARKED OPTIONS ORDERS ON THE EXCHANGE AS "CUSTOMER" THROUGH VARIOUS PROPRIETARY ORDER ENTRY SYSTEMS EMPLOYED BY THE FIRM TO SEND OPTIONS ORDERS TO THE EXCHANGE.</li> <li>2. VIOLATED NYSE AMEX RULE 320 IN THAT RESPONDENT FAILED TO HAVE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S ORIGIN CODE REQUIREMENTS, IN THAT THE FIRM FAILED TO: (I) REASONABLY ADDRESS ORIGIN CODE REQUIREMENTS IN THE DEVELOPMENT AND PROGRAMMING OF ITS SYSTEMS; (II) MAINTAIN WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO</li> </ol>



ACHIEVE COMPLIANCE WITH THE EXCHANGE'S RULES RELATING TO THE ASSIGNMENT OF ORIGIN CODES; (III) ADEQUATELY TRAIN ITS EMPLOYEES WITH RESPECT TO THE SIGNIFICANCE OF PROPERLY MARKING ORIGIN CODES IN ITS ORDER ENTRY SYSTEMS; (IV) ADEQUATELY SUPERVISE ITS EMPLOYEES WITH RESPECT TO THE PROPER MARKING OF ORIGIN CODES; AND (V) ADEQUATELY RESPOND TO A NUMBER OF "RED FLAGS" RELATING TO THE PROPER CODING OF ORIGIN CODES ON ORDERS ROUTED TO THE OPTIONS EXCHANGES. STIPULATED SANCTION: CENSURE AND FINE IN THE AMOUNT OF \$6,750,000 DUE TO NYSE MKT AND SEVEN OTHER OPTIONS EXCHANGES, OF WHICH \$443,700 SHALL BE PAID TO NYSE MKT.

**Initiated By:** NYSE MKT LLC

**Date Initiated:** 07/05/2012

**Docket/Case Number:** 12-NYSE MKT-6

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 10/15/2012

**Sanctions Ordered:** Censure  
Monetary/Fine \$443,700.00

**Other Sanctions Ordered:**

**Sanction Details:** \*\*9/21/12\*\* NYSE MKT LLC: HEARING BOARD DECISION 12-NYSEMKT-6: VIOLATED: (1) NYSE AMEX RULES 16, 324, 956NY(A) AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3 PROMULGATED THEREUNDER, BY MISMARKING OPTIONS ORDERS ON THE EXCHANGE AS "CUSTOMER" THROUGH VARIOUS PROPRIETARY ORDER ENTRY SYSTEMS EMPLOYED BY GOLDMAN, SACHS & CO. TO SEND OPTIONS ORDERS TO THE EXCHANGE; AND (2) NYSE AMEX RULE 320, BY FAILING TO HAVE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE, INCLUDING A SEPERATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S ORIGIN CODE REQUIREMENTS. CONSENT TO CENSURE AND A \$443,700 FINE.

**Regulator Statement** \*\*9/21/12\*\* A REVIEW OF THE DECISION MAY BE REQUESTED ONLY BY A MEMBER OF THE NYSE ENTITIES IDENTIFIED IN NYSE RULE 476(G) WITHIN



25 DAYS FROM THE DATE OF THIS LETTER. IF A REVIEW OF THE DECISION IS REQUESTED, YOU WILL BE PROMPTLY NOTIFIED. IF NO REVIEW IS REQUESTED, THE DECISION WILL BECOME FINAL AT THE CLOSE OF BUSINESS ON OCTOBER 15, 2012. \*\*10/16/12\*\* SINCE A REVIEW OF THE DECISION OF THE HEARING BOARD DECISION WAS NOT REQUESTED, THAT DECISION BECAME FINAL AS OF THE CLOSE OF BUSINESS ON OCTOBER 15, 2012.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT THE FINANCIAL INDUSTRY REGULATORY AUTHORITY, ON BEHALF OF NYSE REGULATION, INC., ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM"): (I) DURING THE PERIOD BETWEEN JANUARY 2004 AND JUNE 2011, MISMARKED CERTAIN OPTIONS ORDERS ON THE EXCHANGE AS "CUSTOMER" THROUGH VARIOUS PROPRIETARY ORDER ENTRY SYSTEMS EMPLOYED BY THE FIRM TO SEND OPTIONS ORDERS TO THE EXCHANGE, IN ALLEGED VIOLATION OF NYSE AMEX LLC ("NYSE AMEX") RULES 16, 324, 956NY(A) AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3 PROMULGATED THEREUNDER AND (II) FAILED TO HAVE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S ORIGIN CODE REQUIREMENTS, IN ALLEGED VIOLATION OF NYSE AMEX RULE 320.
<b>Initiated By:</b>	NYSE MKT LLC
<b>Date Initiated:</b>	07/03/2012
<b>Docket/Case Number:</b>	12-NYSE MKT-6
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Stipulation and Consent
<b>Resolution Date:</b>	10/15/2012
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$443,700.00

**Other Sanctions Ordered:****Sanction Details:**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$6,750,000 IN THE AGGREGATE, PAYABLE TO NYSE AMEX AND SEVEN OTHER OPTION EXCHANGES, OF WHICH \$443,700 WAS PAID TO FINRA BY SUBMISSION OF A WIRE ON OCTOBER 19, 2012.

**Firm Statement**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE AND CENSURE AND ENTERED INTO A STIPULATION OF FACTS AND CONSENT TO PENALTY WITH NYSE REGULATION, INC., WHICH WAS APPROVED BY THE NYSE MKT LLC (SUCCESSOR TO NYSE AMEX) HEARING BOARD ON SEPTEMBER 20, 2012 AND BECAME FINAL ON OCTOBER 15, 2012. ON OCTOBER 19, 2012, THE FIRM SUBMITTED A WIRE TO FINRA IN PAYMENT OF THE FINE IN THE AMOUNT OF \$443,700. THE STIPULATION OF FACTS AND CONSENT TO PENALTY WAS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE FOLLOWING OPTIONS EXCHANGES: (I) THE CHICAGO BOARD OPTIONS EXCHANGE, INC. (CBOE); (II) BATS EXCHANGE, INC. (BATS); (III) BOSTON OPTIONS EXCHANGE LLC (BOX); (IV) THE NASDAQ OPTIONS MARKET (NOM); (V) NASDAQ OMX PHLX, INC. (PHLX); (VI) INTERNATIONAL SECURITIES EXCHANGE, LLC (ISE); AND (VII) NYSE ARCA, INC. (NYSE ARCA).

**Disclosure 84 of 325****Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

GOLDMAN SACHS & CO. ("GOLDMAN SACHS"), AN EXCHANGE TPH ORGANIZATION, WAS CENSURED AND FINED A TOTAL AMOUNT OF \$6,750,000, OF WHICH \$3,750,000 SHALL BE PAID TO CBOE AND \$3,000,000 SHALL BE PAID TO FINRA FOR THE FOLLOWING CONDUCT. AS A RESULT OF DEFICIENT ORDER ENTRY SYSTEMS, GOLDMAN SACHS IMPROPERLY MARKED NUMEROUS OPTIONS ORDERS WITH AN IMPROPER ORIGIN CODE RESULTING IN THE EXECUTION OF NUMEROUS TRANSACTIONS WHICH AFFORDED THOSE TRANSACTIONS PRIORITY TO WHICH THEY WERE NOT ENTITLED. ADDITIONALLY, AS A RESULT OF THE CONDUCT ABOVE, NUMEROUS ORDERS WERE ALSO IMPROPERLY CROSSED RESULTING IN TRANSACTIONS RECEIVING PRIORITY TO WHICH THEY WERE NOT ENTITLED. ADDITIONALLY, GOLDMAN SACHS FAILED TO ADEQUATELY SUPERVISE TO ENSURE COMPLIANCE FOR THE CONDUCT DESCRIBED ABOVE, IN THAT GOLDMAN SACHS: (I) FAILED TO PROVIDE ADEQUATE TRAINING TO ITS EMPLOYEES IN THE USE OF PROPER ORDER ORIGIN CODES AT CBOE, AND OTHER EXCHANGES; (II) FAILED TO PROPERLY SUPERVISE THE COMPLIANCE DEVELOPMENT OF ITS ORDER



ENTRY SYSTEMS DESCRIBED ABOVE; AND (III) FAILED TO RESPOND TO "RED FLAGS" RELATING TO THE PROPER CODING OF ORIGIN CODES OF ORDERS ROUTED TO THE OPTIONS EXCHANGES, DESPITE THE IDENTIFICATION OF SEVERAL OF THE ISSUES IDENTIFIED ABOVE ON SEVERAL OCCASIONS BY EMPLOYEES OF THE FIRM, THE FIRM FAILED TO ULTIMATELY REMEDIATE ITS CODING DEFICIENCIES UNTIL AFTER THE REVIEW PERIOD. IN ACCEPTING THE LETTER OF CONSENT, THE BCC CONSIDERED: (I) THE SIGNIFICANT SUBSEQUENT REMEDIAL MEASURES IMPLEMENTED BY GOLDMAN SACHS, INCLUDING SYSTEMS ENHANCEMENTS IN ITS ORDER ENTRY SYSTEMS; (II) SUPERVISORY TRAINING AND REORGANIZATION ASSOCIATED WITH ITS ORDER ENTRY SYSTEMS AND SYSTEMS DEVELOPMENT IN GENERAL; (III) THAT GOLDMAN SACHS SEPARATELY PAID TO THE EXCHANGE THE TRANSACTIONS FEES ("FEE PAYMENT") ASSOCIATED WITH THE CONDUCT DESCRIBED BELOW ; AND (IV) THE COOPERATION OF GOLDMAN SACHS THROUGHOUT THE CBOE'S INVESTIGATION. (CBOE RULES 4.1, 4.2, 4.22, 6.51, 6.74, 15.1; AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "ACT") AND RULE 17A-3 THEREUNDER)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 06/26/2012

**Docket/Case Number:** 12-0008

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 09/20/2012

**Sanctions Ordered:** Censure  
Monetary/Fine \$3,750,000.00

**Other Sanctions Ordered:** A CENSURE AND A TOTAL FINE IMPOSED BY CBOE AND THE SEVEN OPTIONS EXCHANGES IDENTIFIED BELOW IN THE AMOUNT OF \$6,750,000, OF WHICH \$3,750,000 SHALL BE PAID TO CBOE.

**Sanction Details:** A CENSURE AND A TOTAL FINE IMPOSED BY CBOE AND THE SEVEN OPTIONS EXCHANGES IDENTIFIED BELOW IN THE AMOUNT OF \$6,750,000, OF WHICH \$3,750,000 SHALL BE PAID TO CBOE.



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED ("CBOE") ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM"): (I) DURING THE APPROXIMATE PERIOD FROM IN OR ABOUT JANUARY 2004 THROUGH IN OR ABOUT MAY 2010, MISMARKED CERTAIN OPTIONS ORDERS WITH AN IMPROPER ORIGIN CODE RESULTING IN THE EXECUTION OF ORDERS AND CROSSES, SOME OF WHICH MAY HAVE BEEN AFFORDED PRIORITY TO WHICH THEY WERE NOT ENTITLED, IN ALLEGED VIOLATION OF CBOE RULES 4.1, 4.2, 4.22, 6.51, 6.74, 15.1 AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3 PROMULGATED THEREUNDER AND (II) FAILED TO MAINTAIN SUPERVISORY SYSTEMS AND CONTROLS THAT WERE REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH CBOE RULES RELATING TO ORDER ENTRY, IN ALLEGED VIOLATION OF CBOE RULE 4.2.

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED

**Date Initiated:** 09/20/2012

**Docket/Case Number:** 12-0008

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Consent

**Resolution Date:** 09/20/2012

**Sanctions Ordered:** Censure  
Monetary/Fine \$3,750,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$6,750,000 IN THE AGGREGATE, PAYABLE TO CBOE AND SEVEN OTHER OPTION EXCHANGES, OF WHICH \$3,750,000 WAS PAID TO CBOE BY SUBMISSION OF A WIRE ON SEPTEMBER 27, 2012.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE AND CENSURE AND ENTERED INTO A LETTER OF CONSENT WHICH WAS APPROVED BY THE CBOE BUSINESS CONDUCT



COMMITTEE ON SEPTEMBER 20, 2012 AND ON SEPTEMBER 27, 2012, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$3,750,000. THE LETTER OF CONSENT IS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE FOLLOWING OPTIONS EXCHANGES (I) BATS EXCHANGE, INC. (BATS); (II) BOSTON OPTIONS EXCHANGE REGULATION, LLC (BOXR); (III) INTERNATIONAL SECURITIES EXCHANGE, LLC (ISE); (IV) THE NASDAQ OPTIONS MARKET (NOM); (V) NASDAQ OMX PHLX, INC. (PHLX); (VI) NYSE AMEX LLC (AMEX); AND (VII) NYSE ARCA, INC. (ARCA).

#### Disclosure 85 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	GOLDMAN, SACHS & COMPANY ALLEGEDLY USED UNETHICAL PRACTICES IN THE OFFER AND SALE OF AUCTION RATE SECURITIES AND FAILED TO SUPERVISE STAFF.
<b>Initiated By:</b>	PENNSYLVANIA CONTACT: COUNSEL CAROLYN MENDELSON: (412)-565-5083
<b>Date Initiated:</b>	09/05/2012
<b>Docket/Case Number:</b>	2010-07-13
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	AUCTION RATE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	09/05/2012
<b>Sanctions Ordered:</b>	Monetary/Fine \$221,331.78
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GOLDMAN, SACHS & COMPANY IS ORDERED TO PAY WITHIN TEN DAYS OF THE ENTRY OF THIS ORDER \$221,331.78 TO THE COMMONWEALTH OF PA, WHICH AMOUNT REPRESENTS AN ADMINISTRATIVE ASSESSMENT. THE SUM CONSTITUTES THE COMMONWEALTH OF PA'S PROPORTIONATE



SHARE OF THE ENTIRE SETTLEMENT TO THE STATES IN THE AMOUNT OF 22,500.000.00. GOLDMAN, SACHS & COMPANY IS ORDERED TO BUY BACK AUCTION RATE SECURITIES FOR ELIGIBLE PA INVESTORS.

### Regulator Statement

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ISSUED TO GOLDMAN, SACHS & COMPANY.

### Reporting Source:

Firm

### Current Status:

Final

### Allegations:

VARIOUS STATE REGULATORS, INCLUDING THE PENNSYLVANIA SECURITIES COMMISSION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE PROCEEDING, FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER, THE PENNSYLVANIA SECURITIES COMMISSION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

### Initiated By:

PENNSYLVANNIA SECURITIES COMMISSION

### Date Initiated:

09/05/2012

### Docket/Case Number:

2010-07-13

### Principal Product Type:

Debt - Asset Backed

### Other Product Type(s):

DEBT - MUNICIPAL

### Principal Sanction(s)/Relief Sought:

Civil and Administrative Penalt(ies) /Fine(s)

### Other Sanction(s)/Relief Sought:

CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

### Resolution:

Consent

### Resolution Date:

09/05/2012

### Sanctions Ordered:

Monetary/Fine \$221,331.78  
Cease and Desist/Injunction





<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE PROCEEDING, FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER WITH THE PENNSYLVANIA SECURITIES COMMISSION ON SEPTEMBER 5, 2012 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$221,331.78 TO THE PENNSYLVANIA SECURITIES COMMISSION, WHICH AMOUNT WAS PAID ON SEPTEMBER 17, 2012.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE PROCEEDING, FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER WITH THE PENNSYLVANIA SECURITIES COMMISSION ON SEPTEMBER 5, 2012 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$221,331.78 TO THE PENNSYLVANIA SECURITIES COMMISSION, WHICH AMOUNT WAS PAID ON SEPTEMBER 17, 2012.

## Disclosure 86 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>SEC ADMIN RELEASE 34-67934, SEPTEMBER 27, 2012: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMED IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE INSTITUTED PURSUANT TO SECTIONS 15(B), 15B(C)(2) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AGAINST GOLDMAN, SACHS &amp; CO. ("GOLDMAN SACHS" OR "RESPONDENT").</p> <p>THE COMMISSION FOUND THAT: THE PROCEEDINGS INVOLVE "PAY-TO-PLAY" VIOLATIONS BY GOLDMAN, SACHS &amp; CO. ("GOLDMAN SACHS"), A BROKER-DEALER AND REGISTERED MUNICIPAL SECURITIES DEALER, ARISING FROM THE CONDUCT OF A FORMER VICE PRESIDENT IN THE INVESTMENT BANKING DIVISION OF GOLDMAN SACHS. STARTING IN JULY 2008, THE INDIVIDUAL WAS EMPLOYED BY GOLDMAN SACHS TO SOLICIT</p>



MUNICIPAL UNDERWRITING BUSINESS FROM, AMONG OTHERS, THE COMMONWEALTH OF MASSACHUSETTS TREASURER'S OFFICE. DURING THE PERIOD NOVEMBER 2008 TO OCTOBER 2010, HOWEVER, THE INDIVIDUAL WAS ALSO SUBSTANTIALLY ENGAGED IN THE POLITICAL CAMPAIGNS, INCLUDING THE NOVEMBER 2010 MASSACHUSETTS GUBERNATORIAL CAMPAIGN FOR THE THEN-TREASURER OF MASSACHUSETTS. THE INDIVIDUAL PARTICIPATED EXTENSIVELY IN THE CANDIDATE'S GUBERNATORIAL CAMPAIGN AND DID SO AT TIMES FROM HIS GOLDMAN SACHS OFFICE, DURING HIS GOLDMAN SACHS WORK HOURS AND USING GOLDMAN SACHS RESOURCES, SUCH AS PHONES, E-MAIL AND OFFICE SPACE. THE INDIVIDUAL'S CAMPAIGN WORK GAVE HIM COMPLETE ACCESS TO THE CANDIDATE AND HIS STAFF, WHO OFTEN PROVIDED HIM WITH INFORMATION ABOUT THE OFFICE'S INTERNAL DELIBERATIONS INVOLVING UNDERWRITER SELECTION.

THE INDIVIDUAL'S CAMPAIGN ACTIVITIES DURING HIS GOLDMAN SACHS WORK HOURS AND USE OF GOLDMAN SACHS RESOURCES CONSTITUTED VALUABLE UNDISCLOSED "IN-KIND" CAMPAIGN CONTRIBUTIONS TO THE CANDIDATE ATTRIBUTABLE TO GOLDMAN SACHS. IN ADDITION, DURING THE SAME PERIOD, THE INDIVIDUAL MADE A SECRET, UNDISCLOSED CASH CAMPAIGN CONTRIBUTION TO THE CANDIDATE.

WITHIN TWO YEARS OF THESE CASH AND ATTRIBUTED "IN-KIND" CAMPAIGN CONTRIBUTIONS, GOLDMAN SACHS ENGAGED IN MUNICIPAL SECURITIES BUSINESS WITH ISSUERS ASSOCIATED WITH THE CANDIDATE AS TREASURER OF MASSACHUSETTS AND AS A CANDIDATE FOR GOVERNOR OF MASSACHUSETTS. GOLDMAN SACHS' ENGAGEMENT IN MUNICIPAL SECURITIES BUSINESS WITH THESE ISSUERS VIOLATED SECTION 15B(C)(1) OF THE EXCHANGE ACT AND THE MUNICIPAL SECURITIES RULEMAKING BOARD'S ("MSRB") RULE G-37(B). GOLDMAN SACHS DID NOT DISCLOSE ANY OF THE CONTRIBUTIONS ON MSRB FORMS G-37, AND DID NOT MAKE OR KEEP RECORDS OF THE CONTRIBUTIONS IN VIOLATION OF MSRB RULES G-37(E), G-8 AND G-9.

IN ADDITION, GOLDMAN SACHS DID NOT TAKE STEPS TO ENSURE THAT THE ATTRIBUTED CONTRIBUTIONS, OR CAMPAIGN WORK OR THE CONFLICTS OF INTEREST RAISED BY THEM WERE DISCLOSED IN THE BOND OFFERING DOCUMENTS, IN VIOLATION OF MSRB RULE G-17, WHICH REQUIRES BROKER-DEALERS TO DEAL FAIRLY AND NOT ENGAGE IN ANY DECEPTIVE, DISHONEST, OR UNFAIR PRACTICE. IN ADDITION, GOLDMAN SACHS FAILED TO EFFECTIVELY SUPERVISE THE INDIVIDUAL IN VIOLATION OF MSRB RULE G-27.

AS A RESULT OF THE CONDUCT, GOLDMAN SACHS WILLFULLY VIOLATED MSRB RULE G-8(A)(XVI); WILLFULLY VIOLATED MSRB RULE G-9; WILLFULLY



VIOLATED MSRB RULE G-17; WILLFULLY VIOLATED MSRB RULE G-27; WILLFULLY VIOLATED MSRB RULE G-37(B); AND WILLFULLY VIOLATED MSRB RULE G-37(E). AS A RESULT OF GOLDMAN SACHS' WILLFUL VIOLATIONS OF MSRB RULES G-37(B), G-17 AND G-37(E), GOLDMAN SACHS WILLFULLY VIOLATED SECTION 15B(C)(1) OF THE EXCHANGE ACT.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 09/27/2012

**Docket/Case Number:** 3-15048

**Principal Product Type:** Other

**Other Product Type(s):** MUNICIPAL SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order

**Resolution Date:** 09/27/2012

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** Yes

**Sanctions Ordered:** Censure  
Monetary/Fine \$3,750,000.00  
Disgorgement/Restitution  
Cease and Desist/Injunction

**Other Sanctions Ordered:** PREJUDGMENT INTEREST

**Sanction Details:** THE COMMISSION DEEMED IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENT GOLDMAN SACHS' OFFER. ACCORDINGLY, PURSUANT TO SECTIONS 15(B), 15B(C)(2), 21B AND 21C OF THE EXCHANGE ACT, IT IS HEREBY ORDERED THAT GOLDMAN SACHS SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15B(C)(1) OF THE EXCHANGE ACT, MSRB RULE G-8, MSRB RULE G-9, MSRB RULE G-17, MSRB RULE G-27, MSRB RULE G-37(B) AND MSRB RULE G-37(E). GOLDMAN SACHS IS CENSURED. GOLDMAN SACHS SHALL, WITHIN 10 DAYS OF THE ENTRY OF THE ORDER, PAY DISGORGEMENT OF \$7,558,942 AND PREJUDGMENT INTEREST OF \$670,033. OF THE \$7,558,942



IN DISGORGEMENT, \$2,120,547 SHALL BE DEEMED SATISFIED BY RESPONDENT'S PAYMENT OF \$1,512,902 TO THE COMMONWEALTH OF MASSACHUSETTS AND \$607,645 TO THE MASSACHUSETTS WATER POLLUTION ABATEMENT TRUST IN A RELATED ACTION BY THE COMMONWEALTH OF MASSACHUSETTS. GOLDMAN SACHS SHALL, WITHIN 10 DAYS OF THE ENTRY OF THE ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$3,750,000 TO THE SECURITIES AND EXCHANGE COMMISSION, OF WHICH \$1,875,000 SHALL BE TRANSFERRED TO THE MUNICIPAL SECURITIES RULEMAKING BOARD IN ACCORDANCE WITH SECTION 15B(C)(9)(A) OF THE EXCHANGE ACT.

### Regulator Statement

IN ANTICIPATION OF THE INSTITUTION OF THE PROCEEDINGS, RESPONDENT SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTED TO THE ENTRY OF THE ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 15(B), 15B(C)(2) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER ("ORDER").

IN DETERMINING TO ACCEPT THE OFFER, THE COMMISSION CONSIDERED REMEDIAL ACTS PROMPTLY UNDERTAKEN BY RESPONDENT AND COOPERATION AFFORDED THE COMMISSION STAFF.

### Reporting Source:

Firm

### Current Status:

Final

### Allegations:

STARTING IN JULY 2008, NEIL M.M. MORRISON ("MORRISON") WAS EMPLOYED BY GOLDMAN, SACHS & CO. (THE "FIRM") TO SOLICIT MUNICIPAL UNDERWRITING BUSINESS FROM, AMONG OTHERS, THE COMMONWEALTH OF MASSACHUSETTS TREASURER'S OFFICE. FROM NOVEMBER 2008 TO OCTOBER 2010, MORRISON WAS ALSO SUBSTANTIALLY ENGAGED IN THE POLITICAL CAMPAIGNS, INCLUDING THE NOVEMBER 2010 MASSACHUSETTS GUBERNATORIAL CAMPAIGN, FOR TIMOTHY P. CAHILL ("CAHILL"), THE THEN-TREASURER OF MASSACHUSETTS. MORRISON WORKED ON CAHILL'S CAMPAIGN DURING WORK HOURS USING FIRM RESOURCES. MORRISON ALSO MADE A SECRET, UNDISCLOSED CASH CAMPAIGN CONTRIBUTION TO CAHILL. WITHIN TWO YEARS OF MORRISON'S CONTRIBUTIONS, THE FIRM



ENGAGED IN MUNICIPAL SECURITIES BUSINESS WITH ISSUERS ASSOCIATED WITH CAHILL AS TREASURER AND AS A CANDIDATE FOR GOVERNOR. THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") ALLEGED THAT THE FIRM'S ENGAGEMENT IN MUNICIPAL SECURITIES BUSINESS WITH THESE ISSUERS VIOLATED SECTION 15B(C)(1) OF THE EXCHANGE ACT AND MSRB RULE G-37(B), AND THAT THE FIRM'S FAILURE TO MAINTAIN RECORDS OF AND TO REPORT IN REGULATORY FILINGS THE CONTRIBUTIONS AND CAMPAIGN WORK, AND TO TAKE STEPS TO ENSURE THAT THE ATTRIBUTED CONTRIBUTIONS, OR CAMPAIGN WORK OR THE CONFLICTS OF INTEREST RAISED BY THEM WERE DISCLOSED IN BOND OFFERING DOCUMENTS, VIOLATED MSRB RULES G-8, G-9, G-17, G-27 AND G-37. WITHOUT ADMITTING OR DENYING THE VIOLATIONS (EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THE PROCEEDINGS), THE FIRM CONSENTED TO THE ENTRY OF THE ORDER.

<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	09/27/2012
<b>Docket/Case Number:</b>	3-15048
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	MUNICIPAL SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST; CENSURE; DISGORGEMENT
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	09/27/2012
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$3,750,000.00 Disgorgement/Restitution Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	PREJUDGMENT INTEREST
<b>Sanction Details:</b>	THE FIRM AGREES TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15B(C)(1) OF THE EXCHANGE ACT, MSRB RULE G 37(B), MSRB RULE G-17, MSRB RULE G-27, MSRB RULE G-37(E), MSRB RULE G-8 AND MSRB RULE G-9. THE FIRM IS CENSURED AND WILL PAY DISGORGEMENT OF \$7,558,942 AND PREJUDGMENT INTEREST OF \$670,033. OF THE \$7,558,942 IN DISGORGEMENT, \$2,120,547 WILL BE DEEMED SATISFIED BY



RESPONDENT'S PAYMENT OF \$1,512,902 TO THE COMMONWEALTH OF MASSACHUSETTS AND \$607,645 TO THE MASSACHUSETTS WATER POLLUTION ABATEMENT TRUST IN A RELATED ACTION BY THE COMMONWEALTH OF MASSACHUSETTS. THE REMAINING \$5,438,395 AND PREJUDGMENT INTEREST OF \$670,033 WILL BE PAID TO THE COMMISSION FOR REMITTANCE TO THE UNITED STATES TREASURY. FINALLY, THE ORDER REQUIRES THE FIRM TO PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$3,750,000 TO THE COMMISSION, OF WHICH \$1,875,000 WILL BE TRANSFERRED TO THE MSRB IN ACCORDANCE WITH SECTION 15B(C)(9)(A) OF THE EXCHANGE ACT, AND OF WHICH THE REMAINING \$1,875,000 WILL BE TRANSFERRED TO THE UNITED STATES TREASURY. THE DISGORGEMENT, PREJUDGMENT INTEREST AND CIVIL MONEY PENALTY WERE PAID IN FULL BY SUBMISSION OF A WIRE TO THE COMMISSION ON OCTOBER 3, 2012, AND BY SUBMISSION OF CHECKS TO THE COMMONWEALTH OF MASSACHUSETTS AND THE MASSACHUSETTS WATER POLLUTION ABATEMENT TRUST ON OCTOBER 4, 2012.

#### Firm Statement

THE FIRM AGREES TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15B(C)(1) OF THE EXCHANGE ACT, MSRB RULE G 37(B), MSRB RULE G-17, MSRB RULE G-27, MSRB RULE G-37(E), MSRB RULE G-8 AND MSRB RULE G-9. THE FIRM IS CENSURED AND WILL PAY DISGORGEMENT OF \$7,558,942 AND PREJUDGMENT INTEREST OF \$670,033. OF THE \$7,558,942 IN DISGORGEMENT, \$2,120,547 WILL BE DEEMED SATISFIED BY RESPONDENT'S PAYMENT OF \$1,512,902 TO THE COMMONWEALTH OF MASSACHUSETTS AND \$607,645 TO THE MASSACHUSETTS WATER POLLUTION ABATEMENT TRUST IN A RELATED ACTION BY THE COMMONWEALTH OF MASSACHUSETTS. THE REMAINING \$5,438,395 AND PREJUDGMENT INTEREST OF \$670,033 WILL BE PAID TO THE COMMISSION FOR REMITTANCE TO THE UNITED STATES TREASURY. FINALLY, THE ORDER REQUIRES THE FIRM TO PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$3,750,000 TO THE COMMISSION, OF WHICH \$1,875,000 WILL BE TRANSFERRED TO THE MSRB IN ACCORDANCE WITH SECTION 15B(C)(9)(A) OF THE EXCHANGE ACT, AND OF WHICH THE REMAINING \$1,875,000 WILL BE TRANSFERRED TO THE UNITED STATES TREASURY. THE DISGORGEMENT, PREJUDGMENT INTEREST AND CIVIL MONEY PENALTY WERE PAID IN FULL BY SUBMISSION OF A WIRE TO THE COMMISSION ON OCTOBER 3, 2012, AND BY SUBMISSION OF CHECKS TO THE COMMONWEALTH OF MASSACHUSETTS AND THE MASSACHUSETTS WATER POLLUTION ABATEMENT TRUST ON OCTOBER 4, 2012.

#### Disclosure 87 of 325

**Reporting Source:** Regulator  
**Current Status:** Final

**Allegations:**

SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-3 THEREUNDER, CHAPTER III, SECTIONS 1 AND 2(A)(I), CHAPTER V, SECTIONS 1(B)(III), 7(A) AND CHAPTER IX, SECTION 1 OF THE NASDAQ OPTIONS MARKET, LLC (NOM) RULES - GOLDMAN, SACHS & CO. MAINTAINED MULTIPLE PROPRIETARY ORDER ENTRY SYSTEMS; ONE WAS DESIGNED TO HANDLE SIMPLE ORDERS (G2), ANOTHER TO HANDLE COMPLEX ORDERS (STRIDE). THE G2 SYSTEM WAS DEFICIENT IN THAT, AMONG OTHER THINGS, IT ALLOWED OPTIONS ORDERS TO BE CODED AS "FIRM", "BROKER-DEALER" OR "CUSTOMER", WITHOUT INCLUDING FUNCTIONALITY THAT WOULD ENABLE THE SELECTION OF ORDERS AS "MARKET MAKER" AND DEFAULTED TO THE "CUSTOMER" ORIGIN CODE IF NO ORIGIN CODE CATEGORY HAD BEEN EXPLICITLY SELECTED BY FIRM SALES TRADERS OR OTHERS ENTERING AN ORDER. THE STRIDE ORDER ENTRY SYSTEM WAS DEFICIENT IN THAT, AMONG OTHER THINGS, IT HAD BEEN PROGRAMMED TO CODE ALL ORDERS AS "CUSTOMER", WITHOUT ANY FUNCTIONALITY FOR FIRM SALES TRADERS OR OTHERS TO SELECT AN ORIGIN CODE. INSUFFICIENT COORDINATION AND INADEQUATE COMMUNICATION AMONG THE DIFFERENT GROUPS INVOLVED IN THE DEVELOPMENT OF THE TWO SYSTEMS, INCLUDING COMPLIANCE, EQUITY DERIVATIVE SALES, AND SALES TECHNOLOGY, AS WELL AS A LACK OF AWARENESS OF THE SIGNIFICANCE OF OPTIONS ORDER ORIGIN CODE REGULATORY REQUIREMENTS AND AN INADEQUATE UNDERSTANDING OF THE FIRM'S CLIENT BASE FOR ITS LISTED OPTIONS BUSINESS AMONG THE SYSTEM DEVELOPERS, CONTRIBUTED TO THE CREATION OF THE DEFICIENCIES IN THE ORDER ENTRY SYSTEMS. AS A RESULT, THE FIRM MARKED NUMEROUS OPTIONS ORDERS WITH IMPROPER ORIGIN CODES, PREVENTING THE EXCHANGE FROM RECEIVING PROPER EXECUTION FEES FROM THE FIRM, AS "CUSTOMER" ORDERS ARE CHARGED A LOWER EXECUTION RATE THAN OTHER ORDERS. THIS CONDUCT ADVERSELY IMPACTED THE EXCHANGE'S ABILITY TO SURVEIL FOR AND DETECT POTENTIAL VIOLATION OF ITS RULES AND FEDERAL SECURITIES LAWS. THE FIRM FAILED TO ADEQUATELY RESPOND TO A NUMBER OF RED FLAGS RELATING TO THE PROPER CODING OF ORIGIN CODES ON ORDERS ROUTED TO THE OPTIONS EXCHANGES, IN THAT DESPITE THE IDENTIFICATION OF SEVERAL OF THE ISSUES IDENTIFIED ABOVE ON SEVERAL OCCASIONS BY FIRM COMPLIANCE AND TECHNOLOGY EMPLOYEES, THE FIRM FAILED TO REMEDIATE ITS CODING DEFICIENCIES UNTIL AFTER THE REVIEW PERIOD. THE FIRM FAILED TO HAVE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S ORIGIN CODE REQUIREMENTS IN THAT THE FIRM FAILED TO REASONABLY ADDRESS ORIGIN CODE REQUIREMENTS IN THE DEVELOPMENT AND PROGRAMMING OF ITS ORDER ENTRY SYSTEMS; MAINTAIN WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE





COMPLIANCE WITH THE EXCHANGE'S RULES RELATING TO THE ASSIGNMENT OF ORIGIN CODES; ADEQUATELY TRAIN ITS EMPLOYEES WITH RESPECT TO THE SIGNIFICANCE OF PROPERLY MARKING ORIGIN CODES IN ITS ORDER ENTRY SYSTEMS; AND ADEQUATELY SUPERVISE ITS EMPLOYEES WITH RESPECT TO THE PROPER MARKING OF ORIGIN CODES.

**Initiated By:** NASDAQ OPTIONS MARKET

**Date Initiated:** 09/14/2012

**Docket/Case Number:** 2010023504102

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 09/14/2012

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$6,750,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$6,750,000 DUE TO NOM AND SEVEN OPTIONS EXCHANGES, OF WHICH \$63,507 SHALL BE PAID TO NOM. ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE CHICAGO BOARD OPTIONS EXCHANGE, INC. (CBOE); NASDAQ OMX PHLX, INC. (PHLX); BOSTON OPTIONS EXCHANGE LLC (BOX); BATS EXCHANGE, INC. (BATS); INTERNATIONAL SECURITIES EXCHANGE, LLC (ISE); NYSE AMEX LLC (AMEX); AND NYSE ARCA, INC. (ARCA).





<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM"): (I) DURING THE PERIOD BETWEEN MARCH 2008 AND MAY 2010, IMPROPERLY MARKED CERTAIN OPTIONS ORDERS ON THE EXCHANGE AS "CUSTOMER" THROUGH VARIOUS PROPRIETARY ORDER ENTRY SYSTEMS EMPLOYED BY THE FIRM TO SEND OPTIONS ORDERS TO THE EXCHANGE, IN ALLEGED VIOLATION OF NASDAQ OPTIONS MARKET, LLC ("NOM") RULES CHAPTER V, SECTIONS 1(B)(III) AND SECTION 7(A), AND CHAPTER IX, SECTION 1; AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3 PROMULGATED THEREUNDER AND (II) FAILED TO HAVE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S ORIGIN CODE REQUIREMENTS, IN ALLEGED VIOLATION OF NOM RULES CHAPTER III, SECTIONS 1 AND 2(A)(I).
<b>Initiated By:</b>	NASDAQ OPTIONS MARKET
<b>Date Initiated:</b>	09/14/2012
<b>Docket/Case Number:</b>	2010023504102
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	09/14/2012
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$63,507.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$6,750,000 IN THE AGGREGATE, PAYABLE TO NOM AND SEVEN OTHER OPTION EXCHANGES, OF WHICH \$63,507 WAS PAID BY SUBMISSION OF A CHECK TO NOM ON OCTOBER 22, 2012.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE



FIRM CONSENTED TO A FINE AND CENSURE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), WHICH WAS APPROVED BY FINRA ON SEPTEMBER 14, 2012, AND ON OCTOBER 22, 2012, THE FIRM SUBMITTED A CHECK TO NOM IN PAYMENT OF THE FINE IN THE AMOUNT OF \$63,507. THE AWC WAS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE FOLLOWING OPTIONS EXCHANGES: (I) THE CHICAGO BOARD OPTIONS EXCHANGE, INC. (CBOE); (II) NASDAQ OMX PHLX, INC. (PHLX); (III) BOSTON OPTIONS EXCHANGE LLC (BOX); (IV) BATS EXCHANGE, INC. (BATS); (V) INTERNATIONAL SECURITIES EXCHANGE, LLC (ISE); (VI) NYSE AMEX LLC (AMEX); AND (VII) NYSE ARCA, INC. (ARCA).

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**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-3, THEREUNDER, NASDAQ OMX BX, INC.(BOX)TRADING RULES CHAPTER III, SECTIONS 1 AND 2, CHAPTER V, SECTIONS 1, 15, CHAPTER VIII, SECTION 1 - GOLDMAN, SACHS & CO. MAINTAINED MULTIPLE PROPRIETARY ORDER ENTRY SYSTEMS; ONE WAS DESIGNED TO HANDLE SIMPLE ORDERS (G2), ANOTHER TO HANDLE COMPLEX ORDERS (STRIDE). THE G2 SYSTEM WAS DEFICIENT IN THAT, AMONG OTHER THINGS, IT ALLOWED OPTIONS ORDERS TO BE CODED AS "FIRM", "BROKER-DEALER" OR "CUSTOMER", WITHOUT INCLUDING FUNCTIONALITY THAT WOULD ENABLE THE SELECTION OF ORDERS AS "MARKET MAKER" AND DEFAULTED TO THE "CUSTOMER" ORIGIN CODE IF NO ORIGIN CODE CATEGORY HAD BEEN EXPLICITLY SELECTED BY FIRM SALES TRADERS OR OTHERS ENTERING AN ORDER. THE STRIDE ORDER ENTRY SYSTEM WAS DEFICIENT IN THAT, AMONG OTHER THINGS, IT HAD BEEN PROGRAMMED TO CODE ALL ORDERS AS "CUSTOMER", WITHOUT ANY FUNCTIONALITY FOR FIRM SALES TRADERS OR OTHERS TO SELECT AN ORIGIN CODE. INSUFFICIENT COORDINATION AND INADEQUATE COMMUNICATION AMONG THE DIFFERENT GROUPS INVOLVED IN THE DEVELOPMENT OF THE TWO SYSTEMS, INCLUDING COMPLIANCE, EQUITY DERIVATIVE SALES, AND SALES TECHNOLOGY, AS WELL AS A LACK OF AWARENESS OF THE SIGNIFICANCE OF OPTIONS ORDER ORIGIN CODE REGULATORY REQUIREMENTS AND AN INADEQUATE UNDERSTANDING OF THE FIRM'S CLIENT BASE FOR ITS LISTED OPTIONS BUSINESS AMONG THE SYSTEM DEVELOPERS, CONTRIBUTED TO THE CREATION OF THE DEFICIENCIES IN THE ORDER ENTRY SYSTEMS. AS A RESULT, THE FIRM MARKED NUMEROUS OPTIONS ORDERS WITH IMPROPER ORIGIN CODES, PREVENTING THE EXCHANGE FROM RECEIVING PROPER EXECUTION FEES FROM THE FIRM, AS "CUSTOMER" ORDERS ARE CHARGED A LOWER



EXECUTION RATE THAN OTHER ORDERS. THIS CONDUCT ADVERSELY IMPACTED THE EXCHANGE'S ABILITY TO SURVEIL FOR AND DETECT POTENTIAL VIOLATION OF ITS RULES AND FEDERAL SECURITIES LAWS. THE FIRM FAILED TO ADEQUATELY RESPOND TO A NUMBER OF RED FLAGS RELATING TO THE PROPER CODING OF ORIGIN CODES ON ORDERS ROUTED TO THE OPTIONS EXCHANGES, IN THAT DESPITE THE IDENTIFICATION OF SEVERAL OF THE ISSUES IDENTIFIED ABOVE ON SEVERAL OCCASIONS BY FIRM COMPLIANCE AND TECHNOLOGY EMPLOYEES, THE FIRM FAILED TO REMEDIATE ITS CODING DEFICIENCIES UNTIL AFTER THE REVIEW PERIOD. THE FIRM FAILED TO HAVE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S ORIGIN CODE REQUIREMENTS IN THAT THE FIRM FAILED TO REASONABLY ADDRESS ORIGIN CODE REQUIREMENTS IN THE DEVELOPMENT AND PROGRAMMING OF ITS ORDER ENTRY SYSTEMS; MAINTAIN WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S RULES RELATING TO THE ASSIGNMENT OF ORIGIN CODES; ADEQUATELY TRAIN ITS EMPLOYEES WITH RESPECT TO THE SIGNIFICANCE OF PROPERLY MARKING ORIGIN CODES IN ITS ORDER ENTRY SYSTEMS; AND ADEQUATELY SUPERVISE ITS EMPLOYEES WITH RESPECT TO THE PROPER MARKING OF ORIGIN CODES.

**Initiated By:** NASDAQ OMX BX, INC.

**Date Initiated:** 09/14/2012

**Docket/Case Number:** 2010023504101

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 09/14/2012

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No



**Sanctions Ordered:** Censure  
Monetary/Fine \$6,750,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$6,750,000 DUE TO BOX AND SEVEN OPTIONS EXCHANGES, OF WHICH \$297,428 SHALL BE PAID TO BOX. ACCEPTANCE OF THIS AWC IS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE CHICAGO BOARD OPTIONS EXCHANGE, INC. (CBOE); NASDAQ OMX PHLX, INC. (PHLX); THE NASDAQ OPTIONS MARKET (NOM); BATS EXCHANGE, INC. (BATS); INTERNATIONAL SECURITIES EXCHANGE, LLC (ISE); NYSE AMEX LLC (AMEX); AND NYSE ARCA, INC. (ARCA).

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM"): (I) DURING THE PERIOD BETWEEN JANUARY 2004 AND MAY 2010, IMPROPERLY MARKED CERTAIN OPTIONS ORDERS ON THE EXCHANGE AS "CUSTOMER" THROUGH VARIOUS PROPRIETARY ORDER ENTRY SYSTEMS EMPLOYED BY THE FIRM TO SEND OPTIONS ORDERS TO THE EXCHANGE, IN ALLEGED VIOLATION OF NASDAQ OMX BX, INC. ("BOX") TRADING RULES CHAPTER V, SECTIONS 1 AND 15, AND CHAPTER VIII, SECTION 1; AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3 PROMULGATED THEREUNDER AND (II) FAILED TO HAVE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S ORIGIN CODE REQUIREMENTS, IN ALLEGED VIOLATION OF BOX TRADING RULES CHAPTER III, SECTIONS 1 AND 2, AND CHAPTER V, SECTION 1.

**Initiated By:** NASDAQ OMX BX, INC.

**Date Initiated:** 09/14/2012

**Docket/Case Number:** 2010023504101

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)



<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	09/14/2012
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$297,428.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$6,750,000 IN THE AGGREGATE, PAYABLE TO BOX AND SEVEN OTHER OPTION EXCHANGES, OF WHICH \$297,428 WAS PAID BY SUBMISSION OF A WIRE TO BOX ON OCTOBER 16, 2012.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A FINE AND CENSURE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), WHICH WAS APPROVED BY FINRA ON SEPTEMBER 14, 2012 AND ON OCTOBER 16, 2012, THE FIRM SUBMITTED A WIRE TO BOX IN PAYMENT OF THE FINE IN THE AMOUNT OF \$297,428. THE AWC WAS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE FOLLOWING OPTIONS EXCHANGES: (I) THE CHICAGO BOARD OPTIONS EXCHANGE, INC. (CBOE); (II) NASDAQ OMX PHLX, INC. (PHLX); (III) THE NASDAQ OPTIONS MARKET (NOM); (IV) BATS EXCHANGE, INC. (BATS); (V) INTERNATIONAL SECURITIES EXCHANGE, LLC (ISE); (VI) NYSE AMEX LLC (AMEX); AND (VII) NYSE ARCA, INC. (ARCA).

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<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	<b>**7/5/12**</b> STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT FINRA. NYSE ARCA: FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, GOLDMAN SACHS & CO. STIPULATED THAT DURING THE PERIOD BETWEEN JANUARY 2004 AND JUNE 2011, IT: 1.VIOLATED NYSE ARCA OPTIONS RULES 6.68, 11.1(B) AND 11.16(A), AND SECTION 17(A) OF THE ACT AND RULE 1 7A-3 PROMULGATED THEREUNDER IN THAT THE FIRM IMPROPERLY MARKED OPTIONS ORDERS ON THE EXCHANGE AS "CUSTOMER" THROUGH VARIOUS PROPRIETARY ORDER ENTRY SYSTEMS



EMPLOYED BY THE FIRM TO SEND OPTIONS ORDERS TO THE EXCHANGE.  
 2. VIOLATED NYSE ARCA OPTIONS RULE 11.18 IN THAT RESPONDENT  
 FAILED TO HAVE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE,  
 INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW,  
 REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE  
 EXCHANGE'S ORIGIN CODE REQUIREMENTS, IN THAT THE FIRM FAILED  
 TO: (I) REASONABLY ADDRESS ORIGIN CODE REQUIREMENTS IN THE  
 DEVELOPMENT AND PROGRAMMING OF ITS SYSTEMS; (II) MAINTAIN  
 WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO  
 ACHIEVE COMPLIANCE WITH THE EXCHANGE'S RULES RELATING  
 TO THE ASSIGNMENT OF ORIGIN CODES; (III) ADEQUATELY TRAIN ITS  
 EMPLOYEES WITH RESPECT TO THE SIGNIFICANCE OF PROPERLY  
 MARKING ORIGIN CODES IN ITS ORDER ENTRY SYSTEMS; (IV)  
 ADEQUATELY SUPERVISE ITS EMPLOYEES WITH RESPECT TO THE  
 PROPER MARKING OF ORIGIN CODES; AND (V) ADEQUATELY RESPOND TO  
 A NUMBER OF "RED FLAGS" RELATING TO THE PROPER CODING OF  
 ORIGIN CODES ON ORDERS ROUTED TO THE OPTIONS EXCHANGES.  
 STIPULATED SANCTION: CENSURE AND FINE IN THE AMOUNT OF  
 \$6,750,000 DUE TO NYSE ARCA AND SEVEN OTHER OPTIONS EXCHANGES,  
 OF WHICH \$671,305 SHALL BE PAID TO NYSE ARCA.

**Initiated By:** NYSE ARCA, INC.

**Date Initiated:** 07/05/2012

**Docket/Case Number:** 12-NYSE ARCA-8

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief  
Sought:**

**Other Sanction(s)/Relief  
Sought:**

**Resolution:** Decision

**Resolution Date:** 09/20/2012

**Sanctions Ordered:** Censure  
Monetary/Fine \$671,305.00

**Other Sanctions Ordered:**

**Sanction Details:** \*\*9/20/12\* NYSE ARCA, INC. HEARING BOARD DECISION 12-ARCA-8:  
 VIOLATED: (I) NYSE ARCA OPTIONS RULES 6.68, 11.1(B) AND 11.16(A), AND  
 SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE  
 17A-3M PROMULGATED THEREUNDER, BY IMPROPERLY MARKING



OPTIONS ORDERS ON THE EXCHANGE AS "CUSTOMER" THROUGH VARIOUS PROPRIETARY ORDER ENTRY SYSTEMS GOLDMAN EMPLOYED TO SEND OPTIONS ORDERS TO THE EXCHANGE; AND (II) NYSE ARCA OPTIONS RULE 11.18, BY FAILING TO MAINTAIN SUPERVISORY SYSTEMS AND CONTROLS, INCLUDING A SEPERATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S ORIGIN CODE REQUIREMENTS. CONSENT TO CENSURE AND A \$671,305 FINE.

### Regulator Statement

**\*\*9/20/12\*\*** THE DECISION IS NOW FINAL.

### Reporting Source:

Firm

### Current Status:

Final

### Allegations:

THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT THE FINANCIAL INDUSTRY REGULATORY AUTHORITY, ON BEHALF OF NYSE REGULATION, INC., ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM"):

(I) DURING THE PERIOD BETWEEN JANUARY 2004 AND JUNE 2011, IMPROPERLY MARKED CERTAIN OPTIONS ORDERS ON THE EXCHANGE AS "CUSTOMER" THROUGH VARIOUS PROPRIETARY ORDER ENTRY SYSTEMS EMPLOYED BY THE FIRM TO SEND OPTIONS ORDERS TO THE EXCHANGE, IN ALLEGED VIOLATION OF NYSE ARCA, INC. ("NYSE ARCA") OPTIONS RULES 6.68, 11.1(B) AND 11.16(A), AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 17A-3 PROMULGATED THEREUNDER AND (II) FAILED TO HAVE SUPERVISORY SYSTEMS AND CONTROLS IN PLACE, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE EXCHANGE'S ORIGIN CODE REQUIREMENTS, IN ALLEGED VIOLATION OF NYSE ARCA OPTIONS RULE 11.18.

### Initiated By:

NYSE ARCA, INC.

### Date Initiated:

07/03/2012

### Docket/Case Number:

12-ARCA-8

### Principal Product Type:

Options

### Other Product Type(s):

### Principal Sanction(s)/Relief Sought:

Civil and Administrative Penalt(ies) /Fine(s)

### Other Sanction(s)/Relief Sought:

CENSURE

### Resolution:

Consent



<b>Resolution Date:</b>	09/20/2012
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$671,305.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$6,750,000 IN THE AGGREGATE, PAYABLE TO NYSE ARCA AND SEVEN OTHER OPTION EXCHANGES, OF WHICH \$671,305 WAS PAID TO NYSE ARCA BY SUBMISSION OF A WIRE ON OCTOBER 2, 2012.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE AND CENSURE AND ENTERED INTO AN OFFER OF SETTLEMENT AND CONSENT WITH NYSE REGULATION, INC., WHICH WAS APPROVED BY THE NYSE ARCA HEARING BOARD ON SEPTEMBER 20, 2012 AND ON OCTOBER 2, 2012, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$671,305. THE OFFER OF SETTLEMENT AND CONSENT IS CONDITIONED UPON ACCEPTANCE OF PARALLEL SETTLEMENT AGREEMENTS IN RELATED MATTERS BETWEEN THE FIRM AND THE FOLLOWING OPTIONS EXCHANGES: (I) THE CHICAGO BOARD OPTIONS EXCHANGE, INC. (CBOE); (II) BATS EXCHANGE, INC. (BATS); (III) BOSTON OPTIONS EXCHANGE LLC (BOX - A FACILITY OF NASDAQ OMX BX); (IV) THE NASDAQ OPTIONS MARKET (NOM); (V) NASDAQ OMX PHLX, INC. (PHLX); (VI) INTERNATIONAL SECURITIES EXCHANGE, LLC (ISE); AND (VII) NYSE AMEX LLC (NYSE AMEX).

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<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE DIVISION ALLEGED RESPONDENT: (1) ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF SECURITIES, WARRANTING SANCTIONS UNDER SECTION 61-1-6(2)(A)(II)(G) OF THE UTAH UNIFORM SECURITIES ACT ("ACT"); AND (2) FAILED REASONABLY TO SUPERVISE ITS AGENTS, WARRANTING SANCTIONS UNDER SECTION 61-1-6(2)(A)(II)(J) OF THE ACT.
<b>Initiated By:</b>	UTAH
<b>Date Initiated:</b>	03/22/2012
<b>Docket/Case Number:</b>	SD-12-0023
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	Other





**Other Product Type(s):** AUCTION RATE SECURITIES

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CEASE AND DESIST

**Resolution:** Stipulation and Consent

**Resolution Date:** 03/22/2012

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** Yes

**Sanctions Ordered:** Monetary/Fine \$88,007.05  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** THE ADMINISTRATIVE FINE WAS PAID IN ITS ENTIRETY.

**Regulator Statement** A .PDF COPY OF THE STIPULATION AND CONSENT ORDER CAN BE VIEWED ON THE DIVISION'S WEB SITE AT: [WWW.SECURITIES.UTAH.GOV](http://WWW.SECURITIES.UTAH.GOV).

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE UTAH DIVISION OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE STIPULATION AND CONSENT ORDER, THE UTAH DIVISION OF SECURITIES ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

**Initiated By:** UTAH DIVISION OF SECURITIES

**Date Initiated:** 03/22/2012

**Docket/Case Number:** SD-12-0023

**Principal Product Type:** Debt - Asset Backed

**Other Product Type(s):** DEBT - MUNICIPAL



<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	03/22/2012
<b>Sanctions Ordered:</b>	Monetary/Fine \$88,007.05 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A STIPULATION AND CONSENT ORDER WITH THE UTAH DIVISION OF SECURITIES ON MARCH 22, 2012, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$88,007.05 TO THE UTAH DIVISION OF SECURITIES, WHICH AMOUNT WAS PAID ON APRIL 6, 2012.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A STIPULATION AND CONSENT ORDER WITH THE UTAH DIVISION OF SECURITIES ON MARCH 22, 2012, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$88,007.05 TO THE UTAH DIVISION OF SECURITIES, WHICH AMOUNT WAS PAID ON APRIL 6, 2012.

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**Reporting Source:** Regulator

**Current Status:**

Final

**Allegations:**

SEC ADMIN RELEASE 34-66791/APRIL 12, 2012: THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE ADEQUATE POLICIES AND PROCEDURES CONCERNING ITS TRADING "HUDDLE" PROGRAM - A PRACTICE WHERE THE FIRM'S EQUITY RESEARCH ANALYSTS PROVIDED THEIR BEST TRADING IDEAS TO FIRM TRADERS AND A SELECT GROUP OF THE FIRM'S TOP CLIENTS. FROM 2006 TO 2011, THE FIRM TYPICALLY HELD WEEKLY HUDDLE MEETINGS IN EACH OF THE FIRM'S RESEARCH SECTORS, DURING WHICH THE FIRM'S EQUITY RESEARCH ANALYSTS MET WITH TRADERS AND SOMETIMES SALES PERSONS TO DISCUSS THE ANALYSTS' "HIGH-CONVICTION" SHORT-TERM TRADING IDEAS AND OTHER "MARKET COLOR" CONCERNING STOCKS THEY COVERED, AS WELL AS TRADERS' VIEWS ON THE MARKET. BEGINNING IN 2007, THE FIRM BEGAN A PROGRAM KNOWN AS THE ASYMMETRIC SERVICE INITIATIVE (ASI), PURSUANT TO WHICH RESEARCH ANALYSTS CALLED A SELECT GROUP OF PRIORITY CLIENTS TO SHARE INFORMATION AND TRADING IDEAS FROM THE HUDDLES. THE HUDDLES AND ASI WERE AN EXTENSIVE UNDERTAKING CREATED BY THE FIRM WITH THE GOALS OF IMPROVING THE PERFORMANCE OF THE FIRM'S TRADERS AND GENERATING INCREASED COMMISSION REVENUES FROM ASI CLIENTS. AT THE SAME TIME, FIRM ANALYSTS WERE TOLD THAT THE PERFORMANCE OF THEIR TRADING IDEAS WOULD BE MONITORED BY BOTH RESEARCH AND TRADING. ANALYSTS' CONTRIBUTIONS TO HUDDLES AND ASI, SUCH AS INCREASED COMMISSIONS GENERATED FROM ASI CLIENTS, WERE DISCUSSED IN ANALYSTS' WRITTEN PERFORMANCE REVIEWS AND IN OTHER DOCUMENTS USED IN CONNECTION WITH ANALYST EVALUATIONS. THE FIRM'S HUDDLE PROGRAM CREATED A SERIOUS AND SUBSTANTIAL RISK THAT ANALYSTS WOULD SHARE MATERIAL, NONPUBLIC INFORMATION CONCERNING THEIR PUBLISHED RESEARCH WITH ASI CLIENTS AND FIRM TRADERS. MANY OF THESE CLIENTS AND TRADERS WERE FREQUENT, HIGH-VOLUME TRADERS, AND THE POTENTIAL FOR MISUSE OF MATERIAL, NONPUBLIC INFORMATION CONCERNING THE FIRM'S PUBLISHED RESEARCH IN CONNECTION WITH THE HUDDLES WAS HIGH. HOWEVER, THE FIRM DID NOT ESTABLISH, MAINTAIN, AND ENFORCE ADEQUATE POLICIES AND PROCEDURES TO PREVENT SUCH MISUSE IN LIGHT OF THE RISKS ARISING FROM THE HUDDLES AND ASI. IN ADDITION, ITS SURVEILLANCE OF TRADING AHEAD OF RESEARCH CHANGES, BOTH IN CONNECTION WITH HUDDLES AND OTHERWISE, WAS DEFICIENT. AS A RESULT, THE FIRM WILLFULLY VIOLATED SECTION 15(G) OF THE SECURITIES EXCHANGE ACT OF 1934.

**Initiated By:**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:**

04/12/2012

**Docket/Case Number:**

3-14845



<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	04/12/2012
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$22,000,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	UNDERTAKINGS
<b>Sanction Details:</b>	<p>THE SECURITIES AND EXCHANGE COMMISSION (COMMISSION) DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) AGAINST THE FIRM (RESPONDENT). IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE OFFER) WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER IT AND THE SUBJECT MATTER OF THESE PROCEEDINGS AS WELL AS THOSE FACT FINDINGS HEREIN TO THE EXTENT ALSO CONTAINED IN SECTION V OF THE CONSENT ORDER WITH THE COMMONWEALTH OF MASSACHUSETTS SECURITIES DIVISION, DOCKET NO. 2009-079, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER (ORDER). IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT</p>



APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS AGREED TO IN RESPONDENT'S OFFER. ACCORDINGLY, PURSUANT TO SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, IT IS HEREBY ORDERED THAT: RESPONDENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15(G) OF THE EXCHANGE ACT; RESPONDENT IS CENSURED; [CONTINUED IN COMMENT]

## Regulator Statement

[CONTINUED FROM SANCTION DETAIL]: PURSUANT TO SECTION 15(B)(4) OF THE EXCHANGE ACT, RESPONDENT SHALL, WITHIN TEN (10) DAYS OF THE ENTRY OF THIS ORDER, PAY A TOTAL CIVIL MONEY PENALTY IN THE AMOUNT OF \$22 MILLION, \$11 MILLION OF WHICH SHALL BE DEEMED SATISFIED UPON PAYMENT BY RESPONDENT OF A \$11 MILLION CIVIL PENALTY TO THE FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA) IN A RELATED PROCEEDING, AND \$11 MILLION OF WHICH SHALL BE PAID TO THE SECURITIES AND EXCHANGE COMMISSION FOR REMITTANCE TO THE UNITED STATES TREASURY. IN ADDITION, RESPONDENT SHALL COMPLY WITH THE FOLLOWING UNDERTAKINGS: THE FIRM HAS UNDERTAKEN TO, WITHIN NINETY (90) DAYS OF THE ENTRY OF THIS ORDER: COMPLETE A COMPREHENSIVE REVIEW, INCLUDING RECOMMENDATIONS, OF THE POLICIES, PROCEDURES AND PRACTICES MAINTAINED AND IMPLEMENTED BY THE RESPONDENT PURSUANT TO SECTION 15(G) OF THE EXCHANGE ACT THAT RELATE TO THE FINDINGS OF THIS ORDER; ADOPT, IMPLEMENT AND MAINTAIN PRACTICES AND WRITTEN POLICIES AND PROCEDURES PURSUANT TO SECTION 15(G) OF THE EXCHANGE ACT THAT ARE CONSISTENT WITH THE FINDINGS OF THIS ORDER AND THE RECOMMENDATIONS CONTAINED IN THE COMPREHENSIVE REVIEW; AND SUBMIT A REPORT, APPROVED AND SIGNED BY THE FIRM'S LEGAL DEPARTMENT, TO THE COMMISSION'S DIVISION OF ENFORCEMENT, WHICH DETAILS THE RESULTS OF THE REVIEW, THE NEW POLICIES, PROCEDURES AND PRACTICES ADOPTED PURSUANT TO SECTION 15(G) OF THE EXCHANGE ACT, AND THE ACTIONS TAKEN TO IMPLEMENT THE NEW POLICIES AND PROCEDURES. THE FIRM SHALL CERTIFY, IN WRITING, COMPLIANCE WITH THE UNDERTAKINGS SET FORTH ABOVE. THE CERTIFICATION SHALL IDENTIFY THE UNDERTAKINGS, PROVIDE WRITTEN EVIDENCE OF COMPLIANCE IN THE FORM OF A NARRATIVE, AND BE SUPPORTED BY EXHIBITS SUFFICIENT TO DEMONSTRATE COMPLIANCE. THE COMMISSION STAFF MAY MAKE REASONABLE REQUESTS FOR FURTHER EVIDENCE OF COMPLIANCE, AND RESPONDENT AGREES TO PROVIDE SUCH EVIDENCE. THE CERTIFICATION AND SUPPORTING MATERIAL SHALL BE SUBMITTED TO THE COMMISSION'S DIVISION OF ENFORCEMENT, WITH A COPY TO THE COMMISSION'S OFFICE OF CHIEF COUNSEL OF THE ENFORCEMENT DIVISION, NO LATER THAN THIRTY (30) DAYS FROM THE DATE OF THE COMPLETION OF THE UNDERTAKINGS.



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") HAS ALLEGED THAT THE HUDDLES PROGRAM OF GOLDMAN, SACHS & CO. (THE "FIRM") -A PRACTICE WHERE THE FIRM'S EQUITY RESEARCH ANALYSTS ALLEGEDLY PROVIDED THEIR BEST TRADING IDEAS TO FIRM TRADERS AND A SELECT GROUP OF THE FIRM'S TOP CLIENTS-CREATED A SERIOUS AND SUBSTANTIAL RISK THAT ANALYSTS WOULD SHARE MATERIAL NONPUBLIC INFORMATION CONCERNING THEIR PUBLISHED RESEARCH WITH ASYMMETRIC SERVICE INITIATIVE ("ASI") CLIENTS AND FIRM TRADERS. THE SEC ALLEGED THAT THE FIRM WILLFULLY VIOLATED SECTION 15(G) OF THE EXCHANGE ACT BY FAILING ESTABLISH, MAINTAIN, AND ENFORCE ADEQUATE POLICIES AND PROCEDURES TO PREVENT SUCH MISUSE IN LIGHT OF THE RISKS ARISING FROM THE HUDDLES AND ASI.
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	04/12/2012
<b>Docket/Case Number:</b>	3-14845
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST; CENSURE; UNDERTAKING
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	04/12/2012
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$22,000,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	UNDERTAKINGS
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE VIOLATIONS, THE FIRM CONSENTED TO A TOTAL CIVIL MONEY PENALTY OF \$22 MILLION WHICH WAS PAID ON APRIL 19, 2012, \$11 MILLION OF WHICH WAS PAID TO THE FINANCIAL INDUSTRY REGULATORY AUTHORITY IN A RELATED PROCEEDING, AND \$11 MILLION OF WHICH WAS PAID TO THE SEC.



## Firm Statement

WITHOUT ADMITTING OR DENYING THE VIOLATIONS, THE FIRM CONSENTED TO THE ENTRY OF AN ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE AND DESIST ORDER ON APRIL 12, 2012 (THE "ORDER") BY THE SEC PURSUANT TO WHICH FIRM (I) SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15(G) OF THE EXCHANGE ACT; (II) IS CENSURED; (III) PAID A TOTAL CIVIL MONEY PENALTY OF \$22 MILLION ON APRIL 19, 2012, \$11 MILLION OF WHICH WAS PAID TO THE FINANCIAL INDUSTRY REGULATORY AUTHORITY IN A RELATED PROCEEDING, AND \$11 MILLION OF WHICH WAS PAID TO THE SEC, AND (IV) SHALL COMPLY WITH CERTAIN OTHER UNDERTAKINGS, INCLUDING A COMPREHENSIVE REVIEW, INCLUDING RECOMMENDATIONS, OF THE POLICIES, PROCEDURES AND PRACTICES MAINTAINED AND IMPLEMENTED BY THE FIRM PURSUANT TO SECTION 15(G) OF THE EXCHANGE ACT THAT RELATE TO THE FINDINGS OF THE ORDER.

## Disclosure 92 of 325

### Reporting Source:

Regulator

### Current Status:

Final

### Allegations:

FINRA RULES 2010, 5280, NASD RULES 2110, 3010: THE FIRM IMPLEMENTED A FORMALIZED BUSINESS PROCESS KNOWN AS TRADING HUDDLES IN 2006, WHICH WERE INTERNAL MEETINGS, ORGANIZED BY INDUSTRY SECTOR, AMONG THE FIRM'S EQUITY RESEARCH ANALYSTS AND TRADERS WHO INTERFACED WITH CLIENTS (INCLUDING MARKET-MAKING AND CLIENT FACILITATION TRADERS). ACCESS TO THE TRADING HUDDLES WAS NOT RESTRICTED TO THOSE INDIVIDUALS, HOWEVER, AND MAY HAVE INCLUDED CLIENTS ON CERTAIN OCCASIONS. TO ENHANCE THE USEFULNESS OF ITS TRADING HUDDLES THE FIRM IMPLEMENTED A PROGRAM IN JANUARY 2007 KNOWN AS THE ASYMMETRIC SERVICE INITIATIVE ("ASI"), THROUGH WHICH IT PROVIDED THE INFORMATION SHARED IN A STRUCTURED FORMAT IN TRADING HUDDLES TO APPROXIMATELY 180 HIGH PRIORITY CLIENTS SELECTED BY THE FIRM'S INSTITUTIONAL SALES GROUP. THE FIRM DID NOT DISCLOSE TO ITS OTHER CLIENTS THAT IT WAS PROVIDING THE ASI SERVICE TO ITS PRIORITY CLIENTS, BUT ANALYSTS WERE ALSO PERMITTED TO DISCUSS THE IDEAS FROM TRADING HUDDLES WITH NON-ASI CLIENTS. UNDER THE FIRM'S PROCEDURES, EQUITY RESEARCH ANALYSTS WERE NOT PREVENTED FROM SEEKING APPROVAL FOR RESEARCH RATING AND CONVICTION LIST CHANGES PRIOR TO OR IMMEDIATELY FOLLOWING THE DISCUSSION OF SUCH STOCK AT A TRADING HUDDLE. THE FIRM SOMETIMES APPROVED CHANGES TO THE ANALYST'S PUBLISHED RATING





ON A PARTICULAR STOCK SHORTLY FOLLOWING A TRADING HUDDLE IN WHICH SUCH STOCK WAS DISCUSSED. THE FORMALIZED TRADING HUDDLE AND ASI PROCESS CREATED A SIGNIFICANT RISK THAT MATERIAL NON-PUBLIC INFORMATION CONCERNING ANALYSTS' PUBLISHED RESEARCH, INCLUDING PREVIEWS OF RATING CHANGES OR CHANGES TO CONVICTION LIST STATUS, COULD BE DISCLOSED TO CERTAIN PRIORITY CLIENTS. THESE PROGRAMS WERE INSTITUTIONALIZED BY THE FIRM WITHOUT ESTABLISHING ADEQUATE POLICIES, PROCEDURES AND CONTROLS. BOTH THE TRADING HUDDLES AND THE ASI PROGRAMS WERE DISCONTINUED IN 2011. AFTER CREATING THE TRADING HUDDLES AND ASI PROGRAMS, THE FIRM FAILED TO ADEQUATELY ADDRESS THE INCREASED RISKS RESULTING FROM THESE PROGRAMS. BETWEEN JANUARY 2007 AND AUGUST 2009, THE FIRM DID NOT HAVE POLICIES RELATING SPECIFICALLY TO TRADING HUDDLES DESPITE A SERIOUS RISK AND OPPORTUNITY THAT MATERIAL NON-PUBLIC INFORMATION CONCERNING ANALYSTS' PUBLISHED RESEARCH COULD BE DISCLOSED TO THE FIRM'S CLIENTS. THE FIRM FAILED TO ESTABLISH CONTROLS REASONABLY DESIGNED TO MONITOR COMMUNICATIONS IN THE TRADING HUDDLES. THE FIRM ALSO DID NOT ADEQUATELY REVIEW DISCUSSIONS IN THE TRADING HUDDLES TO DETERMINE WHETHER THERE WAS A POSSIBLE PREVIEW OF AN UPCOMING RESEARCH CHANGE BY AN EQUITY RESEARCH ANALYST DURING A TRADING HUDDLE REGARDLESS OF WHETHER THERE WAS SUCH A PREVIEW. THE FIRM FAILED TO ESTABLISH A RELIABLE SYSTEM TO MEMORIALIZE THE DISCUSSIONS DURING THE TRADING HUDDLES. IN JANUARY 2008, THE FIRM MADE THE EQUITY RESEARCH ANALYSTS PRIMARILY RESPONSIBLE FOR ORGANIZING A TRADING HUDDLE RESPONSIBLE FOR MAINTAINING A RECORD OF THE IDEAS DISCUSSED IN THE TRADING HUDDLE. HOWEVER, THE FIRM FAILED TO ESTABLISH CONTROLS TO ENSURE THAT THE DESIGNATED PERSON WAS IN FACT CREATING SUCH A RECORD. THE FIRM FAILED TO MAINTAIN A COMPLETE RECORD OF DATES THE TRADING HUDDLES ACTUALLY TOOK PLACE. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE ADEQUATE SUPERVISORY SYSTEMS AND WRITTEN PROCEDURES DESIGNED TO DETECT AND PREVENT INFORMATION BREACHES BY ITS EQUITY RESEARCH ANALYSTS WITH RESPECT TO PUBLISHED RESEARCH CHANGES. THE FIRM FAILED TO ESTABLISH AN ADEQUATE SYSTEM TO MONITOR FOR POSSIBLE TRADING IN ADVANCE OF RESEARCH RATING CHANGES OR CONVICTION LIST CHANGES. THE FIRM FAILED TO ESTABLISH, MAINTAIN AND ENFORCE REASONABLE SYSTEMS AND PROCEDURES TO SUPERVISE RESEARCH ANALYST COMMUNICATIONS TO PREVENT AND DETECT THE PREVIEWING OF MATERIAL NON-PUBLIC CHANGES TO AN ANALYST'S PUBLISHED RESEARCH BY EQUITY RESEARCH ANALYSTS AND TO MONITOR FOR POSSIBLE TRADING IN ADVANCE OF PUBLISHED RESEARCH OR CONVICTION LIST CHANGES.

(CONT. IN COMMENT)





**Initiated By:** FINRA  
**Date Initiated:** 04/12/2012  
**Docket/Case Number:** [2009019301201](#)  
**Principal Product Type:** Other  
**Other Product Type(s):** EQUITY SECURITIES  
**Principal Sanction(s)/Relief Sought:** Other  
**Other Sanction(s)/Relief Sought:** N/A  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 04/12/2012  
**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$22,000,000.00  
**Other Sanctions Ordered:** UNDERTAKINGS  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$22 MILLION (\$22,000,000), OF WHICH \$11 MILLION (\$11,000,000) WILL BE PAID ACCORDING TO AN ADMINISTRATIVE ORDER ISSUED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION RELATING TO ITS INVESTIGATION OF THE FIRM'S TRADING HUDDLES. RESPONDENT FIRM FURTHER CONSENTS TO UNDERTAKE A COMPREHENSIVE REVIEW OF ITS SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES CONCERNING THE VIOLATIVE CONDUCT ADDRESSED IN THIS AWC, INCLUDING ITS (I) RESEARCH POLICIES AND PROCEDURES TO PREVENT AND DETECT INFORMATION BREACHES BY ITS U.S. EQUITY RESEARCH ANALYSTS RELATING TO PREVIEWING MATERIAL NON-PUBLIC CHANGES TO SUCH ANALYSTS' PUBLISHED RESEARCH; (II) FIRM POLICIES AND PROCEDURES MONITORING FOR POSSIBLE TRADING IN ADVANCE OF PUBLISHED RESEARCH RATING CHANGES OR CONVICTION LIST CHANGES; AND (III) FIRM POLICIES AND PROCEDURES IDENTIFYING AND INVESTIGATING QUESTIONABLE TRADES EXECUTED PRIOR TO PUBLISHED RESEARCH RATING CHANGES OR CONVICTION LIST



CHANGES. IN ADDITION, WITHIN 90 DAYS OF THE ACCEPTANCE OF THIS AWC, A DIRECTOR OF AMERICAS EQUITY RESEARCH FOR GIR SHALL CERTIFY IN WRITING TO FINRA THAT (I) THE FIRM HAS ENGAGED IN THE COMPREHENSIVE REVIEW; AND (II) AS OF THE DATE OF THE CERTIFICATION, RESPONDENT HAS IN PLACE POLICIES AND PROCEDURES SUFFICIENT TO ADDRESS THE MATTERS IDENTIFIED IN THIS AWC. FINE PAID IN FULL APRIL 19, 2012.

### Regulator Statement

THE FIRM LACKED CRITICAL SYSTEMS AND PROCEDURES TO MONITOR TRADING IN A NUMBER OF DIFFERENT ACCOUNTS OVER VARIOUS TIME PERIODS. WITHOUT A REASONABLE SUPERVISORY SYSTEM AND PROCEDURES TO MONITOR TRADING, THE FIRM FAILED TO IDENTIFY AND/OR ADEQUATELY INVESTIGATE A SIGNIFICANT NUMBER OF QUESTIONABLE TRADES EXECUTED PRIOR TO PUBLISHED RESEARCH RATINGS CHANGES OR CONVICTION LIST CHANGES THAT WARRANTED ADDITIONAL REVIEW IN LIGHT OF THE FACTS AND CIRCUMSTANCES, REGARDLESS OF WHETHER THERE WAS A CONNECTION BETWEEN THE RATINGS CHANGES AND THE TRADING. THE FIRM FAILED TO ESTABLISH AND MAINTAIN POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT TRADING AHEAD OF RESEARCH REPORTS.

### Reporting Source:

Firm

### Current Status:

Final

### Allegations:

FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") HAS ALLEGED THAT A FORMALIZED BUSINESS PROCESS AT GOLDMAN, SACHS & CO. (THE "FIRM") KNOWN AS TRADING HUDDLES AS WELL ITS ASYMMETRIC SERVICE INITIATIVE ("ASI") CREATED A SUBSTANTIAL RISK THAT MATERIAL NON-PUBLIC INFORMATION CONCERNING RESEARCH ANALYSTS' PUBLISHED RESEARCH COULD BE DISCLOSED TO CERTAIN PRIORITY CLIENTS. FINRA FURTHER ALLEGED THAT THE FIRM VIOLATED (I) NASD RULES 3010 AND 2110 AND FINRA RULE 2010 BY INSTITUTIONALIZING TRADING HUDDLES AND ASI WITHOUT ESTABLISHING ADEQUATE POLICIES, PROCEDURES AND CONTROLS; (II) NASD RULES 3010 AND 2110 AND FINRA RULE 2010 BY FAILING TO ESTABLISH, MAINTAIN AND ENFORCE REASONABLE SYSTEMS AND PROCEDURES TO SUPERVISE RESEARCH ANALYST COMMUNICATIONS TO PREVENT AND DETECT THE PREVIEWING OF MATERIAL NON-PUBLIC CHANGES TO AN ANALYST'S PUBLISHED RESEARCH BY EQUITY RESEARCH ANALYSTS AND TO MONITOR FOR POSSIBLE TRADING IN ADVANCE OF PUBLISHED RESEARCH OR CONVICTION LIST CHANGES; AND (III) FINRA RULES 5280 AND 2010 BY FAILING TO ESTABLISH AND MAINTAIN POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT TRADING AHEAD OF RESEARCH REPORTS.



<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	04/12/2012
<b>Docket/Case Number:</b>	<a href="#">2009019301201</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE; UNDERTAKING
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/12/2012
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$22,000,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKINGS
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE VIOLATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$22 MILLION WHICH WAS PAID ON APRIL 19, 2012, OF WHICH \$11 MILLION WAS PAID ACCORDING TO AN ADMINISTRATIVE ORDER ISSUED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION RELATING TO ITS INVESTIGATION OF THE FIRM'S TRADING HUDDLES.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE VIOLATIONS, THE FIRM ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ON APRIL 12, 2012 (THE "AWC") WITH FINRA PURSUANT TO WHICH THE FIRM CONSENTED TO (I) A CENSURE; (II) A FINE IN THE AMOUNT OF \$22 MILLION, WHICH WAS PAID ON APRIL 19, 2012, OF WHICH \$11 MILLION WAS PAID ACCORDING TO AN ADMINISTRATIVE ORDER ISSUED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION RELATING TO ITS INVESTIGATION OF THE FIRM'S TRADING HUDDLES; AND (III) UNDERTAKE A COMPREHENSIVE REVIEW OF THE FIRM'S SUPERVISORY AND COMPLIANCE POLICIES AND PROCEDURES CONCERNING THE ALLEGEDLY VIOLATIVE CONDUCT ADDRESSED IN THE AWC.

#### Disclosure 93 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE OKLAHOMA DEPARTMENT



OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE OKLAHOMA DEPARTMENT OF SECURITIES ALLEGED THAT GOLDMAN, SACHS & CO. ("THE FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPEOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

<b>Initiated By:</b>	OKLAHOMA DEPARTMENT OF SECURITIES
<b>Date Initiated:</b>	03/20/2012
<b>Docket/Case Number:</b>	10-082
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	AUCTION RATE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	03/20/2012
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Monetary/Fine \$188,128.55 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR



CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE OKLAHOMA DEPARTMENT SECURITIES, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$188,128.55 TO THE OKLAHOMA DEPARTMENT OF SECURITIES.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

VARIOUS STATE REGULATORS, INCLUDING THE OKLAHOMA DEPARTMENT OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE OKLAHOMA DEPARTMENT OF SECURITIES ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

**Initiated By:**

OKLAHOMA DEPARTMENT OF SECURITIES

**Date Initiated:**

03/20/2012

**Docket/Case Number:**

10-082

**Principal Product Type:**

Debt - Asset Backed

**Other Product Type(s):**

DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:**

Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Resolution:**

Consent



<b>Resolution Date:</b>	03/20/2012
<b>Sanctions Ordered:</b>	Monetary/Fine \$188,128.55 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE OKLAHOMA DEPARTMENT OF SECURITIES ON MARCH 20, 2012, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$188,128.55 TO THE OKLAHOMA DEPARTMENT OF SECURITIES, WHICH AMOUNT WAS PAID APRIL 2, 2012.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE OKLAHOMA DEPARTMENT OF SECURITIES ON MARCH 20, 2012, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$188,128.55 TO THE OKLAHOMA DEPARTMENT OF SECURITIES, WHICH AMOUNT WAS PAID APRIL 2, 2012.

## Disclosure 94 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p><b>**2/15/12**</b> STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT FINRA AND PENDING. CONSENTED TO FINDINGS: FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, GOLDMAN SACHS &amp; CO. STIPULATED THAT DURING THE PERIOD OF JANUARY 2009 AND AT LEAST SEPTEMBER 2011, IT:</p> <ol style="list-style-type: none"> <li>1. VIOLATED NYSE RULE 342 IN ITS CAPACITY AS A NYSE SUPPLEMENTAL LIQUIDITY PROVIDER ("SLP"), BY FAILING TO MAINTAIN SUPERVISORY PROCEDURES, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW, THAT WERE REASONABLY DESIGNED TO DETECT AND PREVENT POTENTIALLY</li> </ol>



VIOLATIVE WASH TRADING ACTIVITY. STIPULATED SANCTION: CENSURE AND FINE IN THE AMOUNT OF \$85,000.

**Initiated By:** NEW YORK STOCK EXCHANGE

**Date Initiated:** 02/15/2012

**Docket/Case Number:** 12-NYSE-3

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 04/30/2012

**Sanctions Ordered:** Censure  
Monetary/Fine \$85,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \*\*4/4/12\*\* DECISION NO. 12-NYSE-3 ISSUED BY NYSE HEARING BOARD: NYSE: :GOLDMAN, SACHS & CO. VIOLATED NYSE RULE 342 IN ITS CAPACITY AS A NYSE SUPPLEMENTAL LIQUIDITY PROVIDER BY FAILING TO MAINTAIN SUPERVISORY PROCEDURES, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW, THAT WERE REASONABLY DESIGNED TO DETECT AND PREVENT POTENTIALLY VIOLATIVE WASH TRADING ACTIVITY. CONSENT TO CENSURE AND AN \$85,000 FINE.

**Regulator Statement** \*\*4/4/12\*\* UNLESS A REVIEW HAS BEEN REQUESTED BY ANY PERSON OR BODY AUTHORIZED BY NYSE RULE 476(G), THIS DECISION WILL BECOME FINAL 25 CALENDAR DAYS AFTER NOTICE OF THE HEARING BOARD'S DETERMINATION HAS BEEN SERVED UPON THE RESPONDENT.  
\*\*5/9/12\*\* SINCE A REVIEW OF THE DECISION OF THE HEARING BOARD WAS NOT REQUESTED, THAT DECISION BECAME FINAL AS OF THE CLOSE OF BUSINESS ON APRIL 30, 2012.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT THE FINANCIAL INDUSTRY REGULATORY AUTHORITY, ON BEHALF OF NYSE REGULATION, INC., ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM")



IN ITS CAPACITY AS A NYSE SUPPLEMENTAL LIQUIDITY PROVIDER (SLP) DURING THE PERIOD BETWEEN JANUARY 2009 AND AT LEAST SEPTEMBER 2011, FAILED TO MAINTAIN SUPERVISORY PROCEDURES, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW, THAT WERE REASONABLY DESIGNED TO DETECT AND PREVENT POTENTIALLY VIOLATIVE WASH TRADING ACTIVITY, IN ALLEGED VIOLATION OF NYSE RULE 342.

**Initiated By:** NEW YORK STOCK EXCHANGE LLC

**Date Initiated:** 02/16/2012

**Docket/Case Number:** 12-NYSE-3

**Principal Product Type:** Other

**Other Product Type(s):** ASSIGNED SECURITIES

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Stipulation and Consent

**Resolution Date:** 04/29/2012

**Sanctions Ordered:** Censure  
Monetary/Fine \$85,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$85,000 WHICH WAS PAID BY SUBMISSION OF A WIRE ON APRIL 16, 2012.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE AND CENSURE AND ENTERED INTO A STIPULATION OF FACTS AND CONSENT TO PENALTY WITH NYSE REGULATION, INC., WHICH WAS APPROVED BY THE NYSE HEARING BOARD ON APRIL 4, 2012 AND BECAME FINAL ON APRIL 29, 2012. ON APRIL 16, 2012, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$85,000.

## Disclosure 95 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** IN A ROUTINE EXAMINATION OF GOLDMAN, SACHS & CO. (THE "FIRM"), CME GROUP MARKET REGULATION ("CME") MADE FINDINGS THAT, FROM SEPTEMBER 29, 2011 THROUGH NOVEMBER 25, 2011, CERTAIN FIRM





TRADING DOCUMENTS CONTAINED AT LEAST ONE DATA ENTRY ERROR, IN ALLEGED VIOLATION OF CHICAGO MERCANTILE EXCHANGE INC. RULE 536.F.

**Initiated By:** CHICAGO MERCANTILE EXCHANGE INC.

**Date Initiated:** 02/08/2012

**Docket/Case Number:** 11-06316

**Principal Product Type:** Futures - Commodity

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 02/08/2012

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$5,000 WHICH WAS PAID BY SUBMISSION OF A WIRE ON FEBRUARY 7, 2012.

**Firm Statement** ON FEBRUARY 8, 2012, CME FINED THE FIRM \$5,000 FOR ALLEGED VIOLATIONS OF RULE 536.F, AND ON FEBRUARY 7, 2012, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE.

#### Disclosure 96 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** \*\*12/14/11\*\* STIPULATION OF FACTS AND CONSENT TO PENALTY AND OFFER OF SETTLEMENT AND CONSENT FILED BY FINRA MARKET REGULATION, LEGAL SECTION AND PENDING. NYSE ARCA LLC, FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, GOLDMAN, SACHS & CO. ("GSCO" OR THE "FIRM") STIPULATED THAT DURING THE TIME PERIOD FROM OCTOBER 2007 THROUGH AUGUST 2008 IT, 1. VIOLATED NYSE ARCA EQUITIES RULE 6.18(B) BY FAILING TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH RULE 105 OF REGULATION M.



STIPULATED SANCTION: 1. CENSURE; AND  
2. FINE IN THE AMOUNT OF \$40,000.

**Initiated By:** NYSE ARCA, INC.

**Date Initiated:** 12/14/2011

**Docket/Case Number:** 12-ARCA-1

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 01/09/2012

**Sanctions Ordered:** Censure  
Monetary/Fine \$40,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \*\*1/9/12\*\* NYSE-ARCA: DURING THE PERIOD OF OCTOBER 2007 THROUGH AUGUST 2008, GOLDMAN, SACHS & CO. VIOLATED NYSE ARCA EQUITIES RULE 6.18(B) BY FAILING TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH RULE 105 OF REGULATION M. CONSENT TO CENSURE AND \$40,000 FINE. THIS DECISION IS FINAL AS OF THE DATE OF ISSUANCE OF THE DECISION.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT THE FINANCIAL INDUSTRY REGULATORY AUTHORITY, ON BEHALF OF NYSE REGULATION, INC., ALLEGED THAT, DUE TO THE INADVERTENT INTRODUCTION OF A PROGRAMMING ERROR INTO A SURVEILLANCE REPORT DESIGNED TO DETECT POTENTIAL VIOLATIONS OF RULE 105 OF REGULATION M, AND WHICH HAS SINCE BEEN CORRECTED, GOLDMAN, SACHS & CO. (THE "FIRM"), FROM IN OR ABOUT OCTOBER 2007 THROUGH AUGUST 2008, DID NOT MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM REASONABLY DESIGNED TO DETECT POTENTIAL VIOLATIONS OF RULE 105 OF REGULATION M, IN ALLEGED VIOLATION OF NYSE ARCA EQUITIES RULE



6.18(B).

**Initiated By:** NYSE ARCA, INC.

**Date Initiated:** 12/14/2011

**Docket/Case Number:** 12-ARCA-1

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 01/09/2012

**Sanctions Ordered:** Censure  
Monetary/Fine \$40,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$40,000 WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON JANUARY 26, 2012.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE AND CENSURE AND ENTERED INTO AN OFFER OF SETTLEMENT AND CONSENT WITH NYSE REGULATION, INC., ON BEHALF OF NYSE ARCA, INC., WHICH WAS ACCEPTED BY THE NYSE ARCA HEARING BOARD ON JANUARY 9, 2012, AND ON JANUARY 26, 2012, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$40,000.

**Disclosure 97 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** \*\*12/14/11\*\* STIPULATION OF FACTS AND CONSENT TO PENALTY AND OFFER OF SETTLEMENT AND CONSENT FILED BY FINRA MARKET REGULATION, LEGAL SECTION AND PENDING. NEW YORK STOCK EXCHANGE LLC FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO HEREIN, GSCO STIPULATES THAT DURING



JUNE 2, 2009 THROUGH APRIL 29, 2010 IT:

1. VIOLATED NYSE RULE 5190 BY FAILING TO TIMELY PROVIDE WRITTEN NOTICE TO THE NYSE OF THE PRICING OF A DISTRIBUTION OF LISTED SECURITY FOR WHICH IT WAS ACTING AS A MANAGER.
2. VIOLATED NYSE RULE 460.30 BY FAILING TO TIMELY NOTIFY THE NYSE OF ITS PARTICIPATION IN A DISTRIBUTION, TENDER OR EXCHANGE OFFER FOR WHICH ITS AFFILIATED DMM WAS REGISTERED.
3. VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE COMPLIANCE WITH NYSE RULE 5190 AND NYSE RULE 460.30 BY FAILING TO HAVE A REASONABLE SYSTEM OF FOLLOW UP AND REVIEW TO DETERMINE IF ITS REPORTING POLICIES AND PROCEDURES WERE FOLLOWED. STIPULATED SANCTION: CENSURE; AND FINE IN THE AMOUNT OF \$10,000.

**Initiated By:** NEW YORK STOCK EXCHANGE

**Date Initiated:** 12/14/2011

**Docket/Case Number:** 12-NYSE-1

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 02/03/2012

**Sanctions Ordered:** Censure  
Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \*\*01/09/12\*\* NYSE 1) ON FIVE OCCASIONS BETWEEN NOVEMBER 14, 2008 AND AUGUST 5, 2009, GOLDMAN, SACHS & CO. VIOLATED NYSE RULE 5190 BY FAILING TO TIMELY PROVIDE WRITTEN NOTICE TO THE NYSE OF THE PRICING OF A DISTRIBUTION OF LISTED SECURITY FOR WHICH IT WAS ACTING AS A MANAGER; 2) ON JUNE 4, 2009 AND MARCH 5, 2010, GOLDMAN, SACHS & CO. VIOLATED NYSE RULE 460.30 BY FAILING TO TIMELY NOTIFY THE NYSE OF ITS PARTICIPATION IN A DISTRIBUTION, TENDER OR EXCHANGE OFFER FOR WHICH ITS AFFILIATED DIRECT MARKET MAKER WAS REGISTERED; AND 3) GOLDMAN, SACHS & CO. VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE COMPLIANCE WITH NYSE RULE 5190 AND NYSE RULE 460.30 BY FAILING



TO HAVE A REASONABLE SYSTEM OF FOLLOW UP AND REVIEW TO DETERMINE IF ITS REPORTING POLICIES AND PROCEDURES WERE FOLLOWED.  
 CONSENT TO A CENSURE AND \$10,000 FINE.

### Regulator Statement

**\*\*1/9/12\*\*** UNLESS A REVIEW HAS BEEN REQUESTED BY ANY PERSON OR BODY AUTHORIZED BY NYSE RULE 476(G), THIS DECISION WILL BECOME FINAL 25 CALENDAR DAYS AFTER NOTICE OF THE HEARING BOARD'S DETERMINATION HAS BEEN SERVED UPON THE RESPONDENTS.  
**\*\*2/16/12\*\*** SINCE A REVIEW OF THE DECISION OF THE HEARING BOARD WAS NOT REQUESTED, THAT DECISION BECAME FINAL AS OF THE CLOSE OF BUSINESS ON FEBRUARY3, 2012.

### Reporting Source:

Firm

### Current Status:

Final

### Allegations:

THE LEGAL SECTION OF THE MARKET REGULATION DEPARTMENT AT THE FINANCIAL INDUSTRY REGULATORY AUTHORITY, ON BEHALF OF NYSE REGULATION, INC, ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") FAILED : (I) (I) ON FIVE OCCASIONS BETWEEN NOVEMBER 14, 2008 AND AUGUST 5, 2009, TO TIMELY SUBMIT THE REGULATION M TRADING NOTICE TO THE NYSE IN CONNECTION WITH DISTRIBUTIONS ON AN NYSE-LISTED COMPANY IN WHICH THE FIRM ACTED AS AN UNDERWRITER OR MANAGER AND (II) TO NOTIFY THE NYSE OF THE FIRM'S INTENTION TO ENGAGE IN CERTAIN SYNDICATE COVERING TRANSACTIONS ON APRIL 27-28, 2010 AND MAY 18, 2010, PRIOR TO ENGAGING IN THE TRANSACTIONS, IN CONNECTION WITH AN OFFERING OF A SECURITY FOR WHICH THE FIRM WAS LEAD MANAGER, EACH IN ALLEGED VIOLATION OF NYSE RULE 5190; (II) ON TWO OCCASIONS BETWEEN JUNE 4, 2009 AND MARCH 5, 2010, TO TIMELY NOTIFY THE NYSE OF ITS PARTICIPATION IN A DISTRIBUTION FOR WHICH ITS AFFILIATED DESIGNATED MARKET-MAKER (DMM) WAS REGISTERED, IN ALLEGED VIOLATION OF NYSE RULE 460.30; AND (III) TO REASONABLY SUPERVISE COMPLIANCE WITH NYSE RULES 5190 AND 460.30, BY FAILING TO HAVE A REASONABLE SYSTEM OF FOLLOW-UP AND REVIEW TO DETERMINE IF ITS REPORTING POLICIES AND PROCEDURES WITH RESPECT TO SUCH RULES WERE FOLLOWED, IN ALLEGED VIOLATION OF NYSE RULE 342.

### Initiated By:

NEW YORK STOCK EXCHANGE LLC

### Date Initiated:

12/14/2011

### Docket/Case Number:

12-NYSE-1

### Principal Product Type:

Other



<b>Other Product Type(s):</b>	OFFERED SECURITIES (EQUITY OFFERINGS)
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Stipulation and Consent
<b>Resolution Date:</b>	02/03/2012
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$10,000 WHICH WAS PAID BY THE SUBMISSION OF A WIRE ON JANUARY 26, 2012.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE AND CENSURE AND ENTERED INTO A STIPULATION OF FACTS AND CONSENT TO PENALTY WITH NYSE REGULATION, INC., WHICH WAS APPROVED BY THE NYSE HEARING BOARD ON JANUARY 9, 2012 AND BECAME FINAL ON FEBRUARY 3, 2012. ON JANUARY 26, 2012, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$10,000.

#### Disclosure 98 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	MSRB RULES G-32, G-36: DURING THE PERIOD OF APRIL 1, 2007 THROUGH SEPTEMBER 30, 2010, THE FIRM FAILED TO COMPLY WITH MSRB RULES G-32 AND G-36, IN CERTAIN RESPECTS. MORE SPECIFICALLY, THE FIRM FILED 72 OUT OF 934 FILINGS LATE, RESULTING IN AN OVERALL FAILURE RATE DURING THE REVIEW PERIOD OF 7.7 PERCENT.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	12/19/2011
<b>Docket/Case Number:</b>	2011026044901
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	



<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/19/2011
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$7,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED AND FINED \$7,500. FINE PAID IN FULL JANUARY 4, 2012.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF ENFORCEMENT ALLEGED THAT DURING THE PERIOD OF APRIL 1, 2007 THROUGH SEPTEMBER 30, 2010, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO COMPLY WITH MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB") RULES G-32 AND G-36, IN CERTAIN RESPECTS. MORE SPECIFICALLY, FINRA DEPARTMENT OF ENFORCEMENT ALLEGED THAT THE FIRM FILED 72 OUT OF 934 FILINGS LATE, RESULTING IN AN OVERALL FAILURE RATE DURING THE REVIEW PERIOD OF 7.7 PERCENT, IN ALLEGED VIOLATION OF MSRB RULES G-36 AND G-32.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	12/19/2011
<b>Docket/Case Number:</b>	20110260449-01
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	



<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/19/2011
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$7,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$7,500 WHICH WAS PAID BY SUBMISSION OF A WIRE ON JANUARY 4, 2012.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, THE FIRM CONSENTED TO A CENSURE AND FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON DECEMBER 19, 2011 AND ON JANUARY 4, 2012, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$7,500.

#### Disclosure 99 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE DEPARTMENT OF INSURANCE, SECURITIES AND BANKING (THE "DEPARTMENT") CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE DEPARTMENT ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED TO SUPERVISE ADEQUATELY CERTAIN OF ITS SALESPEOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	DISTRICT OF COLUMBIA
<b>Date Initiated:</b>	11/02/2011
<b>Docket/Case Number:</b>	SB-CO-24-11
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	Debt - Municipal
<b>Other Product Type(s):</b>	DEBT-ASSET BACKED





<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	11/02/2011
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Monetary/Fine \$98,427.93 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS. THE FINE SHALL BE PAYABLE TO THE DEPARTMENT WITHIN 10 DAYS OF THE DATE ON WHICH THIS ORDER IS ENTERED.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE DEPARTMENT ON NOVEMBER 2, 2011. *****  GOLDMAN SACHS SETTLEMENT CHECK RECEIVED 11/15/2011 IN THE AMOUNT OF \$98,427.93

**Reporting Source:** Firm

**Current Status:** Final



<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE DEPARTMENT OF INSURANCE, SECURITIES AND BANKING OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE DEPARTMENT OF INSURANCE, SECURITIES AND BANKING OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA ALLEGED THAT GOLDMAN, SACHS & CO. ("THE FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	DEPARTMENT OF INSURANCE, SECURITIES AND BANKING OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA
<b>Date Initiated:</b>	11/02/2011
<b>Docket/Case Number:</b>	SB-CO-24-11
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	11/02/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$98,427.93 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.



**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE DEPARTMENT OF INSURANCE, SECURITIES AND BANKING OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA ON NOVEMBER 2, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$98,427.93 TO THE DEPARTMENT OF INSURANCE, SECURITIES AND BANKING OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA, WHICH AMOUNT WAS PAID ON NOVEMBER 14, 2011.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE DEPARTMENT OF INSURANCE, SECURITIES AND BANKING OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA ON NOVEMBER 2, 2011 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$98,427.93 TO THE DEPARTMENT OF INSURANCE, SECURITIES AND BANKING OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA, WHICH AMOUNT WAS PAID ON NOVEMBER 14, 2011.

#### Disclosure 100 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE OHIO DIVISION OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE OHIO DIVISION OF SECURITIES ALLEGED THAT GOLDMAN, SACHS & CO. ("THE FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

**Initiated By:** OHIO DIVISION OF SECURITIES

**Date Initiated:** 11/02/2011

**Docket/Case Number:** 11-043

**Principal Product Type:** Debt - Asset Backed

**Other Product Type(s):** DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief** CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES



<b>Sought:</b>	("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	11/02/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$410,062.50 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE OHIO DIVISION OF SECURITIES ON NOVEMBER 2, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$410,062.50 TO THE OHIO DIVISION OF SECURITIES, WHICH AMOUNT WAS PAID ON NOVEMBER 15, 2011.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE OHIO DIVISION OF SECURITIES ON NOVEMBER 2, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$410,062.50 TO THE OHIO DIVISION OF SECURITIES WHICH AMOUNT WAS PAID ON NOVEMBER 15, 2011.

#### Disclosure 101 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE NEW MEXICO SECURITIES



DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE NEW MEXICO SECURITIES DIVISION ALLEGED THAT GOLDMAN, SACHS & CO. ("THE FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

<b>Initiated By:</b>	NEW MEXICO SECURITIES DIVISION
<b>Date Initiated:</b>	11/15/2011
<b>Docket/Case Number:</b>	11-11-998-003
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	11/15/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$73,187.42 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE NEW MEXICO SECURITIES DIVISION ON NOVEMBER 15, 2011 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$73,187.42 TO THE



NEW MEXICO SECURITIES DIVISION, WHICH AMOUNT WAS PAID ON NOVEMBER 23, 2011.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE NEW MEXICO SECURITIES DIVISION ON NOVEMBER 15, 2011 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$73,187.42 TO THE NEW MEXICO SECURITIES DIVISION, WHICH AMOUNT WAS PAID ON NOVEMBER 23, 2011.

#### Disclosure 102 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** ON 11/02/2011, THE OFFICE, SUBSEQUENT TO COORDINATED INVESTIGATIONS CONDUCTED BY A MULTI-STATE TASK FORCE CONSISTING OF MEMBER STATES OF THE NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION ("NASAA"), ENTERED INTO A CONSENT AGREEMENT REGARDING GOLDMAN, SACHS & CO.'S ACTIVITIES IN THE MARKETING AND SALE OF ARS PRIOR TO WIDESPREAD FAILED AUCTIONS BEGINNING IN FEBRUARY 2008.

**Initiated By:** FLORIDA OFFICE OF FINANCIAL REGULATION ("OFFICE")

**Date Initiated:** 11/02/2011

**Docket/Case Number:** 0559-S-4/11

**URL for Regulatory Action:**

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES ("ARS")

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order

**Resolution Date:** 11/02/2011



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,755,209.90 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	ON 11/02/2011, THE OFFICE ENTERED A FINAL ORDER ADOPTING THE CONSENT AGREEMENT WHEREBY GOLDMAN, SACHS & CO. AGREED TO DO THE FOLLOWING: 1.) OFFER TO PURCHASE ARS AT PAR PLUS ACCRUED AND UNPAID DIVIDENDS/INTEREST FOR CERTAIN "ELIGIBLE" INVESTORS, 2.) WORK WITH ISSUERS AND OTHER RELATED PARTIES INCLUDING REGULATORY AND GOVERNMENTAL ENTITIES, TO PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS, 3.) PARTICIPATE IN SPECIAL ARBITRATION PROCEDURES.
<b>Sanction Details:</b>	THE ADMINISTRATIVE FINE AMOUNT OF \$1,755,209.90 REPRESENTS THE STATE OF FLORIDA'S PRO RATA SHARE OF THE TWENTY-TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$22,500,00.00) TOTAL PENALTY THAT GOLDMAN, SACHS & CO. AGREED TO PAY PURSUANT TO THE MULTI-STATE SETTLEMENT.
<b>Regulator Statement</b>	PER THE OFFICE'S FINAL ORDER DATED 11/02/2011 ADOPTING THE CONSENT AGREEMENT, GOLDMAN, SACHS & CO., WITHOUT ADMITTING OR DENYING THE FINDINGS OF FACT AND CONCLUSIONS OF LAW CONTAINED IN THE CONSENT AGREEMENT, CONSENTED TO THE ENTRY OF FINDINGS THAT THEY DID NOT ADEQUATELY SUPERVISE CERTAIN OF ITS SALESPeOPLE.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE FLORIDA OFFICE OF FINANCIAL REGULATION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT AGREEMENT AND FINAL ORDER, THE FLORIDA OFFICE OF FINANCIAL REGULATION ALLEGED THAT GOLDMAN, SACHS & CO. ("THE FIRM") FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	FLORIDA OFFICE OF FINANCIAL REGULATION
<b>Date Initiated:</b>	11/03/2011



<b>Docket/Case Number:</b>	0559-S-4/11
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	11/03/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,755,209.90 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT AGREEMENT AND FINAL ORDER WITH THE FLORIDA OFFICE OF FINANCIAL REGULATION ON NOVEMBER 3, 2011 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$1,755,209.90 TO THE FLORIDA OFFICE OF FINANCIAL REGULATION, WHICH AMOUNT WAS PAID ON NOVEMBER 14, 2011.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT AGREEMENT AND FINAL ORDER WITH THE FLORIDA OFFICE OF FINANCIAL REGULATION ON NOVEMBER 3, 2011 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$1,755,209.90 TO THE FLORIDA OFFICE OF FINANCIAL REGULATION, WHICH AMOUNT WAS PAID ON NOVEMBER 14, 2011.





## Disclosure 103 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	IN A NOTICE OF SUMMARY FINE DATED OCTOBER 13, 2011, ICE FUTURES U.S., INC. ("ICE") COMPLIANCE DEPARTMENT INFORMED GOLDMAN, SACHS & CO. (THE "FIRM") THAT, AFTER COMPLETING A REVIEW OF AUDIT TRAIL DATA CORRESPONDING TO ORDERS THAT WERE ROUTED TO THE ICE ELECTRONIC TRADE SYSTEM ("ETS") THROUGH A THIRD-PARTY FRONT-END EMPLOYED BY A CLIENT OF THE FIRM, ICE COMPLIANCE DEPARTMENT CONCLUDED THAT THE FIRM FAILED TO PROVIDE COMPLETE ELECTRONIC AUDIT TRAIL DATA CORRESPONDING TO 18 ORDERS THAT WERE ENTERED ONTO THE ETS IN OCTOBER 2010, IN ALLEGED VIOLATION OF ICE RULE 27.12A.
<b>Initiated By:</b>	ICE FUTURES U.S., INC.
<b>Date Initiated:</b>	10/13/2011
<b>Docket/Case Number:</b>	2011-019
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	10/13/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$5,000 WHICH WAS PAID BY SUBMISSION OF A WIRE ON OCTOBER 21, 2011.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$5,000 WHICH WAS PAID BY SUBMISSION OF A WIRE ON OCTOBER 21, 2011.

## Disclosure 104 of 325



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE MINNESOTA DEPARTMENT OF COMMERCE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE MINNESOTA DEPARTMENT OF COMMERCE ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPEOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	MINNESOTA DEPARTMENT OF COMMERCE
<b>Date Initiated:</b>	10/27/2011
<b>Docket/Case Number:</b>	16249
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	10/27/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$176,017.95 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.



<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE MINNESOTA DEPARTMENT OF COMMERCE ON OCTOBER 27, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$176,017.95 TO THE MINNESOTA DEPARTMENT OF COMMERCE, WHICH AMOUNT WAS PAID ON NOVEMBER 3, 2011.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE MINNESOTA DEPARTMENT OF COMMERCE ON OCTOBER 27, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$176,017.95 TO THE MINNESOTA DEPARTMENT OF COMMERCE, WHICH AMOUNT WAS PAID ON NOVEMBER 3, 2011.

#### Disclosure 105 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE WEST VIRGINIA SECURITIES COMMISSION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE WEST VIRGINIA SECURITIES COMMISSION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	WEST VIRGINIA SECURITIES COMMISSION
<b>Date Initiated:</b>	06/10/2011
<b>Docket/Case Number:</b>	70-361
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE



FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	06/10/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$47,378.87 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE WEST VIRGINIA SECURITIES COMMISSION ON JUNE 10, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$47,378.87 TO THE WEST VIRGINIA SECURITIES COMMISSION, WHICH AMOUNT WAS PAID ON JUNE 20, 2011.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE WEST VIRGINIA SECURITIES COMMISSION ON JUNE 10, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$47,378.87 TO THE WEST VIRGINIA SECURITIES COMMISSION, WHICH AMOUNT WAS PAID ON JUNE 20, 2011.

#### Disclosure 106 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE NEW HAMPSHIRE DEPARTMENT OF STATE, BUREAU OF SECURITIES REGULATION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE NEW HAMPSHIRE DEPARTMENT OF STATE, BUREAU OF



SECURITIES REGULATION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

**Initiated By:** NEW HAMPSHIRE DEPARTMENT OF STATE, BUREAU OF SECURITIES REGULATION

**Date Initiated:** 06/14/2011

**Docket/Case Number:**

**Principal Product Type:** Debt - Asset Backed

**Other Product Type(s):** DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Resolution:** Consent

**Resolution Date:** 06/14/2011

**Sanctions Ordered:** Monetary/Fine \$92,584.57  
Cease and Desist/Injunction

**Other Sanctions Ordered:** OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE NEW HAMPSHIRE DEPARTMENT OF STATE, BUREAU OF SECURITIES REGULATION ON JUNE 14, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$92,584.57 TO THE NEW



HAMPSHIRE DEPARTMENT OF STATE, BUREAU OF SECURITIES  
REGULATION, WHICH AMOUNT WAS PAID ON JUNE 20, 2011.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE NEW HAMPSHIRE DEPARTMENT OF STATE, BUREAU OF SECURITIES REGULATION ON JUNE 14, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$92,584.57 TO THE NEW HAMPSHIRE DEPARTMENT OF STATE, BUREAU OF SECURITIES REGULATION, WHICH AMOUNT WAS PAID ON JUNE 20, 2011.

#### Disclosure 107 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE COMMONWEALTH OF MASSACHUSETTS SECURITIES DIVISION (THE "DIVISION") ALLEGED THAT, FROM JANUARY 1, 2006 THROUGH JUNE 9, 2011, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED: (I) TO ESTABLISH ADEQUATE PROCEDURES AND SUPERVISORY PROCESSES DESIGNED TO IDENTIFY AND MANAGE POTENTIAL CONFLICTS OF INTEREST RELATED TO ITS RESEARCH SERVICES; (II) TO HAVE ADEQUATE PROCEDURES IN PLACE REASONABLY DESIGNED TO PREVENT OR DETECT THE DISSEMINATION BY GLOBAL INVESTMENT RESEARCH ("GIR") EQUITY ANALYSTS OF CERTAIN UNPUBLISHED SHORT TERM TRADING IDEAS WHICH FAVORED THE INTERESTS OF CERTAIN PRIORITY CLIENTS; (III) TO REASONABLY SUPERVISE ITS GIR EQUITY ANALYSTS' COMMUNICATIONS TO PREVENT AND DETECT DISSEMINATION BY GIR EQUITY ANALYSTS OF CERTAIN UNPUBLISHED SHORT TERM TRADING IDEAS WHICH FAVORED THE INTERESTS OF CERTAIN PRIORITY CLIENTS; (IV) TO PREVENT THE USE AND DISSEMINATION BY GIR EQUITY ANALYSTS OF CERTAIN UNPUBLISHED SHORT TERM TRADING IDEAS WHICH FAVORED THE INTERESTS OF CERTAIN PRIORITY CLIENTS; AND (V) TO DEAL FAIRLY AND OBJECTIVELY WITH ALL CLIENTS IN CONNECTION WITH THE DISSEMINATION BY GIR EQUITY ANALYSTS OF CERTAIN UNPUBLISHED SHORT TERM TRADING IDEAS, IN ALLEGED VIOLATION OF SECTION 204(A)(2)(G) AND SECTION 204(A)(2)(J) OF THE MASSACHUSETTS UNIFORM SECURITIES ACT (THE "ACT").

**Initiated By:** COMMONWEALTH OF MASSACHUSETTS SECURITIES DIVISION

**Date Initiated:** 06/08/2011

**Docket/Case Number:** E-2009-0079

**Principal Product Type:** No Product



<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST; UNDERTAKING.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	06/09/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$10,000,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	CONSENT ORDER, DATED JUNE 9, 2011 ("ORDER") TO (I) PERMANENTLY CEASE AND DESIST FROM VIOLATIONS OF THE ACT IN CONNECTION WITH RELATED RESEARCH ACTIVITIES; (II) PERMANENTLY DISCONTINUE THE ASYMMETRIC SERVICE INITIATIVE ("ASI") - A PROACTIVE CLIENT FACING INITIATIVE DESIGNED IN PART TO DELIVER ENHANCED SERVICES TO CERTAIN CLIENTS; (III) PERMANENTLY DISCONTINUE TRADING HUDDLES (AS DEFINED IN THE ORDER, "HUDDLES"); (IV) WITHIN 90 DAYS OF THE SIGNED ORDER, REVIEW AND ENHANCE, AS APPROPRIATE, ITS WRITTEN SUPERVISORY POLICIES AND PROCEDURES WITH RESPECT TO CERTAIN PRACTICES WITHIN GIR; AND (V) REQUIRE THE DIRECTOR OR THE CO-DIRECTOR OF AMERICAS EQUITY RESEARCH TO CERTIFY TO THE DIVISION IN WRITING, WITHIN 180 DAYS AFTER THE DATE OF ENTRY OF THE ORDER, THAT THE FIRM HAS FULLY ADOPTED AND COMPLIED WITH THE VARIOUS UNDERTAKINGS SET FORTH IN THE ORDER.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE LEGAL CONCLUSIONS OR VIOLATIONS, THE FIRM CONSENTED TO A CIVIL PENALTY IN THE AMOUNT OF \$10,000,000 WHICH WAS PAID TO THE COMMONWEALTH OF MASSACHUSETTS, BY SUBMISSION OF A WIRE, ON JUNE 15, 2011.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE LEGAL CONCLUSIONS OR VIOLATIONS, THE FIRM ENTERED INTO AN OFFER OF SETTLEMENT WITH THE MASSACHUSETTS SECURITIES DIVISION ON JUNE 8, 2011 (THE "OFFER") AND A CONSENT ORDER, DATED JUNE 9, 2011 (THE "ORDER"), PURSUANT TO WHICH THE FIRM CONSENTED TO A CIVIL PENALTY IN THE AMOUNT OF \$10,000,000 WHICH WAS PAID TO THE COMMONWEALTH OF MASSACHUSETTS, ON JUNE 15, 2011. IN CONNECTION WITH THE ORDER, THE FIRM AGREED TO (I) PERMANENTLY CEASE AND DESIST FROM VIOLATIONS OF THE ACT IN CONNECTION WITH RELATED RESEARCH ACTIVITIES; (II) PERMANENTLY DISCONTINUE THE ASI; (III) PERMANENTLY DISCONTINUE HUDDLES; (IV) WITHIN 90 DAYS OF THE SIGNED ORDER, REVIEW AND ENHANCE, AS APPROPRIATE, ITS WRITTEN SUPERVISORY POLICIES AND PROCEDURES WITH RESPECT TO CERTAIN PRACTICES WITHIN GIR; AND (V) REQUIRE THE DIRECTOR OR THE CO-DIRECTOR OF



AMERICAS EQUITY RESEARCH TO CERTIFY TO THE DIVISION IN WRITING, WITHIN 180 DAYS AFTER THE DATE OF ENTRY OF THE ORDER, THAT THE FIRM HAS FULLY ADOPTED AND COMPLIED WITH THE VARIOUS UNDERTAKINGS SET FORTH IN THE CONSENT ORDER.

#### Disclosure 108 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULES 2010, 6730(A), NASD RULE 6230(C)(6) - GOLDMAN, SACHS & CO. FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) THE CORRECT CONTRA-PARTY'S IDENTIFIER FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES. THE FIRM FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF FINRA RULE 6730(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	06/10/2011
<b>Docket/Case Number:</b>	<a href="#">2008016374901</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	TRACE-ELIGIBLE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	06/10/2011
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$27,500.00



**Other Sanctions Ordered:****Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$27,500.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT: (I) FROM JULY 1 TO SEPTEMBER 30, 2007, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) THE CORRECT CONTRA-PARTY'S IDENTIFIER FOR 220 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES, IN ALLEGED VIOLATION OF NASD RULE 6230(C)(6), AND (II) FROM JANUARY 1 TO MARCH 31, 2009, FAILED TO REPORT TO TRACE 1,077 TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION, IN ALLEGED VIOLATION OF FINRA RULE 6730(A) AND ALLEGEDLY CONSTITUTING A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF FINRA RULE 2010.

**Initiated By:**

FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:**

06/10/2011

**Docket/Case Number:**

20080163749-01

**Principal Product Type:**

Other

**Other Product Type(s):**

TRACE-ELIGIBLE SECURITIES

**Principal Sanction(s)/Relief Sought:**

Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

CENSURE

**Resolution:**

Acceptance, Waiver & Consent(AWC)

**Resolution Date:**

06/10/2011

**Sanctions Ordered:**

Censure  
Monetary/Fine \$27,500.00

**Other Sanctions Ordered:****Sanction Details:**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$27,500 WHICH WAS PAID BY



SUBMISSION OF A WIRE ON JUNE 28, 2011.

### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A CENSURE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON JUNE 10, 2011 AND ON JUNE 28, 2011, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$27,500.

### Disclosure 109 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE MARYLAND SECURITIES COMMISSIONER, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE MARYLAND SECURITIES COMMISSIONER ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	MARYLAND SECURITIES COMMISSIONER
<b>Date Initiated:</b>	05/10/2011
<b>Docket/Case Number:</b>	2010-0205
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	05/10/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$722,977.33



Cease and Desist/Injunction

**Other Sanctions Ordered:** OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE MARYLAND SECURITIES COMMISSIONER ON MAY 10, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$722,977.33 TO THE MARYLAND SECURITIES COMMISSIONER, WHICH AMOUNT WAS PAID ON MAY 13, 2011.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE MARYLAND SECURITIES COMMISSIONER ON MAY 10, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$722,977.33 TO THE MARYLAND SECURITIES COMMISSIONER, WHICH AMOUNT WAS PAID ON MAY 13, 2011.

## Disclosure 110 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE MASSACHUSETTS SECURITIES DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE MASSACHUSETTS SECURITIES DIVISION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

**Initiated By:** MASSACHUSETTS SECURITIES DIVISION

**Date Initiated:** 05/10/2011

**Docket/Case Number:** E-2011-0016

**Principal Product Type:** Debt - Asset Backed



<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	05/10/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,368,553.05 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE MASSACHUSETTS SECURITIES DIVISION ON MAY 10, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$1,368,553.05 TO THE MASSACHUSETTS SECURITIES DIVISION, WHICH AMOUNT WAS PAID ON MAY 13, 2011.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE MASSACHUSETTS SECURITIES DIVISION ON MAY 10, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$1,368,553.05 TO THE MASSACHUSETTS SECURITIES DIVISION, WHICH AMOUNT WAS PAID ON MAY 13, 2011.



**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** GOLDMAN SACHS CONVEYED TO CERTAIN CLIENTS THAT ARS WERE SECURE, LIQUID SECURITIES THAT WERE A SUITABLE ALTERNATIVE FOR CASH MANAGEMENT PURPOSES. IT DID SO THROUGH ITS SALES FORCE, SOME OF WHOM REPRESENTED TO CERTAIN INVESTORS THAT AUCTION RATE SECURITIES WERE HIGHLY LIQUID, SAFE INVESTMENTS FOR CASH MANAGEMENT PURPOSES. THESE REPRESENTATIONS WERE MISLEADING AS TO CERTAIN INVESTORS. AUCTION RATE SECURITIES WERE IN FACT DIFFERENT FROM CASH AND MONEY MARKET FUNDS.  
GOLDMAN SACHS DID NOT ADEQUATELY SUPERVISE CERTAIN OF ITS SALESPeOPLE TO ENSURE THAT ALL OF THE FIRM'S CLIENTS WOULD BE SUFFICIENTLY APPRISED OF ARS, THE MECHANICS OF THE AUCTION PROCESS, AND THE POTENTIAL ILLIQUIDITY OF ARS, INCLUDING THE FACT THAT GOLDMAN SACHS MAY STOP SUBMITTING "COVER" BIDS, AS DISCUSSED ABOVE.

**Initiated By:** NEW JERSEY BUREAU OF SECURITIES

**Date Initiated:** 05/27/2010

**Docket/Case Number:** 2010-025

**URL for Regulatory Action:**

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:** CIVIL MONETARY PENALTIES

**Resolution:** Consent

**Resolution Date:** 05/06/2011

**Sanctions Ordered:** Monetary/Fine \$959,794.35  
Cease and Desist/Injunction

**Other Sanctions Ordered:** GOLDMAN SACHS ("GS") SHALL HAVE PROVIDED LIQUIDITY TO ELIGIBLE INVESTORS BY OFFERING TO BUY BACK ELIGIBLE ARS THAT SINCE FEBRUARY 11, 2008, HAVE NOT BEEN AUCTIONING, AT PAR, IN THE MANNER DESCRIBED IN THE ORDER.  
NO LATER THAN OCTOBER 20, 2008, GS SHALL HAVE ESTABLISHED A DEDICATED TOLLFREE TELEPHONE ASSISTANCE LINE, WITH APPROPRIATE STAFFING, TO PROVIDE INFORMATION AND TO RESPOND TO QUESTIONS FROM CLIENTS CONCERNING THE TERMS OF THE



SETTLEMENT BETWEEN GS AND THE BUREAU.  
 BY NOVEMBER 12, 2008, GS SHALL HAVE UNDERTAKEN ITS BEST EFFORTS TO IDENTIFY ANY ELIGIBLE INVESTOR WHO SOLD ELIGIBLE ARS BELOW PAR BETWEEN FEBRUARY 11, 2008, AND AUGUST 21, 2008, AND SHALL HAVE PAID ANY SUCH ELIGIBLE INVESTOR THE DIFFERENCE BETWEEN PAR AND THE PRICE AT WHICH THE ELIGIBLE INVESTOR SOLD THE ELIGIBLE ARS.  
 GS SHALL HAVE MADE BEST EFFORTS TO IDENTIFY ELIGIBLE INVESTORS WHO TOOK OUT LOANS FROM GS, BETWEEN FEBRUARY 11, 2008, AND MARCH 19, 2010, THAT WERE SECURED BY ELIGIBLE ARS THAT WERE NOT SUCCESSFULLY AUCTIONING AT THE TIME THE LOAN WAS TAKEN OUT FROM GS, AND PAID INTEREST ASSOCIATED WITH THE AUCTION RATE SECURITIES BASED PORTION OF THOSE LOANS IN EXCESS OF THE TOTAL INTEREST AND DIVIDENDS RECEIVED ON THE AUCTION RATE SECURITIES DURING THE DURATION OF THE LOAN. GS SHALL HAVE REIMBURSED SUCH CLIENTS FOR THE EXCESS EXPENSE, PLUS REASONABLE INTEREST THEREON. SUCH REIMBURSEMENT SHALL HAVE OCCURRED NO LATER THAN MARCH 31, 2010.  
 GS SHALL CONSENT TO PARTICIPATE IN A SPECIAL ARBITRATION ("ARBITRATION") FOR THE EXCLUSIVE PURPOSE OF ARBITRATING ANY ELIGIBLE INVESTOR'S CONSEQUENTIAL DAMAGES CLAIM ARISING FROM THEIR INABILITY TO SELL ELIGIBLE ARS. GS SHALL HAVE PROVIDED WRITTEN NOTICE TO ELIGIBLE INVESTORS OF THE TERMS OF THE ARBITRATION PROCESS ON OR BEFORE NOVEMBER 12, 2008.  
 GOLDMAN SACHS SHALL ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES, INCLUDING REGULATORY AND GOVERNMENTAL ENTITIES, TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS NOT COVERED.

#### Sanction Details:

GOLDMAN SACHS' CONDUCT CONSTITUTES UNETHICAL CONDUCT IN THE SECURITIES BUSINESS, PURSUANT TO N.J.S.A. 49:3-58(A)(2)(VII).  
 GOLDMAN SACHS' CONDUCT DESCRIBED ABOVE CONSTITUTES A FAILURE TO REASONABLY SUPERVISE ITS AGENTS, PURSUANT TO N.J.S.A. 49:3-58(A)(2)(XI).  
 THE ACTIVITIES SET FORTH HEREIN ARE GROUNDS, PURSUANT TO N.J.S.A. 49:3-58(A)(1), N.J.S.A. 49:3-58(A)(2)(VII), AND N.J.S.A. 49:3-58(A)(2)(XI), FOR THE INITIATION OF ADMINISTRATIVE PROCEEDINGS.

#### Reporting Source:

Firm

#### Current Status:

Final

#### Allegations:

VARIOUS STATE REGULATORS, INCLUDING THE NEW JERSEY BUREAU OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE



NEW JERSEY BUREAU OF SECURITIES ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

**Initiated By:** NEW JERSEY BUREAU OF SECURITIES

**Date Initiated:** 05/06/2011

**Docket/Case Number:** 2010-025

**Principal Product Type:** Debt - Asset Backed

**Other Product Type(s):** DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Resolution:** Consent

**Resolution Date:** 05/06/2011

**Sanctions Ordered:** Monetary/Fine \$959,794.35  
Cease and Desist/Injunction

**Other Sanctions Ordered:** OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE NEW JERSEY BUREAU OF SECURITIES ON MAY 6, 2011 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$959,794.35 TO THE NEW JERSEY BUREAU OF SECURITIES, WHICH AMOUNT WAS PAID ON



MAY 11, 2011.

## Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE NEW JERSEY BUREAU OF SECURITIES ON MAY 6, 2011 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$959,794.35 TO THE NEW JERSEY BUREAU OF SECURITIES, WHICH AMOUNT WAS PAID ON MAY 11, 2011.

## Disclosure 112 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** DURING THE REVIEW PERIOD, THE 3RD & 4TH QUARTER OF 2007 ISE FOUND THAT.

- IN 32 INSTANCES, GOLDMAN SENT PRINCIPAL ACTING AS AGENT (P/A) ORDERS THROUGH LINKAGE WHEN THE ORIGINAL ORDER HAD ALREADY BEEN FILLED.
- IN 24 INSTANCES, GOLDMAN SENT P/A ORDERS THROUGH LINKAGE WHERE THE P/A ORDER EXCEEDED THE CUSTOMER ORDER SIZE.
- IN 6 INSTANCES, GOLDMAN SENT P/A ORDERS THROUGH LINKAGE WHERE THE EXECUTION OF THE P/A ORDER WAS NOT PASSED ALONG TO THE PUBLIC CUSTOMER.

THE CONDUCT DESCRIBED ABOVE CONSTITUTES 3 SEPARATE VIOLATIONS OF ISE RULE 400.

**Initiated By:** INTERNATIONAL SECURITIES EXCHANGE

**Date Initiated:** 02/09/2009

**Docket/Case Number:** 2007-162 & 2008-006

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 03/19/2009





**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FIRM PAID THE \$10,000 FINE

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE INTERNATIONAL SECURITIES EXCHANGE, LLC ("ISE") ALLEGED THAT, DURING THE THIRD AND FOURTH QUARTERS OF 2007, GOLDMAN, SACHS & CO. (THE "FIRM") SENT CERTAIN PRINCIPAL ACTING AS AGENT ("P/A") ORDERS THROUGH THE LINKAGE IN WHICH (1) THE CUSTOMER ORDER HAD ALREADY BEEN FILLED OR (2) THE P/A ORDER EXCEEDED THE CUSTOMER ORDER SIZE OR (3) THE EXECUTION OF THE P/A ORDER WAS NOT PASSED ALONG TO THE CUSTOMER IN ALLEGED VIOLATION OF ISE RULE 400.

**Initiated By:** INTERNATIONAL SECURITIES EXCHANGE, LLC

**Date Initiated:** 03/18/2009

**Docket/Case Number:** 2007-162 & 2008-06

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 03/18/2009

**Sanctions Ordered:** Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM



CONSENTED TO A MONETARY PENALTY IN THE AMOUNT OF \$10,000,  
WHICH WAS PAID ON MARCH 27, 2009.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC"), WHICH WAS ACCEPTED BY ISE ON MARCH 18, 2009 AND ON MARCH 27, 2009, THE FIRM PAID A MONETARY PENALTY IN THE AMOUNT OF \$10,000.

#### Disclosure 113 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULE 5260 - GOLDMAN, SACHS & CO. EFFECTED, DIRECTLY OR INDIRECTLY, ONE TRANSACTION IN A SECURITY WHILE A TRADING PAUSE WAS IN EFFECT.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	04/05/2011
<b>Docket/Case Number:</b>	2010023708201
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNSPECIFIED SECURITY
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/05/2011
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000.



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT ON JULY 29, 2010, GOLDMAN, SACHS & CO. (THE "FIRM") EFFECTED, DIRECTLY OR INDIRECTLY, ONE TRANSACTION IN A SECURITY WHILE A TRADING PAUSE WAS IN EFFECT, IN ALLEGED VIOLATION OF FINRA RULE 5260.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 04/05/2011

**Docket/Case Number:** 20100237082-01

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITY

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/05/2011

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$5,000 WHICH WAS PAID BY SUBMISSION OF A WIRE ON APRIL 20, 2011.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON APRIL 5, 2011 AND ON APRIL 20, 2011, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$5,000.

#### Disclosure 114 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** FROM MAY 2009 TO AUGUST 2009 GOLDMAN FAILED TO REPORT LARGE



OPTION POSITIONS REPORTS THAT MET REPORTING REQUIREMENTS  
THRESHOLDS. THIS IS A VIOLATION OF ISE RULE 415

**Initiated By:** INTERNATIONAL SECURITIES EXCHANGE

**Date Initiated:** 10/06/2009

**Docket/Case Number:** 2009-167

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/20/2010

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Monetary/Fine \$17,500.00

**Other Sanctions Ordered:**

**Sanction Details:** \$17500 FINE AGAINST THE FIRM.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE INTERNATIONAL SECURITIES EXCHANGE, LLC ("ISE") ALLEGED THAT, DURING THE PERIOD FROM MAY 2009 THROUGH AUGUST 2009, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO REPORT LARGE OPTION POSITION REPORTS WITH REGARD TO CERTAIN ACCOUNTS THAT MET THE REPORTING REQUIREMENT THRESHOLD IN ALLEGED VIOLATION OF ISE RULE 415.

**Initiated By:** INTERNATIONAL SECURITIES EXCHANGE, LLC

**Date Initiated:** 05/20/2010

**Docket/Case Number:** 2009-167



<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	05/20/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$17,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$17,500 WHICH WAS PAID BY SUBMISSION OF A WIRE ON JUNE 4, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY ISE ON MAY 20, 2010 AND ON JUNE 4, 2010, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$17,500.

#### Disclosure 115 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE WISCONSIN DIVISION OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE WISCONSIN DIVISION OF SECURITIES ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	WISCONSIN DIVISION OF SECURITIES
<b>Date Initiated:</b>	01/18/2011
<b>Docket/Case Number:</b>	S-215589 (EX)
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL



<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	01/18/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$95,100.40 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE WISCONSIN DIVISION OF SECURITIES ON JANUARY 18, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$95,100.40 TO THE WISCONSIN DIVISION OF SECURITIES, WHICH AMOUNT WAS PAID ON JANUARY 26, 2011.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE WISCONSIN DIVISION OF SECURITIES ON JANUARY 18, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$95,100.40 TO THE WISCONSIN DIVISION OF SECURITIES, WHICH AMOUNT WAS PAID ON JANUARY 26, 2011.

#### Disclosure 116 of 325

**Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE VIRGINIA STATE CORPORATION COMMISSION, DIVISION OF SECURITIES & RETAIL FRANCHISING, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE VIRGINIA STATE CORPORATION COMMISSION, DIVISION OF SECURITIES & RETAIL FRANCHISING ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	VIRGINIA STATE CORPORATION COMMISSION, DIVISION OF SECURITIES & RETAIL FRANCHISING
<b>Date Initiated:</b>	01/21/2011
<b>Docket/Case Number:</b>	SEC-2010-00056
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	01/21/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$333,137.12 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY



## SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE VIRGINIA STATE CORPORATION COMMISSION, DIVISION OF SECURITIES & RETAIL FRANCHISING ON JANUARY 21, 2011 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$333,137.12 TO THE VIRGINIA STATE CORPORATION COMMISSION, DIVISION OF SECURITIES & RETAIL FRANCHISING, WHICH AMOUNT WAS PAID ON JANUARY 31, 2011.

**Firm Statement**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE VIRGINIA STATE CORPORATION COMMISSION, DIVISION OF SECURITIES & RETAIL FRANCHISING ON JANUARY 21, 2011 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$333,137.12 TO THE VIRGINIA STATE CORPORATION COMMISSION, DIVISION OF SECURITIES & RETAIL FRANCHISING, WHICH AMOUNT WAS PAID ON JANUARY 31, 2011.

**Disclosure 117 of 325****Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

VARIOUS STATE REGULATORS, INCLUDING THE NEBRASKA DEPARTMENT OF BANKING & FINANCE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE NEBRASKA DEPARTMENT OF BANKING & FINANCE ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

**Initiated By:**

NEBRASKA DEPARTMENT OF BANKING &amp; FINANCE

**Date Initiated:**

01/11/2011

**Docket/Case Number:****Principal Product Type:**

Debt - Asset Backed

**Other Product Type(s):**

DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:**

Civil and Administrative Penalt(ies) /Fine(s)





<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	01/11/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$51,307.60 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE NEBRASKA DEPARTMENT OF BANKING & FINANCE ON JANUARY 11, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$51,307.60 TO THE NEBRASKA DEPARTMENT OF BANKING & FINANCE, WHICH AMOUNT WAS PAID ON JANUARY 21, 2011.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE NEBRASKA DEPARTMENT OF BANKING & FINANCE ON JANUARY 11, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$51,307.60 TO THE NEBRASKA DEPARTMENT OF BANKING & FINANCE, WHICH AMOUNT WAS PAID ON JANUARY 21, 2011.

#### Disclosure 118 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final



<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPEOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION
<b>Date Initiated:</b>	01/14/2011
<b>Docket/Case Number:</b>	
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	01/14/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$91,099.58 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED



INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION ON JANUARY 14, 2011 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$91,099.58 TO THE MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION, WHICH AMOUNT WAS PAID ON JANUARY 26, 2011.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION ON JANUARY 14, 2011 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$91,099.58 TO THE MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION, WHICH AMOUNT WAS PAID ON JANUARY 26, 2011.

#### Disclosure 119 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE COLORADO DEPARTMENT OF REGULATORY AGENCIES, DIVISION OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE COLORADO DEPARTMENT OF REGULATORY AGENCIES, DIVISION OF SECURITIES ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	COLORADO DEPARTMENT OF REGULATORY AGENCIES, DIVISION OF SECURITIES
<b>Date Initiated:</b>	01/12/2011
<b>Docket/Case Number:</b>	11-6-13
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE



IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	01/12/2011
<b>Sanctions Ordered:</b>	Monetary/Fine \$508,021.39 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE COLORADO DEPARTMENT OF REGULATORY AGENCIES, DIVISION OF SECURITIES ON JANUARY 12, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$508,021.39 TO THE COLORADO DEPARTMENT OF REGULATORY AGENCIES, DIVISION OF SECURITIES, WHICH AMOUNT WAS PAID ON JANUARY 26, 2011.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE COLORADO DEPARTMENT OF REGULATORY AGENCIES, DIVISION OF SECURITIES ON JANUARY 12, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$508,021.39 TO THE COLORADO DEPARTMENT OF REGULATORY AGENCIES, DIVISION OF SECURITIES, WHICH AMOUNT WAS PAID ON JANUARY 26, 2011.

#### Disclosure 120 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF ALASKA,



DIVISION OF BANKING AND SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE STATE OF ALASKA, DIVISION OF BANKING AND SECURITIES ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

**Initiated By:** STATE OF ALASKA, DIVISION OF BANKING AND SECURITIES

**Date Initiated:** 01/18/2011

**Docket/Case Number:** 10-14-S

**Principal Product Type:** Debt - Asset Backed

**Other Product Type(s):** DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Resolution:** Consent

**Resolution Date:** 01/18/2011

**Sanctions Ordered:** Monetary/Fine \$46,009.22  
Cease and Desist/Injunction

**Other Sanctions Ordered:** OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE STATE OF ALASKA, DIVISION OF BANKING AND SECURITIES ON JANUARY 18, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS,



TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$46,009.22 TO THE STATE OF ALASKA, DIVISION OF BANKING AND SECURITIES, WHICH AMOUNT WAS PAID ON JANUARY 26, 2011.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE STATE OF ALASKA, DIVISION OF BANKING AND SECURITIES ON JANUARY 18, 2011, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$46,009.22 TO THE STATE OF ALASKA, DIVISION OF BANKING AND SECURITIES, WHICH AMOUNT WAS PAID ON JANUARY 26, 2011.

#### Disclosure 121 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE ARKANSAS SECURITIES COMMISSIONER, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE ARKANSAS SECURITIES COMMISSIONER ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	ARKANSAS SECURITIES COMMISSIONER
<b>Date Initiated:</b>	12/28/2010
<b>Docket/Case Number:</b>	S-09-024-10-OR14
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.



<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	12/28/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$78,556.45 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE ARKANSAS SECURITIES COMMISSIONER ON DECEMBER 28, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$78,556.45 TO THE ARKANSAS SECURITIES COMMISSIONER, WHICH AMOUNT WAS PAID ON JANUARY 6, 2011.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE ARKANSAS SECURITIES COMMISSIONER ON DECEMBER 28, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$78,556.45 TO THE ARKANSAS SECURITIES COMMISSIONER, WHICH AMOUNT WAS PAID ON JANUARY 6, 2011.

#### Disclosure 122 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	ON DECEMBER 17, 2010, THE CONNECTICUT BANKING COMMISSIONER ENTERED A CONSENT ORDER (DOCKET NO. CO-10-7842-S) WITH RESPECT TO GOLDMAN, SACHS & CO., A BROKER-DEALER REGISTERED UNDER THE CONNECTICUT UNIFORM SECURITIES ACT. THE SETTLEMENT FOLLOWED A COORDINATED MULTI-STATE INVESTIGATION INTO THE FIRM'S ACTIVITIES IN CONNECTION WITH THE SALE OF AUCTION RATE SECURITIES (ARS). THE CONSENT ORDER ACKNOWLEDGED THAT THE FIRM HAD REPURCHASED AT PAR, AND ON THE SAME TERMS AND CONDITIONS, ALL ELIGIBLE ARS FROM ELIGIBLE INVESTORS NATIONALLY WHO ACCEPTED AND COMPLIED WITH THE TERMS AND CONDITIONS OF





THE FIRM'S ARS REPURCHASE OFFER. THE CONSENT ORDER ALLEGED THAT, IN CONNECTION WITH THE MARKETING OF ARS 1) THE FIRM FAILED TO REASONABLY SUPERVISE ITS AGENTS TO ENSURE THAT ALL OF THE FIRM'S CLIENTS WOULD BE SUFFICIENTLY APPRISED OF ARS, THE MECHANICS OF THE AUCTION PROCESS AND THE POTENTIAL ILLIQUIDITY OF ARS; AND 2) THE FIRM ENGAGED IN UNETHICAL PRACTICES WITHIN THE MEANING OF SECTION 36B-4(B) OF THE ACT.

**Initiated By:** CONNECTICUT

**Date Initiated:** 12/17/2010

**Docket/Case Number:** CO-10-7842-S

**URL for Regulatory Action:**

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 12/17/2010

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** Yes

**Sanctions Ordered:** Monetary/Fine \$1,014,903.35  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** THE CONSENT ORDER FINED THE FIRM \$1,014,903.35, AND REQUIRED THAT IT CEASE AND DESIST FROM REGULATORY VIOLATIONS.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE CONNECTICUT DEPARTMENT OF BANKING, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE





CONSENT ORDER, THE CONNECTICUT DEPARTMENT OF BANKING ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPEOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

**Initiated By:** CONNECTICUT DEPARTMENT OF BANKING

**Date Initiated:** 12/17/2010

**Docket/Case Number:** CO-10-7842-S

**Principal Product Type:** Debt - Asset Backed

**Other Product Type(s):** DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Resolution:** Consent

**Resolution Date:** 12/17/2010

**Sanctions Ordered:** Monetary/Fine \$1,014,903.35  
Cease and Desist/Injunction

**Other Sanctions Ordered:** OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE CONNECTICUT DEPARTMENT OF BANKING ON DECEMBER 17, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$1,014,903.35 TO THE CONNECTICUT DEPARTMENT OF BANKING, WHICH



AMOUNT WAS PAID ON DECEMBER 23, 2010.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE CONNECTICUT DEPARTMENT OF BANKING ON DECEMBER 17, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$1,014,903.35 TO THE CONNECTICUT DEPARTMENT OF BANKING, WHICH AMOUNT WAS PAID ON DECEMBER 23, 2010.

#### Disclosure 123 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FAILURE TO SUPERVISE; UNETHICAL PRACTICE IN CONNECTION WITH PURCHASE OR SALE OF SECURITIES.
<b>Initiated By:</b>	OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, DIVISION OF FINANCE AND CORPORATE SECURITIES.
<b>Date Initiated:</b>	12/06/2010
<b>Docket/Case Number:</b>	S-10-0009
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	ACUTION RATE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	12/06/2010
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Monetary/Fine \$76,820.07 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	BUYBACK OF ELIGIBLE AUCTION RATE SECURITIES FROM ELIGIBLE



INVESTORS; PAYMENT TO CONSUMER FINANCIAL EDUCATION ACCOUNT.

**Sanction Details:**

CIVIL PENALTY OF \$76,820.07 PAID IN FULL ON 12/14/10. PAYMENT OF \$4,043.16 TO CONSUMER FINANCIAL EDUCATION ACCOUNT PAID IN FULL ON 12/14/10.

**Regulator Statement**

THE MATTER RELATES TO A MULTI-STATE INVESTIGATION CONCERNING THE MARKETING AND SALE OF AUCTION RATE SECURITIES.

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**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

VARIOUS STATE REGULATORS, INCLUDING THE OREGON DEPARTMENT OF BUSINESS AND CONSUMER SERVICES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALE OF ARS. IN THE ORDER TO CEASE AND DESIST, ORDER FOR ASSESSING CIVIL PENALTY, AND CONSENT TO ENTRY OF ORDER, THE OREGON DEPARTMENT OF BUSINESS AND CONSUMER SERVICES ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

**Initiated By:**

OREGON DEPARTMENT OF BUSINESS AND CONSUMER SERVICES

**Date Initiated:**

12/06/2010

**Docket/Case Number:**

S-10-0009

**Principal Product Type:**

Debt - Asset Backed

**Other Product Type(s):**

DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:**

Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Resolution:**

Consent

**Resolution Date:**

12/06/2010



<b>Sanctions Ordered:</b>	Monetary/Fine \$80,863.23 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ORDER TO CEASE AND DESIST, ORDER FOR ASSESSING CIVIL PENALTY, AND CONSENT TO ENTRY OF ORDER WITH THE OREGON DEPARTMENT OF BUSINESS AND CONSUMER SERVICES ON DECEMBER 6, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$80,863.23 TO THE OREGON DEPARTMENT OF BUSINESS AND CONSUMER SERVICES, WHICH AMOUNT WAS PAID ON DECEMBER 10, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ORDER TO CEASE AND DESIST, ORDER FOR ASSESSING CIVIL PENALTY, AND CONSENT TO ENTRY OF ORDER WITH THE OREGON DEPARTMENT OF BUSINESS AND CONSUMER SERVICES ON DECEMBER 6, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$80,863.23 TO THE OREGON DEPARTMENT OF BUSINESS AND CONSUMER SERVICES, WHICH AMOUNT WAS PAID ON DECEMBER 10, 2010.

#### Disclosure 124 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE IOWA INSURANCE DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALE OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE IOWA INSURANCE DIVISION ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.



<b>Initiated By:</b>	IOWA INSURANCE DIVISION
<b>Date Initiated:</b>	12/02/2010
<b>Docket/Case Number:</b>	67953
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	12/02/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$53,181.86 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE IOWA INSURANCE DIVISION ON DECEMBER 2, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$53,181.86 TO THE IOWA INSURANCE DIVISION, WHICH AMOUNT WAS PAID ON DECEMBER 10, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE IOWA INSURANCE DIVISION ON DECEMBER 2, 2010, IN WHICH IT AGREED, AS PART OF A



GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$53,181.86 TO THE IOWA INSURANCE DIVISION, WHICH AMOUNT WAS PAID ON DECEMBER 10, 2010.

## Disclosure 125 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	BOX TRADING RULES CHAPTER V, SECTION 1(B)(IV), CHAPTER VI, SECTION 5(C)(III): ON 160 OCCASIONS, THE RESPONDENT TRADED AGAINST A DIRECTED ORDER THAT THE RESPONDENT HAD PREVIOUSLY RECEIVED AND REJECTED WITHOUT FIRST EXPOSING IT TO THE BOX BOOK (THE ELECTRONIC BOOK OF ORDERS MAINTAINED BY THE BOX TRADING HOST) FOR AT LEAST THREE SECONDS. IN ADDITION, RESPONDENT FAILED TO MAINTAIN AN ADEQUATE SYSTEM OF SUPERVISION, INCLUDING ADEQUATE WRITTEN SUPERVISORY PROCEDURES AND EFFECTIVE MONITORING REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH EXCHANGE RULES RELATING TO THE OBLIGATIONS OF AN EXCHANGE MARKET MAKER WHEN HANDLING DIRECTED ORDERS.
<b>Initiated By:</b>	NASDAQ OMX BX, INC.
<b>Date Initiated:</b>	10/25/2010
<b>Docket/Case Number:</b>	20090175424
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Other
<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	10/25/2010
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No



**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED AND FINED \$15,000.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** BOSTON OPTIONS EXCHANGE ("BOX") REGULATION, LLC ALLEGED THAT: (I) DURING THE PERIOD BETWEEN JANUARY 1, 2009 AND JANUARY 31, 2010, GOLDMAN, SACHS & CO. (THE "FIRM"), ON CERTAIN OCCASIONS, TRADED AGAINST A DIRECTED ORDER THAT THE FIRM HAD PREVIOUSLY RECEIVED AND REJECTED WITHOUT FIRST EXPOSING IT TO THE BOX BOOK FOR AT LEAST THREE SECONDS, IN ALLEGED VIOLATION OF BOX TRADING RULES CHAPTER VI, MARKET MAKERS, SECTION 5, OBLIGATIONS OF MARKET MAKERS (C)(III), AND (II) THAT THE FIRM FAILED TO MAINTAIN AN ADEQUATE SYSTEM OF SUPERVISION, INCLUDING ADEQUATE WRITTEN SUPERVISORY PROCEDURES AND EFFECTIVE MONITORING REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH BOX RULES RELATING TO THE OBLIGATIONS OF A BOX MARKET MAKER WHEN HANDLING DIRECTED ORDERS, IN ALLEGED VIOLATION OF BOX TRADING RULE CHAPTER V, DOING BUSINESS ON BOX, SECTION 1, ACCESS TO AND CONDUCT ON THE BOX MARKET, (B)(IV) BOX CONDUCT.

**Initiated By:** BOSTON OPTIONS EXCHANGE

**Date Initiated:** 10/25/2010

**Docket/Case Number:** 20090175424

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/25/2010

**Sanctions Ordered:** Censure



Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$15,000 WHICH WAS PAID BY SUBMISSION OF A CHECK ON NOVEMBER 1, 2010.

**Firm Statement**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY BOX ON OCTOBER 25, 2010, AND ON NOVEMBER 1, 2010, THE FIRM SUBMITTED A CHECK IN PAYMENT OF A FINE IN THE AMOUNT OF \$15,000.

**Disclosure 126 of 325**

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

VARIOUS STATE REGULATORS, INCLUDING THE VIRGIN ISLANDS DIVISION OF BANKING AND INSURANCE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE VIRGIN ISLANDS DIVISION OF BANKING AND INSURANCE ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

**Initiated By:**

VIRGIN ISLANDS DIVISION OF BANKING AND INSURANCE

**Date Initiated:**

11/03/2010

**Docket/Case Number:**

12-10

**Principal Product Type:**

Debt - Asset Backed

**Other Product Type(s):**

DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:**

Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.





<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	11/03/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$45,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE VIRGIN ISLANDS DIVISION OF BANKING AND INSURANCE ON NOVEMBER 3, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$45,000.00 TO THE VIRGIN ISLANDS DIVISION OF BANKING AND INSURANCE, WHICH AMOUNT WAS PAID ON NOVEMBER 17, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE VIRGIN ISLANDS DIVISION OF BANKING AND INSURANCE ON NOVEMBER 3, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$45,000.00 TO THE VIRGIN ISLANDS DIVISION OF BANKING AND INSURANCE, WHICH AMOUNT WAS PAID ON NOVEMBER 17, 2010.

#### Disclosure 127 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE KANSAS SECURITIES COMMISSIONER, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE KANSAS SECURITIES COMMISSIONER ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.



<b>Initiated By:</b>	KANSAS SECURITIES COMMISSIONER
<b>Date Initiated:</b>	10/25/2010
<b>Docket/Case Number:</b>	10 E 29
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	10/25/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$789,931.65 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE KANSAS SECURITIES COMMISSIONER ON OCTOBER 25, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$789,931.65 TO THE KANSAS SECURITIES COMMISSIONER, WHICH AMOUNT WAS PAID ON NOVEMBER 2, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE KANSAS SECURITIES COMMISSIONER ON OCTOBER 25, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL



SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$789,931.65 TO THE KANSAS SECURITIES COMMISSIONER, WHICH AMOUNT WAS PAID ON NOVEMBER 2, 2010.

#### Disclosure 128 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE DIVISION OF SECURITIES OF THE STATE OF DELAWARE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE DIVISION OF SECURITIES OF THE STATE OF DELAWARE ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	DIVISION OF SECURITIES OF THE STATE OF DELAWARE
<b>Date Initiated:</b>	10/25/2010
<b>Docket/Case Number:</b>	10-6-6
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVES
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	10/25/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$89,151.79 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL



INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

#### Sanction Details:

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE DIVISION OF SECURITIES OF THE STATE OF DELAWARE ON OCTOBER 25, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$89,151.79 TO THE DIVISION OF SECURITIES OF THE STATE OF DELAWARE, WHICH AMOUNT WAS PAID ON NOVEMBER 1, 2010.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE DIVISION OF SECURITIES OF THE STATE OF DELAWARE ON OCTOBER 25, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$89,151.79 TO THE DIVISION OF SECURITIES OF THE STATE OF DELAWARE, WHICH AMOUNT WAS PAID ON NOVEMBER 1, 2010.

### Disclosure 129 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** FINRA RULE 2010, NASD RULE 3010: IN TWO INSTANCES, THE FIRM FAILED TO UPDATE FORMS U4 TO DISCLOSE INVESTIGATIONS WHEN IT WAS REQUIRED TO DO SO BY FINRA BY-LAWS, ARTICLE V, SECTION 2(C). IN THE FIRST INSTANCE, THE FIRM FAILED TO FILE AN AMENDMENT TO FORM U4 TO DISCLOSE THAT AN EMPLOYEE HAD RECEIVED A "WELLS NOTICE" FROM THE SECURITIES AND EXCHANGE COMMISSION (SEC) IN CONNECTION WITH THE AGENCY'S INVESTIGATION OF AN OFFERING OF A SYNTHETIC COLLATERALIZED DEBT OBLIGATION (CDO). THE RECEIPT OF A WELLS NOTICE CLEARLY TRIGGERS A REPORTING OBLIGATION ON A PERSON'S FORM U4. DESPITE THE FACT THAT THE REPORTING OBLIGATION CLEARLY EXISTED, THE FIRM FAILED TO ENSURE THAT THE EMPLOYEE'S FORM U4 WAS AMENDED WITHIN 30 DAYS OF ITS KNOWLEDGE OF THE WELLS NOTICE, AS REQUIRED UNDER THE BY-LAWS. IN FACT, THE FORM U4 WAS NOT AMENDED UNTIL MORE THAN SEVEN MONTHS AFTER THE FIRM LEARNED OF THE WELLS NOTICE, AND ONLY



AFTER THE SEC FILED ITS COMPLAINT AGAINST THE FIRM AND THE EMPLOYEE. IN THE SECOND INSTANCE, THE FIRM FAILED TO AMEND ANOTHER EMPLOYEE'S FORM U4 TO DISCLOSE THAT HE HAD RECEIVED A WELLS NOTICE. THE WELLS NOTICE INDICATED THAT THE STAFF OF A REGULATORY AGENCY HAD MADE A PRELIMINARY DETERMINATION TO RECOMMEND THAT DISCIPLINARY ACTION BE BROUGHT AGAINST HIM. IN THIS INSTANCE, THE FIRM'S LEGAL DEPARTMENT WAS PROMPTLY INFORMED THAT A WELLS NOTICE HAD BEEN RECEIVED; HOWEVER, THE FIRM DID NOT ENSURE THAT THE FORM U4 WAS AMENDED WITHIN 30 DAYS OF ITS KNOWLEDGE OF THE WELLS NOTICE, AS REQUIRED UNDER THE BY-LAWS. THESE FAILURES OCCURRED BECAUSE THE FIRM DID NOT HAVE ADEQUATE SUPERVISORY PROCEDURES AND SYSTEMS IN PLACE TO ENSURE THAT THE GLOBAL COMPLIANCE EMPLOYEE SERVICES (GCES) GROUP WITHIN ITS GLOBAL COMPLIANCE DIVISION RECEIVED PROMPT NOTICE THAT A REGISTERED PERSON WAS THE SUBJECT OF AN "INVESTIGATION," AS THAT TERM IS USED IN FORM U4, SO THAT THE UNIT COULD ENSURE THAT THE FORMS U4 WERE AMENDED ACCORDINGLY. IN THE TWO INSTANCES HERE, THE GCES GROUP WAS NOT TIMELY INFORMED OF THE WELLS NOTICE. THE FIRM DID NOT HAVE IN PLACE AN EFFECTIVE PROCEDURE TO ENSURE THAT THE GCES GROUP WAS PROMPTLY NOTIFIED ABOUT WELLS NOTICES AFFECTING REGISTERED PERSONS. INSTEAD, THE FIRM RELIED ON INDIVIDUALS WHO WERE INFORMED OF THE OCCURRENCE OF A FORM U4 REPORTABLE EVENT TO RECOGNIZE THE NEED TO TELL THE GCES GROUP AND TO TAKE THE INITIATIVE TO DO SO. THE FIRM'S WRITTEN SUPERVISORY PROCEDURES, DIVISIONAL SUPERVISORY MANUALS AND POLICIES IN EFFECT WERE ALSO INADEQUATE. NOWHERE DO THEY MENTION "WELLS NOTICES" SPECIFICALLY. MOREOVER, IN SEVERAL PLACES THE PROCEDURES STATE THAT DISCLOSURE IS REQUIRED WHEN AN EMPLOYEE IS FOUND TO HAVE VIOLATED ANY PROVISION OF A SECURITIES LAW OR REGULATION, OR IS NAMED AS A DEFENDANT OR RESPONDENT IN A REGULATORY PROCEEDING OR CIVIL LITIGATION, BUT ARE SILENT REGARDING BEING THE SUBJECT OF A REGULATORY INVESTIGATION, WHICH COULD RESULT IN A "YES" ANSWER TO ANY PART OF QUESTIONS OF FORM U4. THIS CREATES THE MISTAKEN IMPRESSION THAT, WHEN A REGISTERED PERSON IS INVESTIGATED BY THE SEC OR ANY SRO SUCH AS FINRA, THE TRIGGERING EVENT REQUIRING A FORM U4 AMENDMENT OCCURS, IF AT ALL, AT A STAGE SIGNIFICANTLY LATER THAN WHEN THE REPRESENTATIVE RECEIVES A WELLS NOTICE. THE FIRM'S FAILURE TO COMPLY WITH ITS FINRA BY-LAW ARTICLE V REPORTING OBLIGATIONS IMPACTED FINRA'S AND OTHER SECURITIES REGULATORS' ABILITIES TO DISCHARGE THEIR REGISTRATION, EXAMINATION, AND OVERSIGHT DUTIES, AS WELL AS INVESTORS' AND OTHER MARKET PARTICIPANTS' ABILITIES TO ASSESS THE INDIVIDUALS' BACKGROUNDS THROUGH FINRA'S PUBLIC DISCLOSURE PROGRAM, BROKERCHECK.



**Initiated By:** FINRA  
**Date Initiated:** 11/09/2010  
**Docket/Case Number:** [2010022473801](#)  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Other  
**Other Sanction(s)/Relief Sought:** N/A  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 11/09/2010  
**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$650,000.00  
**Other Sanctions Ordered:** UNDERTAKING  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED, FINED \$650,000, AND AGREED TO COMPLY WITH THE FOLLOWING UNDERTAKING: WITHIN 90 CALENDAR DAYS OF THE ISSUANCE OF THIS AWC, AN OFFICER (OR EQUIVALENT) OF THE FIRM WILL CERTIFY TO FINRA IN WRITING THAT IT HAS (A) COMPLETED A REVIEW OF ITS SUPERVISORY PROCEDURES AND SYSTEMS CONCERNING FORM U4 AMENDMENTS AND COMPLIANCE WITH FINRA BY-LAWS, ARTICLE V, SECTION 2(C), AND (B) IMPLEMENTED NECESSARY REVISIONS TO SUCH PROCEDURES AND SYSTEMS. THE CERTIFICATION SHALL ALSO DESCRIBE THE SPECIFIC ACTIONS TAKEN BY THE FIRM, INCLUDING THE SYSTEMS AND PROCEDURES DEVELOPED AND IMPLEMENTED.

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**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA")



DEPARTMENT OF ENFORCEMENT ALLEGED THAT, BETWEEN NOVEMBER 2009 AND MAY 2010, GOLDMAN, SACHS & CO. (THE "FIRM") (I) FAILED IN TWO INSTANCES TO UPDATE THE UNIFORM APPLICATIONS FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER ("FORMS U4") FOR TWO REGISTERED REPRESENTATIVES WHO RECEIVED WELLS NOTICES, AS REQUIRED BY FINRA BY-LAWS, ARTICLE V, SECTION 2(C), AND (II) DID NOT HAVE IN PLACE AN EFFECTIVE PROCEDURE TO ENSURE THAT THE COMPLIANCE GROUP RESPONSIBLE FOR FILING AMENDMENTS TO FORMS U4 WAS PROMPTLY NOTIFIED ABOUT WELLS NOTICES REGARDING REGISTERED PERSONS, IN ALLEGED VIOLATION OF NASD CONDUCT RULE 3010 AND FINRA RULE 2010.

<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	11/09/2010
<b>Docket/Case Number:</b>	20100224738-01
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	11/09/2010
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$650,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, AND SOLELY FOR PURPOSES OF A FINRA PROCEEDING, THE FIRM SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT, WHICH WAS ACCEPTED BY FINRA ON NOVEMBER 9, 2010, THAT INCLUDED (1) A CENSURE, (2) A FINE IN THE AMOUNT OF \$650,000 WHICH WAS PAID ON NOVEMBER 18, 2010 AND (3) AN UNDERTAKING REQUIRING A CERTIFICATION BY THE FIRM WITHIN 90 CALENDAR DAYS THAT (I) IT COMPLETED A REVIEW OF ITS SUPERVISORY PROCEDURES AND SYSTEMS CONCERNING FORM U4 AMENDMENTS AND COMPLIANCE WITH FINRA BY-LAWS, ARTICLE V, SECTION 2(C) AND (II) IT IMPLEMENTED ANY NECESSARY REVISIONS.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, AND SOLELY FOR PURPOSES OF A FINRA PROCEEDING, THE FIRM SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WHICH WAS ACCEPTED BY FINRA





ON NOVEMBER 9, 2010 THAT INCLUDED (1) A CENSURE, (2) A FINE IN THE AMOUNT OF \$650,000 WHICH WAS PAID ON NOVEMBER 18, 2010 AND (3) AN UNDERTAKING REQUIRING A CERTIFICATION BY THE FIRM WITHIN 90 CALENDAR DAYS THAT (I) IT COMPLETED A REVIEW OF ITS SUPERVISORY PROCEDURES AND SYSTEMS CONCERNING FORM U4 AMENDMENTS AND COMPLIANCE WITH FINRA BY-LAWS, ARTICLE V, SECTION 2(C) AND (II) IT IMPLEMENTED ANY NECESSARY REVISIONS.

#### Disclosure 130 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS ALLEGED THAT GOLDMAN, SACHS & CO.(THE "FIRM") FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS
<b>Date Initiated:</b>	09/10/2010
<b>Docket/Case Number:</b>	OFI-2010-0014
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	09/10/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$118,528.64





Cease and Desist/Injunction

**Other Sanctions Ordered:** OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS ON SEPTEMBER 10, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$118,528.64 TO THE LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS, WHICH AMOUNT WAS PAID ON SEPTEMBER 23, 2010.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS ON SEPTEMBER 10, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$118,528.64 TO THE LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS, WHICH AMOUNT WAS PAID ON SEPTEMBER 23, 2010.

#### Disclosure 131 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE, SECURITIES DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE, SECURITIES DIVISION, ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPEOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.

**Initiated By:** TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE, SECURITIES DIVISION

**Date Initiated:** 08/19/2010

**Docket/Case Number:** 10-005 (SI-2008-010)



<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM GOLDMAN, SACHS & CO.; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	08/19/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$410,721.37 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE, SECURITIES DIVISION, ON AUGUST 19, 2010 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$410,721.37 TO THE TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE, SECURITIES DIVISION, WHICH AMOUNT WAS PAID ON SEPTEMBER 1, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE, SECURITIES DIVISION, ON AUGUST 19, 2010 IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$410,721.37 TO THE TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE, SECURITIES DIVISION, WHICH AMOUNT WAS PAID ON



SEPTEMBER 1, 2010.

**Disclosure 132 of 325**

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE SECURITIES COMMISSIONER OF SOUTH CAROLINA, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE ADMINISTRATIVE CONSENT ORDER, THE SECURITIES COMMISSIONER OF SOUTH CAROLINA ALLEGED THAT GOLDMAN, SACHS & CO. (THE "FIRM") ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	SECURITIES COMMISSIONER OF SOUTH CAROLINA
<b>Date Initiated:</b>	08/09/2010
<b>Docket/Case Number:</b>	10032
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVES
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	08/09/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$67,707.37 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS



REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE SECURITIES COMMISSIONER OF SOUTH CAROLINA ON AUGUST 9, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$67,707.37 TO THE SECURITIES COMMISSIONER OF SOUTH CAROLINA, WHICH AMOUNT WAS PAID ON AUGUST 19, 2010.

**Firm Statement**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE SECURITIES COMMISSIONER OF SOUTH CAROLINA ON AUGUST 9, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$67,707.37 TO THE SECURITIES COMMISSIONER OF SOUTH CAROLINA, WHICH AMOUNT WAS PAID ON AUGUST 19, 2010.

**Disclosure 133 of 325**
**Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

MSRB RULE G-14 - GOLDMAN, SACHS & CO. FAILED TO REPORT THE CORRECT TIME OF EXECUTION TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) FOR REPORTS OF TRANSACTIONS IN MUNICIPAL SECURITIES. THE FIRM FAILED TO REPORT INFORMATION REGARDING PURCHASE AND SALE TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE RTRS IN THE MANNER PRESCRIBED BY RULE G-14 RTRS PROCEDURES AND THE RTRS USERS MANUAL; THE FIRM FAILED TO REPORT INFORMATION ABOUT SUCH TRANSACTIONS WITHIN 15 MINUTES OF TIME OF TRADE TO AN RTRS PORTAL.

**Initiated By:**

FINRA

**Date Initiated:**

08/25/2010

**Docket/Case Number:**

[2009018642401](#)

**Principal Product Type:**

Debt - Municipal

**Other Product Type(s):**
**Principal Sanction(s)/Relief Sought:**


**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 08/25/2010

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$25,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$25,000.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT, DURING THE PERIODS FROM JANUARY 1 TO MARCH 31, 2009 AND OCTOBER 1 TO DECEMBER 31, 2009, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO REPORT THE CORRECT TIME OF EXECUTION TO THE REAL-TIME TRANSACTION REPORTING SYSTEM ("RTRS") FOR CERTAIN REPORTS OF TRANSACTIONS IN MUNICIPAL SECURITIES AND FAILED TO REPORT INFORMATION REGARDING CERTAIN PURCHASE AND SALE TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE RTRS IN A TIMELY MANNER AS PRESCRIBED BY RULE G-14 RTRS PROCEDURES AND THE RTRS USERS MANUAL, IN ALLEGED VIOLATION OF MSRB RULE G-14.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 08/24/2010

**Docket/Case Number:** 20090186424-01

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):**



<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	08/24/2010
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$25,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$25,000 WHICH WAS PAID BY SUBMISSION OF A WIRE ON SEPTEMBER 15, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A CENSURE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON AUGUST 24, 2010 AND ON SEPTEMBER 15, 2010, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$25,000.

#### Disclosure 134 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	GOLDMAN SACHS CONVEYED TO CERTAIN CLIENTS THAT ARS WERE SECURE, LIQUID SECURITIES THAT WERE A SUITABLE ALTERNATIVE FOR CASH MANAGEMENT PURPOSES. IT DID SO THROUGH ITS SALES FORCE, SOME OF WHOM REPRESENTED TO CERTAIN INVESTORS THAT AUCTION RATE SECURITIES WERE HIGHLY LIQUID, SAFE INVESTMENTS FOR CASH MANAGEMENT PURPOSES. THESE REPRESENTATIONS WERE MISLEADING AS TO CERTAIN INVESTORS. AUCTION RATE SECURITIES WERE IN FACT DIFFERENT FROM CASH AND MONEY MARKET FUNDS. AS DISCUSSED ABOVE, THE LIQUIDITY OF AN AUCTION RATE SECURITY RELIED ON THE SUCCESSFUL OPERATION OF THE DUTCH AUCTION PROCESS. IN THE EVENT OF A FAILED AUCTION, INVESTORS CANNOT SELL THEIR AUCTION RATE SECURITIES IN THAT AUCTION AND ARE POTENTIALLY STUCK HOLDING LONG-TERM INVESTMENTS, NOT MONEY MARKET INSTRUMENTS. SINCE IT BEGAN PARTICIPATING IN THE AUCTION RATE SECURITIES MARKET, GOLDMAN SACHS SUBMITTED "COVER" BIDS, PURCHASE ORDERS FOR THE ENTIRETY OF AN AUCTION RATE SECURITY ISSUE FOR WHICH IT ACTED AS THE SOLE OR LEAD AUCTION MANAGER. SUCH "COVER" BIDS WERE GOLDMAN SACHS PROPRIETARY ORDERS



THAT WOULD BE FILLED, IN WHOLE OR IN PART, IF THERE WAS OTHERWISE INSUFFICIENT DEMAND IN AN AUCTION. WHEN GOLDMAN SACHS PURCHASED AUCTION RATE SECURITIES THROUGH "COVER" BIDS, THOSE AUCTION RATE SECURITIES WERE THEN OWNED BY GOLDMAN SACHS AND THE HOLDINGS WERE RECORDED ON GOLDMAN SACHS' BALANCE SHEET. FOR RISK MANAGEMENT PURPOSES, GOLDMAN SACHS IMPOSED LIMITS ON THE AMOUNTS OF SECURITIES ITS MUNICIPAL MONEY MARKETS UNIT COULD HOLD (WHICH INCLUDED GOLDMAN SACHS' AUCTION RATE SECURITIES HOLDINGS). BECAUSE MANY INVESTORS COULD NOT ASCERTAIN HOW MUCH OF AN AUCTION WAS FILLED THROUGH GOLDMAN SACHS "COVER" BIDS, THOSE INVESTORS COULD NOT DETERMINE IF AUCTIONS WERE CLEARING BECAUSE OF NORMAL MARKETPLACE DEMAND, OR BECAUSE GOLDMAN SACHS WAS MAKING UP FOR THE LACK OF DEMAND THROUGH "COVER" BIDS. MANY INVESTORS WERE ALSO NOT AWARE THAT THE LIQUIDITY OF THE AUCTION RATE SECURITIES WAS DEPENDENT UPON GOLDMAN SACHS' CONTINUED USE OF "COVER" BIDS. WHILE GOLDMAN SACHS COULD TRACK ITS OWN INVENTORY AS A MEASURE OF THE SUPPLY AND DEMAND FOR ITS AUCTION RATE SECURITIES, MANY INVESTORS HAD NO COMPARABLE ABILITY TO ASSESS THE OPERATION OF THE AUCTIONS. THERE WAS NO WAY FOR THOSE INVESTORS TO MONITOR SUPPLY AND DEMAND IN THE MARKET OR TO ASSESS WHEN BROKER-DEALERS MIGHT DECIDE TO STOP SUPPORTING THE MARKET, WHICH COULD CAUSE ITS COLLAPSE. THE RESULTING MARKET DISLOCATION SHOULD HAVE BEEN EVIDENT TO GOLDMAN SACHS. WHEN CLIENT DEMAND FOR ITS AUCTION RATE SECURITIES DECLINED, GOLDMAN SACHS' "COVER" BIDS FILLED THE INCREASING SHORTFALL, THEREBY SUSTAINING THE IMPRESSION FOR CERTAIN INVESTORS THAT AUCTIONS MANAGED BY GOLDMAN SACHS WERE FUNCTIONING. AS A RESULT, GOLDMAN SACHS' AUCTION RATE SECURITIES INVENTORY GREW SIGNIFICANTLY, REQUIRING GOLDMAN SACHS TO RAISE ITS RISK MANAGEMENT LIMITS FOR ITS MUNICIPAL MONEY MARKETS BUSINESS (WHICH INCLUDED AUCTION RATE SECURITIES) SEVERAL TIMES. IN FEBRUARY OF 2008, GOLDMAN SACHS AND OTHER FIRMS STOPPED SUPPORTING AUCTIONS. WITHOUT THE BENEFIT OF "COVER" BIDS, THE AUCTION RATE SECURITIES MARKET COLLAPSED, LEAVING CERTAIN INVESTORS WHO HAD BEEN LED TO BELIEVE THAT THESE SECURITIES WERE LIQUID, SAFE INVESTMENTS APPROPRIATE FOR MANAGING SHORT-TERM CASH NEEDS, HOLDING LONG-TERM OR PERPETUAL SECURITIES THAT COULD NOT BE SOLD AT PAR VALUE UNTIL AND IF THE AUCTIONS CLEARED AGAIN.

**Initiated By:** TEXAS  
**Date Initiated:** 07/19/2010  
**Docket/Case Number:** IC10-CDO-17



**URL for Regulatory Action:**

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES (ARS)

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:** FINE

**Resolution:** Consent

**Resolution Date:** 07/27/2010

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Monetary/Fine \$2,878,447.86  
Cease and Desist/Injunction

**Other Sanctions Ordered:****Sanction Details:**

THIS ORDER CONCLUDES THE INVESTIGATION BY THE TEXAS STATE SECURITIES BOARD AND ANY OTHER ACTION THAT THE TEXAS STATE SECURITIES BOARD COULD COMMENCE UNDER APPLICABLE TEXAS LAW ON BEHALF OF TEXAS AS IT RELATES TO GOLDMAN SACHS' MARKETING AND SALE OF AUCTION RATE SECURITIES TO GOLDMAN SACHS' ELIGIBLE INVESTORS, AS DEFINED BELOW. THIS ORDER IS ENTERED INTO SOLELY FOR THE PURPOSE OF RESOLVING THE INVESTIGATION INTO GOLDMAN SACHS' MARKETING AND SALE OF AUCTION RATE SECURITIES, AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE. THIS ORDER SHALL BE BINDING UPON GOLDMAN SACHS AND ITS SUCCESSORS AND ASSIGNS AS WELL AS TO SUCCESSORS AND ASSIGNS OF RELEVANT AFFILIATES WITH RESPECT TO ALL CONDUCT SUBJECT TO THE PROVISIONS ABOVE AND ALL FUTURE OBLIGATIONS, RESPONSIBILITIES, UNDERTAKINGS, COMMITMENTS, LIMITATIONS, RESTRICTIONS, EVENTS, AND CONDITIONS. GOLDMAN SACHS SHALL CEASE AND DESIST FROM VIOLATING THE TEXAS SECURITIES ACT AND WILL NOT ENGAGE IN CONDUCT THAT CONSTITUTES AN INEQUITABLE PRACTICE IN THE SALE OF SECURITIES IN CONNECTION WITH THE MARKETING OR SALE OF ARS. GOLDMAN SACHS SHALL PAY THE SUM OF TWO MILLION EIGHT HUNDRED SEVENTY EIGHT THOUSAND FOUR HUNDRED FORTY SEVEN DOLLARS AND EIGHT SIX CENTS (\$2,878,447.86) TO THE GENERAL FUND OF THE STATE OF TEXAS WITHIN





TEN (10) DAYS OF THE DATE ON WHICH THIS ORDER IS ENTERED.

**Regulator Statement**

N/A

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

VARIOUS STATE REGULATORS, INCLUDING THE TEXAS STATE SECURITIES BOARD, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS.

**Initiated By:**

TEXAS STATE SECURITIES BOARD

**Date Initiated:**

07/27/2010

**Docket/Case Number:**

IC10-CDO-17

**Principal Product Type:**

Debt - Asset Backed

**Other Product Type(s):**

DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:**

Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Resolution:**

Consent

**Resolution Date:**

07/27/2010

**Sanctions Ordered:**

Monetary/Fine \$2,878,447.86  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM GOLDMAN, SACHS & CO. (THE "FIRM"); PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.



**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE TEXAS STATE SECURITIES BOARD ON JULY 27, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$2,878,447.86 TO THE TEXAS STATE SECURITIES BOARD, WHICH AMOUNT WAS PAID ON AUGUST 5, 2010.

#### Disclosure 135 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULE 6620(B) - GOLDMAN, SACHS & CO. REPORTED LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES TO THE OTC REPORTING FACILITY THAT IT SHOULD NOT HAVE REPORTED.

**Initiated By:** FINRA

**Date Initiated:** 07/15/2010

**Docket/Case Number:** [2009017187201](#)

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/15/2010

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$15,000.



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT, DURING THE PERIOD FROM MAY 1, 2006 THROUGH APRIL 30, 2009, GOLDMAN, SACHS & CO. (THE "FIRM") REPORTED TO THE OTC REPORTING FACILITY CERTAIN LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES WHICH IT SHOULD HAVE NOT REPORTED, IN ALLEGED VIOLATION OF NASD RULE 6620(B).
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	07/15/2010
<b>Docket/Case Number:</b>	20090171872-01
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	07/15/2010
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$15,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$15,000 WHICH WAS PAID BY SUBMISSION OF A CHECK ON AUGUST 3, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH WAS ACCEPTED BY FINRA ON JULY 15, 2010, AND ON AUGUST 3, 2010, THE FIRM SUBMITTED A CHECK IN PAYMENT OF A FINE IN THE AMOUNT OF \$15,000.



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE OFFICE OF FINANCIAL INSTITUTIONS OF PUERTO RICO, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	OFFICE OF FINANCIAL INSTITUTIONS OF PUERTO RICO
<b>Date Initiated:</b>	06/23/2010
<b>Docket/Case Number:</b>	C10-V-004
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	06/23/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$45,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM GOLDMAN, SACHS & CO. (THE "FIRM"); PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE OFFICE OF FINANCIAL INSTITUTIONS OF PUERTO RICO ON JUNE 23, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE



REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$45,000.00 TO THE OFFICE OF FINANCIAL INSTITUTIONS OF PUERTO RICO, WHICH AMOUNT WAS PAID ON JUNE 30, 2010.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE OFFICE OF FINANCIAL INSTITUTIONS OF PUERTO RICO ON JUNE 23, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$45,000.00 TO THE OFFICE OF FINANCIAL INSTITUTIONS OF PUERTO RICO, WHICH AMOUNT WAS PAID ON JUNE 30, 2010.

#### Disclosure 137 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE NORTH DAKOTA SECURITIES DEPARTMENT, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALE OF ARS.

**Initiated By:** NORTH DAKOTA SECURITIES DEPARTMENT

**Date Initiated:** 06/22/2010

**Docket/Case Number:**

**Principal Product Type:** Debt - Asset Backed

**Other Product Type(s):** DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Resolution:** Consent

**Resolution Date:** 06/22/2010



<b>Sanctions Ordered:</b>	Monetary/Fine \$45,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM GOLDMAN, SACHS & CO. (THE "FIRM"); PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE NORTH DAKOTA SECURITIES DEPARTMENT ON JUNE 22, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$45,000.00 TO THE NORTH DAKOTA SECURITIES DEPARTMENT, WHICH AMOUNT WAS PAID ON JUNE 30, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE NORTH DAKOTA SECURITIES DEPARTMENT ON JUNE 22, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$45,000.00 TO THE NORTH DAKOTA SECURITIES DEPARTMENT, WHICH AMOUNT WAS PAID ON JUNE 30, 2010.

#### Disclosure 138 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE NEVADA SECRETARY OF STATE SECURITIES DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	NEVADA SECRETARY OF STATE SECURITIES DIVISION
<b>Date Initiated:</b>	06/21/2010
<b>Docket/Case Number:</b>	I10-124
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)



<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	06/21/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$278,460.65 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM GOLDMAN, SACHS & CO. (THE "FIRM"); PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE NEVADA SECRETARY OF STATE SECURITIES DIVISION ON JUNE 21, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$278,460.65 TO THE NEVADA SECRETARY OF STATE SECURITIES DIVISION, WHICH AMOUNT WAS PAID ON JULY 1, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE NEVADA SECRETARY OF STATE SECURITIES DIVISION ON JUNE 21, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$278,460.65 TO THE NEVADA SECRETARY OF STATE SECURITIES DIVISION, WHICH AMOUNT WAS PAID ON JULY 1, 2010.

#### Disclosure 139 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final



<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE COMMISSIONER OF SECURITIES AND INSURANCE, OFFICE OF THE MONTANA STATE AUDITOR, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	COMMISSIONER OF SECURITIES AND INSURANCE, OFFICE OF THE MONTANA STATE AUDITOR
<b>Date Initiated:</b>	06/24/2010
<b>Docket/Case Number:</b>	SEC-2010-43
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	06/24/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$81,980.58 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM GOLDMAN, SACHS & CO. (THE "FIRM"); PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE COMMISSIONER OF SECURITIES AND INSURANCE, OFFICE OF THE MONTANA STATE AUDITOR ON JUNE 24, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$81,980.58 TO THE





COMMISSIONER OF SECURITIES AND INSURANCE, OFFICE OF THE MONTANA STATE AUDITOR, WHICH AMOUNT WAS PAID ON JUNE 30, 2010.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE COMMISSIONER OF SECURITIES AND INSURANCE, OFFICE OF THE MONTANA STATE AUDITOR ON JUNE 24, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$81,980.58 TO THE COMMISSIONER OF SECURITIES AND INSURANCE, OFFICE OF THE MONTANA STATE AUDITOR, WHICH AMOUNT WAS PAID ON JUNE 30, 2010.

#### Disclosure 140 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE SECURITIES AND CHARITIES DIVISION OF THE MISSISSIPPI SECRETARY OF STATE'S OFFICE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	SECURITIES AND CHARITIES DIVISION OF THE MISSISSIPPI SECRETARY OF STATE'S OFFICE
<b>Date Initiated:</b>	06/22/2010
<b>Docket/Case Number:</b>	S-10-0047
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	06/22/2010



<b>Sanctions Ordered:</b>	Monetary/Fine \$49,382.88 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM GOLDMAN, SACHS & CO. (THE "FIRM"); PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE SECURITIES AND CHARITIES DIVISION OF THE MISSISSIPPI SECRETARY OF STATE'S OFFICE ON JUNE 22, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$49,382.88 TO THE SECURITIES AND CHARITIES DIVISION OF THE MISSISSIPPI SECRETARY OF STATE'S OFFICE, WHICH AMOUNT WAS PAID ON JUNE 30, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE SECURITIES AND CHARITIES DIVISION OF THE MISSISSIPPI SECRETARY OF STATE'S OFFICE ON JUNE 22, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$49,382.88 TO THE SECURITIES AND CHARITIES DIVISION OF THE MISSISSIPPI SECRETARY OF STATE'S OFFICE, WHICH AMOUNT WAS PAID ON JUNE 30, 2010.

#### Disclosure 141 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE MAINE DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION, OFFICE OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	MAINE DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION, OFFICE OF SECURITIES
<b>Date Initiated:</b>	06/21/2010
<b>Docket/Case Number:</b>	10-0043
<b>Principal Product Type:</b>	Debt - Asset Backed



<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	06/21/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$52,907.93 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM GOLDMAN, SACHS & CO. (THE "FIRM"); PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE MAINE DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION, OFFICE OF SECURITIES ON JUNE 21, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$52,907.93 TO THE MAINE DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION, OFFICE OF SECURITIES, WHICH AMOUNT WAS PAID ON JUNE 30, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE MAINE DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION, OFFICE OF SECURITIES ON JUNE 21, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$52,907.93 TO THE MAINE DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION, OFFICE OF SECURITIES, WHICH AMOUNT WAS PAID ON



JUNE 30, 2010.

## Disclosure 142 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE GEORGIA OFFICE OF THE SECRETARY OF STATE, SECURITIES AND BUSINESS REGULATION DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	GEORGIA OFFICE OF THE SECRETARY OF STATE, SECURITIES AND BUSINESS REGULATION DIVISION
<b>Date Initiated:</b>	06/29/2010
<b>Docket/Case Number:</b>	ENSC-01520
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	06/29/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$986,271.87 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM GOLDMAN, SACHS & CO. (THE "FIRM"); PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY



PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

#### Sanction Details:

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE GEORGIA OFFICE OF THE SECRETARY OF STATE, SECURITIES AND BUSINESS REGULATION DIVISION ON JUNE 29, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$986,271.87 TO THE GEORGIA OFFICE OF THE SECRETARY OF STATE, SECURITIES AND BUSINESS REGULATION DIVISION, WHICH AMOUNT WAS PAID ON JULY 1, 2010.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE GEORGIA OFFICE OF THE SECRETARY OF STATE, SECURITIES AND BUSINESS REGULATION DIVISION ON JUNE 29, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$986,271.87 TO THE GEORGIA OFFICE OF THE SECRETARY OF STATE, SECURITIES AND BUSINESS REGULATION DIVISION, WHICH AMOUNT WAS PAID ON JULY 1, 2010.

#### Disclosure 143 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** ON 6/21/10 CONSENT ORDER NO. CO-2010-0034 WAS ISSUED TO GOLDMAN SACHS & CO, CITING THE FIRM WITH ENGAGING IN UNETHICAL AND DISHONEST PRACTICES & FAILURE TO PROPERLY SUPERVISE ITS AGENTS. THIS ACTION STEMMED FROM THE FIRMS INAPPROPRIATE MARKETING OF AUCTION RATE SECURITIES TO CUSTOMERS WITHOUT ADEQUATELY DISCLOSING RISKS OF ILLIQUIDITY. THIS ORDER RESULTED IN FINES AND PENALTIES OF \$1,181,331.82.

**Initiated By:** ALABAMA SECURITIES COMMISSION

**Date Initiated:** 06/21/2010

**Docket/Case Number:** CO-2010-0034

**URL for Regulatory Action:**

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES (ARS)

**Principal Sanction(s)/Relief Sought:** Other



<b>Other Sanction(s)/Relief Sought:</b>	CONSENT ORDER
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	06/21/2010
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,181,331.82
<b>Other Sanctions Ordered:</b>	ON 6/21/10 CONSENT ORDER NO. CO-2010-0034 WAS ISSUED TO GOLDMAN SACHS & CO, CITING THE FIRM WITH ENGAGING IN UNETHICAL AND DISHONEST PRACTICES & FAILURE TO PROPERLY SUPERVISE ITS AGENTS. THIS ACTION STEMMED FROM THE FIRMS INAPPROPRIATE MARKETING OF AUCTION RATE SECURITIES TO CUSTOMERS WITHOUT ADEQUATELY DISCLOSING RISKS OF ILLIQUIDITY. THIS ORDER RESULTED IN FINES AND PENALTIES OF \$1,181,331.82.
<b>Sanction Details:</b>	ON 6/21/10 CONSENT ORDER NO. CO-2010-0034 WAS ISSUED TO GOLDMAN SACHS & CO, CITING THE FIRM WITH ENGAGING IN UNETHICAL AND DISHONEST PRACTICES & FAILURE TO PROPERLY SUPERVISE ITS AGENTS. THIS ACTION STEMMED FROM THE FIRMS INAPPROPRIATE MARKETING OF AUCTION RATE SECURITIES TO CUSTOMERS WITHOUT ADEQUATELY DISCLOSING RISKS OF ILLIQUIDITY. THIS ORDER RESULTED IN FINES AND PENALTIES OF \$1,181,331.82.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE ALABAMA SECURITIES COMMISSION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	ALABAMA SECURITIES COMMISSION
<b>Date Initiated:</b>	06/21/2010
<b>Docket/Case Number:</b>	CO-2010-0034
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL



<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	06/21/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,181,331.82 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM GOLDMAN, SACHS & CO. (THE "FIRM"); PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE ALABAMA SECURITIES COMMISSION ON JUNE 21, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$1,181,331.82 TO THE ALABAMA SECURITIES COMMISSION, WHICH AMOUNT WAS PAID ON JUNE 30, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE ALABAMA SECURITIES COMMISSION ON JUNE 21, 2010, IN WHICH THE FIRM AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$1,181,331.82 TO THE ALABAMA SECURITIES COMMISSION, WHICH AMOUNT WAS PAID ON JUNE 30, 2010.

#### Disclosure 144 of 325

**Reporting Source:** Regulator



**Current Status:** Final

**Allegations:** THE COMMISSIONER FINDS THAT THE CONDUCT DESCRIBED IN THE  
CONSENT ORDER SUBJECTS GOLDMAN SACHS TO SANCTIONS UNDER  
SECTION 409.4-412(D)(13) (DISHONEST OR UNETHICAL PRACTICE IN THE  
OFFER AND SALE OF SECURITIES) AND SECTION 409.412(D)(9), RSMO.  
(CUM. SUPP. 2009) (FAILURE TO REASONABLY SUPERVISE ITS AGENTS IN  
TEH OFFER AND SALE OF SECURITES) OF THE ACT. NOTHING IN THIS  
ORDER SHALL BE CONSTRUED AS A FINDING OR ADMISSION OF FRAUD.

**Initiated By:** MISSOURI SECURITIES DIVISION

**Date Initiated:** 07/20/2010

**Docket/Case Number:** AP-10-21

**URL for Regulatory Action:**

**Principal Product Type:** Other

**Other Product Type(s):** AUCTION RATE SECURITIES

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:** CONSENT

**Resolution:** Consent

**Resolution Date:** 07/20/2010

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Monetary/Fine \$132,470.25  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** GOLDMAN SACHS SHALL CEASE AND DESIST FROM VIOLATING THE ACT  
AND WILL COMPLY WITH SECTION 409.4-412(D)(13) AND SECTION 409.4-  
412(D)(9), RSMO. (CUM. SUPP. 2009) OF THE ACT IN CONNECTION WITH  
THE MARKETING AND SALE OF ARS. GOLDMAN SACHS SHALL PAY THE  
SUM OF \$132,470.25 TO THE STATE OF MISSOURI AS A CIVIL MONETARY  
PENALTY.





<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE MISSOURI SECRETARY OF STATE SECURITIES DIVISION CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS. IN THE CONSENT ORDER, THE MISSOURI SECRETARY OF STATE SECURITIES DIVISION ALLEGED THAT THE FIRM ENGAGED IN UNETHICAL PRACTICES IN THE OFFER AND SALE OF ARS AND FAILED ADEQUATELY TO SUPERVISE CERTAIN OF ITS SALESPeOPLE IN CONNECTION WITH THE MARKETING AND SALE OF ARS.
<b>Initiated By:</b>	MISSOURI SECRETARY OF STATE SECURITIES DIVISION
<b>Date Initiated:</b>	07/20/2010
<b>Docket/Case Number:</b>	AP-10-21
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	07/20/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$132,470.25 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM GOLDMAN, SACHS & CO. (THE "FIRM"); PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.



<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE MISSOURI SECRETARY OF STATE SECURITIES DIVISION ON JULY 20, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$132,470.25 TO THE MISSOURI SECRETARY OF STATE SECURITIES DIVISION, WHICH AMOUNT WAS PAID ON JULY 23, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE MISSOURI SECRETARY OF STATE SECURITIES DIVISION ON JULY 20, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$132,470.25 TO THE MISSOURI SECRETARY OF STATE SECURITIES DIVISION, WHICH AMOUNT WAS PAID ON JULY 23, 2010.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE ARIZONA CORPORATION COMMISSION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS.
<b>Initiated By:</b>	ARIZONA CORPORATION COMMISSION
<b>Date Initiated:</b>	05/17/2010
<b>Docket/Case Number:</b>	S-03533A-10-0110, DECISION 71698
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM GOLDMAN, SACHS & CO.; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent



<b>Resolution Date:</b>	05/17/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$172,067.59 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM GOLDMAN, SACHS & CO. (THE "FIRM"); PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ORDER TO CEASE AND DESIST, ORDER FOR ADMINISTRATIVE PENALTIES, AND CONSENT TO SAME WITH THE ARIZONA CORPORATION COMMISSION ON MAY 17, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$172,067.59 TO THE STATE OF ARIZONA, WHICH AMOUNT WAS PAID ON MAY 28, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ORDER TO CEASE AND DESIST, ORDER FOR ADMINISTRATIVE PENALTIES, AND CONSENT TO SAME WITH THE ARIZONA CORPORATION COMMISSION ON MAY 17, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$172,067.59 TO THE STATE OF ARIZONA, WHICH AMOUNT WAS PAID ON MAY 28, 2010.

#### Disclosure 146 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULES 2010, 8211 AND 8213, NASD RULE 3010: RESPONDENT GOLDMAN, SACHS & CO. FAILED TO REPORT ACCURATE TRADING INFORMATION BY FAILING TO INCLUDE THE TICKER SYMBOL FOR NUMEROUS ELECTRONIC BLUE SHEET RECORDS SUBMISSIONS. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS AND FINRA RULES CONCERNING THE VALIDATION OF DATA ON BLUE SHEET SUBMISSIONS.
<b>Initiated By:</b>	FINRA



**Date Initiated:** 06/04/2010

**Docket/Case Number:** [2009016818501](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/04/2010

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$22,500.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED, FINED \$22,500 AND REQUIRED TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO THE VALIDATION OF DATA ON BLUE SHEET SUBMISSIONS. WITHIN 60 DAYS OF ACCEPTANCE OF THE AWC, A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT A REPRESENTATION THAT THE FIRM HAS REVISED ITS WRITTEN SUPERVISORY PROCEDURES AND THE DATE THE REVISED PROCEDURES WERE IMPLEMENTED.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT, DURING THE PERIOD FROM FEBRUARY 2, 2009 THROUGH MAY 14, 2009, GOLDMAN, SACHS & CO. (THE "FIRM"): (I) SUBMITTED CERTAIN ELECTRONIC BLUE SHEETS THAT DID NOT INCLUDE THE TICKER SYMBOL, IN ALLEGED VIOLATION OF FINRA RULES 8211 AND 8213 AND (II) THAT THE FIRM'S



SUPERVISORY SYSTEM DID NOT INCLUDE ADEQUATE WRITTEN SUPERVISORY PROCEDURES CONCERNING THE VALIDATION OF DATA ON BLUE SHEET SUBMISSIONS, IN ALLEGED VIOLATION OF FINRA RULE 2010 AND NASD RULE 3010.

<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	06/04/2010
<b>Docket/Case Number:</b>	20090168185-01
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	06/04/2010
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$22,500.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$22,500 WHICH WAS PAID BY SUBMISSION OF A WIRE ON JUNE 17, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY FINRA ON JUNE 4, 2010, AND ON JUNE 17, 2010, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$22,500. ACCORDING TO THE TERMS OF THE AWC, THE FIRM AGREED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES CONCERNING THE VALIDATION OF DATA ON BLUE SHEET SUBMISSIONS.

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<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULE 203(B)(1) OF REGULATION SHO, NASD RULES 2110, 3010, 3360, 6130(B) - GOLDMAN, SACHS & CO. FAILED TO REPORT SHORT INTEREST POSITIONS FOR FOREIGN SECURITIES AND NUMEROUS SHARES ONE MONTH AND FOR THE PREVIOUS SIX MONTHS FAILED TO REPORT SHORT



INTEREST POSITIONS EACH MONTH FOR APPROXIMATELY THE SAME NUMBER OF FOREIGN SECURITIES AND SHARES AS IT FAILED TO REPORT FOR THAT ONE MONTH. ON SEVERAL SETTLEMENT DATES, THE FIRM REPORTED SHORT INTEREST POSITIONS IN SECURITIES TOTALING SEVERAL MILLION SHARES EACH TIME WHEN THE ACTUAL SHORT INTEREST POSITIONS IN THE SECURITIES WERE ZERO SHARES. THE FIRM INADVERTENTLY FAILED TO REMOVE ITS "EXCUSED WITHDRAWAL" STATUS AS A NASDAQ MARKET MAKER IN SEVERAL SECURITIES AND ON NUMEROUS OCCASIONS INVOLVING SUCH SECURITIES, ACCEPTED A SHORT SALE ORDER IN AN EQUITY SECURITY FROM ANOTHER PERSON, OR EFFECTED A SHORT SALE IN AN EQUITY SECURITY FOR ITS OWN ACCOUNT, IN MISTAKEN RELIANCE ON THE MARKET MAKER EXEMPTION CONTAINED IN SEC RULE 203(B)(2)(III) AND THUS WITHOUT BORROWING THE SECURITY, OR ENTERING INTO A BONA FIDE ARRANGEMENT TO BORROW THE SECURITY; OR HAVING REASONABLE GROUNDS TO BELIEVE THAT THE SECURITY COULD BE BORROWED SO THAT IT COULD BE DELIVERED ON THE DATE DELIVERY IS DUE; AND DOCUMENTING COMPLIANCE WITH SEC RULE 203(B)(1) OF REGULATION SHO. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND FINRA RULES CONCERNING SEC RULE 203(B)(3). THE FIRM FAILED TO PROVIDE ADEQUATE DOCUMENTARY EVIDENCE THAT IT PERFORMED THE SUPERVISORY REVIEWS SET FORTH IN ITS WRITTEN SUPERVISORY PROCEDURES CONCERNING SEC RULES 200(G) AND NASD RULE 6130(D)(6). THE FIRM FAILED TO ACCEPT OR DECLINE IN THE FINRA/NASDAQ TRADE REPORTING FACILITY TRANSACTIONS IN REPORTABLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION THAT IT HAD AN OBLIGATION TO ACCEPT OR DECLINE AS THE ORDER ENTRY IDENTIFIER (OEID).

**Initiated By:** FINRA

**Date Initiated:** 05/27/2010

**Docket/Case Number:** [2007007833301](#)

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):** FOREIGN SECURITIES, REPORTABLE SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/27/2010



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$120,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$120,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING SEC RULES 200(G), 203(B)(3) AND NASD RULE 6130(D)(6) WITHIN 30 DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.
<hr/>	
<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT: (I) DURING CERTAIN PERIODS FROM APRIL 2006 THROUGH JANUARY 2007, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO REPORT SHORT INTEREST POSITIONS IN CERTAIN FOREIGN AND REPORTABLE SECURITIES, AND ON JULY 31, 2008, AUGUST 15, 2008 AND AUGUST 29, 2008, REPORTED SHORT INTEREST POSITIONS IN CERTAIN SECURITIES WHEN THE ACTUAL SHORT INTEREST POSITION IN THE SECURITIES WAS ZERO SHARES, IN ALLEGED VIOLATION OF NASD RULE 3360; (II) DURING THE PERIOD FROM JUNE 15, 2007 TO DECEMBER 31, 2007, INADVERTENTLY FAILED TO REMOVE ITS 'EXCUSED WITHDRAWAL' STATUS AS A NASDAQ MARKET MAKER IN THREE SECURITIES AND CONSEQUENTLY, ON CERTAIN OCCASIONS INVOLVING SUCH SECURITIES, ACCEPTED A SHORT SALE ORDER IN AN EQUITY SECURITY FROM ANOTHER PERSON, OR EFFECTED A SHORT SALE ORDER IN AN EQUITY SECURITY FOR ITS OWN ACCOUNT, IN MISTAKEN RELIANCE ON THE MARKET MAKER EXEMPTION CONTAINED IN SEC RULE 203(B)(2)(III), IN ALLEGED VIOLATION OF SEC RULE 203(B)(1) OF REGULATION SHO; (III) DURING THE PERIOD FROM JUNE 15, 2007 TO DECEMBER 31, 2007, THE FIRM'S SUPERVISORY SYSTEM DID NOT INCLUDE ADEQUATE WRITTEN SUPERVISORY PROCEDURES SPECIFICALLY CONCERNING SEC RULE 203(B)(3), AND THE FIRM FAILED TO PROVIDE ADEQUATE DOCUMENTATION THAT IT PERFORMED CERTAIN REVIEWS SET FORTH IN ITS WRITTEN SUPERVISORY PROCEDURES CONCERNING SEC RULE 200(G) AND NASD



RULE 6130(D)(6), IN ALLEGED VIOLATION OF NASD RULES 2110 AND 3010; AND (IV) DURING THE PERIOD FROM JANUARY 1, 2008 THROUGH APRIL 30, 2008, THE FIRM FAILED TO ACCEPT OR DECLINE IN THE FINRA/NASDAQ TRADE REPORTING FACILITY CERTAIN TRANSACTIONS IN REPORTABLE SECURITIES IN A TIMELY MANNER THAT THE FIRM HAD AN OBLIGATION TO ACCEPT OR DECLINE AS THE ORDER ENTRY IDENTIFIER (OEID), IN ALLEGED VIOLATION OF NASD RULE 6130(B).

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 05/27/2010

**Docket/Case Number:** 20070078333-01

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):** FOREIGN SECURITIES, REPORTABLE SECURITIES

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/27/2010

**Sanctions Ordered:** Censure  
Monetary/Fine \$120,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$120,000 WHICH WAS PAID BY SUBMISSION OF A WIRE ON JUNE 14, 2010.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY FINRA ON MAY 27, 2010, AND ON JUNE 14, 2010, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$120,000. ACCORDING TO THE TERMS OF THE AWC, THE FIRM AGREED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING SEC RULE 203(B)(3).

#### Disclosure 148 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE RHODE ISLAND





DEPARTMENT OF BUSINESS REGULATION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS.

<b>Initiated By:</b>	RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION
<b>Date Initiated:</b>	04/30/2010
<b>Docket/Case Number:</b>	10-061
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	04/30/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$211,744.22 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION ON APRIL 30, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$211,744.22 TO THE STATE OF RHODE ISLAND, WHICH AMOUNT WAS PAID ON MAY 14, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED



INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION ON APRIL 30, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$211,744.22 TO THE STATE OF RHODE ISLAND, WHICH AMOUNT WAS PAID ON MAY 14, 2010.

#### Disclosure 149 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE INDIANA SECRETARY OF STATE SECURITIES DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS.
<b>Initiated By:</b>	INDIANA SECRETARY OF STATE SECURITIES DIVISION
<b>Date Initiated:</b>	04/29/2010
<b>Docket/Case Number:</b>	10-0063 CO
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	04/29/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$284,818.71 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS



REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

#### Sanction Details:

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE INDIANA SECRETARY OF STATE SECURITIES DIVISION ON APRIL 29, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$284,818.71 TO THE STATE OF INDIANA, WHICH AMOUNT WAS PAID ON MAY 6, 2010.

#### Firm Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE INDIANA SECRETARY OF STATE SECURITIES DIVISION ON APRIL 29, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$284,818.71 TO THE STATE OF INDIANA, WHICH AMOUNT WAS PAID ON MAY 6, 2010.

#### Disclosure 150 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE SOUTH DAKOTA DEPARTMENT OF REVENUE AND REGULATION DIVISION OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS.

**Initiated By:** SOUTH DAKOTA DEPARTMENT OF REVENUE AND REGULATION DIVISION OF SECURITIES

**Date Initiated:** 04/28/2010

**Docket/Case Number:**

**Principal Product Type:** Debt - Asset Backed

**Other Product Type(s):** DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS;



REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	04/28/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$45,792.96 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE SOUTH DAKOTA DEPARTMENT OF REVENUE AND REGULATION DIVISION OF SECURITIES ON APRIL 28, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$45,792.96 TO THE STATE OF SOUTH DAKOTA, WHICH AMOUNT WAS PAID ON MAY 7, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE SOUTH DAKOTA DEPARTMENT OF REVENUE AND REGULATION DIVISION OF SECURITIES ON APRIL 28, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$45,792.96 TO THE STATE OF SOUTH DAKOTA, WHICH AMOUNT WAS PAID ON MAY 7, 2010.

#### Disclosure 151 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS.
<b>Initiated By:</b>	ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT



<b>Date Initiated:</b>	03/19/2010
<b>Docket/Case Number:</b>	08-00236
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	03/19/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,559,615.06 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT ON MARCH 19, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$1,559,615.06 TO THE STATE OF ILLINOIS, WHICH AMOUNT WAS PAID ON MARCH 31, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT ON MARCH 19, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING



\$1,559,615.06 TO THE STATE OF ILLINOIS, WHICH AMOUNT WAS PAID ON MARCH 31, 2010.

#### Disclosure 152 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS.
<b>Initiated By:</b>	VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION
<b>Date Initiated:</b>	04/27/2010
<b>Docket/Case Number:</b>	10-032-S
<b>Principal Product Type:</b>	Debt - Asset Backed
<b>Other Product Type(s):</b>	DEBT - MUNICIPAL
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	04/27/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$51,668.04 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND



OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION ON APRIL 27, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$51,668.04 TO THE STATE OF VERMONT, WHICH AMOUNT WAS PAID ON MAY 6, 2010.

**Firm Statement**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION ON APRIL 27, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$51,668.04 TO THE STATE OF VERMONT, WHICH AMOUNT WAS PAID ON MAY 6, 2010.

**Disclosure 153 of 325**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE IDAHO DEPARTMENT OF FINANCE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS.

**Initiated By:** IDAHO DEPARTMENT OF FINANCE

**Date Initiated:** 04/27/2010

**Docket/Case Number:** 2010-7-11

**Principal Product Type:** Debt - Asset Backed

**Other Product Type(s):** DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR



TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	04/27/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$47,234.69 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE IDAHO DEPARTMENT OF FINANCE ON APRIL 27, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$47,234.69 TO THE STATE OF IDAHO. THE FINE IS NOT REQUIRED TO BE PAID UNTIL AFTER JULY 1, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE IDAHO DEPARTMENT OF FINANCE ON APRIL 27, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$47,234.69 TO THE STATE OF IDAHO. THE FINE IS NOT REQUIRED TO BE PAID UNTIL AFTER JULY 1, 2010.

#### Disclosure 154 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE CALIFORNIA DEPARTMENT OF CORPORATIONS, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS.
<b>Initiated By:</b>	CALIFORNIA DEPARTMENT OF CORPORATIONS
<b>Date Initiated:</b>	04/27/2010



**Docket/Case Number:****Principal Product Type:** Debt - Asset Backed**Other Product Type(s):** DEBT - MUNICIPAL**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Resolution:** Consent**Resolution Date:** 04/27/2010

**Sanctions Ordered:** Monetary/Fine \$1,595,769.53  
Cease and Desist/Injunction

**Other Sanctions Ordered:** OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE CALIFORNIA DEPARTMENT OF CORPORATION ON APRIL 27, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$1,595,769.53 TO THE STATE OF CALIFORNIA, WHICH WAS PAID ON MAY 6, 2010.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO AN ADMINISTRATIVE CONSENT ORDER WITH THE CALIFORNIA DEPARTMENT OF CORPORATIONS ON APRIL 27, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$1,595,769.53 TO THE STATE OF CALIFORNIA, WHICH WAS PAID ON MAY 6, 2010.



## Disclosure 155 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	ON APRIL 28, 2010, THE SECURITIES DIVISION ENTERED INTO A CONSENT ORDER WITH GOLDMAN, SACHS & CO. ("RESPONDENT"), IN ORDER TO SETTLE THE ALLEGATIONS THAT RESPONDENTS ENGAGED IN UNETHICAL PRACTICES IN THE SALE OF AUCTION RATE SECURITIES ("ARS"), AND FAILED TO REASONABLY SUPERVISE ITS AGENTS IN THE MARKETING AND SALE OF ARS. RESPONDENT NEITHER ADMITTED NOR DENIED THE ALLEGATIONS. RESPONDENT AGREED TO BUY BACK AT PAR ARS PURCHASED FROM RESPONDENT ON OR BEFORE FEBRUARY 11, 2008 THAT HAVE NOT BEEN AUCTIONING. RESPONDENT AGREED TO PAY A CIVIL MONETARY PENALTY OF \$285,652.04. RESPONDENT WAIVED ITS RIGHT TO A HEARING AND TO JUDICIAL REVIEW OF THIS MATTER.
<b>Initiated By:</b>	WASHINGTON
<b>Date Initiated:</b>	04/28/2010
<b>Docket/Case Number:</b>	S-10-086-10-CO01
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	AUCTION RATE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	CIVIL MONETARY PENALTY.
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	04/28/2010
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	Yes
<b>Sanctions Ordered:</b>	Monetary/Fine \$285,652.04 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS SHALL CEASE AND DESIST FROM VIOLATING THE ACT



AND WILL COMPLY WITH RCW 21.20.110(1)(G) AND RCW 21.20.110(1)(J) OF THE ACT IN CONNECTION WITH THE MARKETING AND SALE OF ARS. 21. GOLDMAN SACHS SHALL PAY THE SUM OF \$285,652.04 TO THE STATE OF WASHINGTON AS A CIVIL MONETARY PENALTY, TO BE DEPOSITED IN THE SECURITIES PROSECUTION FUND, WHICH AMOUNT CONSTITUTES THE STATE OF WASHINGTON'S PROPORTIONATE SHARE OF THE STATE SETTLEMENT AMOUNT OF TWENTY-TWO MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$22,500,000.00), WHICH SHALL BE PAYABLE TO THE STATE OF WASHINGTON WITHIN TEN (10) DAYS OF THE DATE ON WHICH THIS ORDER IS ENTERED.

**Sanction Details:** N/A

**Regulator Statement** JACK MCCLELLAN - 360-902-8732

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE SECURITIES DIVISION OF THE WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALES OF ARS.

**Initiated By:** SECURITIES DIVISION OF THE WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS

**Date Initiated:** 04/28/2010

**Docket/Case Number:** S-10-086-10-CO01

**Principal Product Type:** Debt - Asset Backed

**Other Product Type(s):** DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CEASE AND DESIST / OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Resolution:** Consent



<b>Resolution Date:</b>	04/28/2010
<b>Sanctions Ordered:</b>	Monetary/Fine \$285,652.04 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF CERTAIN ARS; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE SECURITIES DIVISION OF THE WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS ON APRIL 28, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$285,652.04 TO THE STATE OF WASHINGTON, WHICH AMOUNT WAS PAID ON MAY 7, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A CONSENT ORDER WITH THE SECURITIES DIVISION OF THE WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS ON APRIL 28, 2010, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$285,652.04 TO THE STATE OF WASHINGTON, WHICH AMOUNT WAS PAID ON MAY 7, 2010.

#### Disclosure 156 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINRA RULE 2010, NASD RULE 2320 - GOLDMAN, SACHS & CO., IN TRANSACTIONS FOR OR WITH CUSTOMERS FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTING PRICE TO ITS CUSTOMERS WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	04/30/2010
<b>Docket/Case Number:</b>	<a href="#">2009020375301</a>



**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/30/2010

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500.00  
Disgorgement/Restitution

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$7,500, AND THE FIRM CONSENTS TO MAKE AN OFFER OF RESTITUTION TO INVESTORS OF \$2,504.75, PLUS INTEREST. A REGISTERED PRINCIPAL OF THE FIRM SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION, OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. ANY UNDISTRIBUTED RESTITUTION AND INTEREST SHALL BE FORWARDED TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER LAST RESIDED.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT, DURING THE PERIOD FROM JANUARY 1, 2009 THROUGH MARCH 31, 2009, WITH RESPECT TO 12 TRANSACTIONS, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-



DEALER MARKET AND TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS, IN ALLEGED VIOLATION OF FINRA RULE 2010 AND NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD) RULE 2320.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.

**Date Initiated:** 04/30/2010

**Docket/Case Number:** 20090203753-01

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/30/2010

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500.00  
Disgorgement/Restitution

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$7,500 WHICH WAS PAID BY SUBMISSION OF A WIRE ON MAY 19, 2010. THE FIRM PROVIDED RESTITUTION TO THE RELEVANT MARKET PARTICIPANT IN THE AMOUNT OF \$2,633.75, REPRESENTING \$2,504.75 PLUS APPLICABLE INTEREST, BY MAILING OF A CHECK ON MAY 25, 2010.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A CENSURE AND ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY FINRA ON APRIL 30, 2010. ON MAY 19, 2010, THE FIRM SUBMITTED A WIRE IN PAYMENT OF THE FINE IN THE AMOUNT OF \$7,500. PER THE TERMS OF THE AWC, THE FIRM PROVIDED RESTITUTION TO THE RELEVANT MARKET PARTICIPANT IN THE AMOUNT OF \$2,633.75, REPRESENTING \$2,504.75 PLUS APPLICABLE INTEREST, BY MAILING OF A CHECK ON MAY 25, 2010.

## Disclosure 157 of 325

**Reporting Source:** Regulator



**Current Status:** Final

**Allegations:** NASD RULES 2110, 6130(D), 6130(G), 6230(A) - GOLDMAN SACHS & CO. FAILED TO TIMELY REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY (FNTRF) BY 8:00 PM EASTERN TIME TRANSACTIONS THAT REQUIRED A .RO,.RA OR.RX MODIFIER. THE FIRM FAILED TO REPORT TO THE FNTRF THE CORRECT TIME OF EXECUTION FOR TRANSACTIONS IN REPORTABLE SECURITIES. THE FIRM FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD RULE 6230(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULE 2110.

**Initiated By:** FINRA

**Date Initiated:** 03/16/2010

**Docket/Case Number:** [2008013914301](#)

**Principal Product Type:** Other

**Other Product Type(s):** REPORTABLE SECURITIES, UNSPECIFIED SECURITIES, TRACE-ELIGIBLE SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 03/16/2010

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$40,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$40,000.



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT: (I) DURING THE PERIOD FROM JANUARY 1, 2008 THROUGH APRIL 30, 2008, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO REPORT TO THE FINRA/NASDAQ TRADE REPORTING FACILITY CERTAIN TRANSACTIONS IN A TIMELY MANNER THAT REQUIRED SPECIFIED MODIFIERS AND FAILED TO REPORT THE CORRECT TIME OF EXECUTION OF CERTAIN TRANSACTIONS IN REPORTABLE SECURITIES, IN ALLEGED VIOLATION OF NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD") RULES 6130(G) AND 6130(D), RESPECTIVELY, AND (II) DURING THE PERIOD FROM APRIL 1, 2008 THROUGH JUNE 30, 2008, FAILED TO TIMELY REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE ("TRACE") CERTAIN TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES, IN ALLEGED VIOLATION OF NASD RULES 6230(A) AND 2110.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.
<b>Date Initiated:</b>	03/15/2010
<b>Docket/Case Number:</b>	20080139143-01
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	REPORTABLE, UNSPECIFIED AND TRACE-ELIGIBLE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	03/15/2010
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$40,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINE IN THE AMOUNT OF \$40,000 WHICH WAS PAID BY SUBMISSION OF A WIRE ON APRIL 13, 2010.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) WHICH





WAS ACCEPTED BY FINRA ON MARCH 15, 2010, AND ON APRIL 13, 2010, THE FIRM SUBMITTED A WIRE IN PAYMENT OF A FINE IN THE AMOUNT OF \$40,000.

#### Disclosure 158 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110, 3340 - GOLDMAN, SACHS & CO. EFFECTED TRANSACTIONS IN SECURITIES WHILE A TRADING HALT WAS IN EFFECT WITH EACH OF THE SECURITIES.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	10/01/2009
<b>Docket/Case Number:</b>	<a href="#">2007008660101</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNSPECIFIED SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	10/01/2009
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$10,000.



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA") DEPARTMENT OF MARKET REGULATION ALLEGED THAT, DURING THE PERIOD FROM JULY 1, 2006 THROUGH DECEMBER 31, 2006, GOLDMAN, SACHS & CO. (THE "FIRM") EFFECTED TRANSACTIONS IN CERTAIN SECURITIES WITH RESPECT TO WHICH A TRADING HALT WAS IN EFFECT IN ALLEGED VIOLATION OF NASD RULES 2110 AND 3340.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY
<b>Date Initiated:</b>	10/01/2009
<b>Docket/Case Number:</b>	AWC NO. 20070086601-01
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	10/01/2009
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A MONETARY PENALTY IN THE AMOUNT OF \$10,000 WHICH WAS PAID ON OCTOBER 23, 2009.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED IN TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY FINRA ON OCTOBER 1, 2009 AND ON OCTOBER 23, 2009, THE FIRM PAID A MONETARY PENALTY IN THE AMOUNT OF \$10,000.

#### Disclosure 159 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF NEW YORK



OFFICE OF THE ATTORNEY GENERAL, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO THE MARKETING AND SALE OF AUCTION RATE SECURITIES.

**Initiated By:** OFFICE OF THE ATTORNEY GENERAL OF THE STATE OF NEW YORK

**Date Initiated:** 04/14/2008

**Docket/Case Number:** AOD 08-177

**Principal Product Type:** Debt - Asset Backed

**Other Product Type(s):** DEBT - MUNICIPAL

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CEASE AND DESIST / OFFER TO REPURCHASE ARS FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF ARS BETWEEN FEBRUARY 11, 2008 AND JUNE 2, 2009; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Resolution:** Consent

**Resolution Date:** 06/02/2009

**Sanctions Ordered:** Censure  
Monetary/Fine \$1,952,439.67

**Other Sanctions Ordered:** OFFER TO REPURCHASE AUCTION RATE SECURITIES ("ARS") FROM CERTAIN ELIGIBLE RETAIL INVESTORS, CHARITIES AND SMALL BUSINESSES WHO PURCHASED ARS FROM THE FIRM; PARTICIPATE IN INDUSTRY-WIDE CONSEQUENTIAL DAMAGES ARBITRATION PROCESS; REFUND CERTAIN MUNICIPAL ISSUERS REFINANCING FEES PAID TO THE FIRM FOR REFINANCING OR CONVERSION OF ARS BETWEEN FEBRUARY 11, 2008 AND JUNE 2, 2009; ENDEAVOR TO WORK WITH ISSUERS AND OTHER INTERESTED PARTIES TO EXPEDITIOUSLY PROVIDE LIQUIDITY SOLUTIONS FOR INSTITUTIONAL INVESTORS.

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE OBLIGATIONS, GOLDMAN, SACHS & CO. (THE "FIRM") ENTERED INTO AN ASSURANCE OF DISCONTINUANCE ("AOD") WITH THE STATE OF NEW YORK OFFICE OF THE ATTORNEY GENERAL ON JUNE 2, 2009, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$1,952,439.67 TO THE STATE OF NEW YORK, WHICH AMOUNT WAS PAID ON JUNE 15, 2009.

**Firm Statement**

WITHOUT ADMITTING OR DENYING THE OBLIGATIONS, THE FIRM ENTERED INTO AN AOD WITH THE STATE OF NEW YORK OFFICE OF THE ATTORNEY GENERAL ON JUNE 2, 2009, IN WHICH IT AGREED, AS PART OF A GLOBAL SETTLEMENT WITH STATE REGULATORS, TO PAY A TOTAL MONETARY PENALTY IN THE AMOUNT OF \$22.5 MILLION, INCLUDING \$1,952,439.67 TO THE STATE OF NEW YORK, WHICH AMOUNT WAS PAID ON JUNE 15, 2009.

**Disclosure 160 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 4632(B), 6620(G) - GOLDMAN, SACHS & CO. REPORTED TO THE OTC REPORTING FACILITY LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES THAT IT SHOULD NOT HAVE REPORTED. THE FIRM IMPROPERLY DOUBLE-REPORTED NUMEROUS LAST SALE REPORTS IN NATIONAL MARKET SECURITIES TO THE NASD/NASDAQ TRADE REPORTING FACILITY N/K/A FINRA/NASDAQ TRADE REPORTING FACILITY.

**Initiated By:** FINRA

**Date Initiated:** 05/19/2009

**Docket/Case Number:** [2008012058201](#)

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/19/2009

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$45,000.00

**Other Sanctions Ordered:**



<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$45,000.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE FINRA DEPARTMENT OF MARKET REGULATION ALLEGED THAT 1) DURING THE PERIOD FROM JUNE 1, 2007 THROUGH AUGUST 31, 2007, GOLDMAN, SACHS & CO. (THE "FIRM") REPORTED TO THE OTC REPORTING FACILITY CERTAIN LAST SALE REPORTS OF TRANSACTIONS IN OTC EQUITY SECURITIES THAT THE FIRM SHOULD NOT HAVE REPORTED, IN ALLEGED VIOLATION OF NASD RULE 6620(G) AND 2) DURING THE PERIOD FROM FEBRUARY 1, 2007 THROUGH APRIL 24, 2008, THE FIRM IMPROPERLY DOUBLE-REPORTED CERTAIN LAST SALE REPORTS IN NATIONAL MARKET SECURITIES TO THE NASD/NASDAQ TRADE REPORTING FACILITY, IN ALLEGED VIOLATION OF NASD RULE 4632(B).
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA")
<b>Date Initiated:</b>	05/19/2009
<b>Docket/Case Number:</b>	AWC NO. 20080120582-01
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	05/19/2009
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$45,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A MONETARY PENALTY IN THE AMOUNT OF \$45,000 WHICH WAS PAID ON JUNE 5, 2009.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED



INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY FINRA ON MAY 19, 2009 AND ON JUNE 5, 2009, THE FIRM PAID A MONETARY PENALTY IN THE AMOUNT OF \$45,000.

## Disclosure 161 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** \*\*3/10/2009\*\*STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY FINRA ENFORCEMENT ON BEHALF OF NYSE REGULATION'S DIVISION OF ENFORCEMENT AND PENDING.CONSENTED TO FINDINGS:  
WITHOUT ADMITTING OR DENYING GUILT, GOLDMAN SACHS & CO. CONSENTS TO FINDINGS THAT HE VIOLATED:1. NYSE RULE 476(A)(10) BY FAILING TO ACCURATELY FILE WITH THE NYSE CERTAIN:  
A.FORM SS20 REPORTS;B.FORM 121 REPORTS;C.DAILY PROGRAM TRADE REPORTS; AND D.REPORTS OF SHORT INTEREST POSITIONS IN SECURITIES LISTED ON THE NYSE.  
2.NYSE RULE 410B BY FAILING TO PROPERLY REPORT TO THE NYSE CERTAIN TRANSACTIONS INVOLVING EXCHANGE LISTED SECURITIES THAT WERE NOT REPORTED TO THE CONSOLIDATED TAPE;  
3.NYSE RULE 476(A)(11) BY FAILING TO TIMELY FILE CERTAIN DAILY PROGRAM TRADE REPORTS;  
4.NYSE RULE 460.30 BY FAILING TO TIMELY NOTIFY THE NYSE OF ITS PARTICIPATION IN THREE OFFERINGS FOR WHICH ITS AFFILIATED SPECIALIST WAS REGISTERED;  
5.SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 17A-3 AND 17A-4 THEREUNDER AND NYSE RULE 440 BY FAILING TO MAKE AND PRESERVE ACCURATE BOOKS AND RECORDS; AND  
6.NYSE RULE 132.30 BY FAILING TO SUBMIT ACCURATE ACCOUNT TYPE INDICATORS TO THE NYSE FOR COMPARISON AND/OR SETTLEMENT.  
7.NYSE RULE 342 BY FAILING TO PROVIDE FOR, ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES OF SUPERVISION AND CONTROL, INCLUDING A SYSTEM OF REASONABLE FOLLOW-UP AND REVIEW, WITH RESPECT TO:A.THE ACCURATE FILING OF FORM SS20 REPORTS;  
B.THE ACCURATE FILING OF FORM 121 REPORTS;  
C.THE ACCURATE AND TIMELY FILING OF DAILY PROGRAM TRADE REPORTS;D.THE PROPER REPORTING TO THE NYSE OF CERTAIN TRANSACTIONS INVOLVING EXCHANGE LISTED SECURITIES THAT WERE NOT REPORTED TO THE CONSOLIDATED TAPE; E.THE SUBMISSION OF ACCURATE REPORTS OF SHORT INTEREST POSITIONS IN SECURITIES LISTED ON THE NYSE; AND F. THE TIMELY NOTIFICATION TO THE NYSE OF ITS PARTICIPATION IN CERTAIN OFFERINGS FOR WHICH ITS AFFILIATED SPECIALIST WAS REGISTERED;\*\*CONTINUED AT 13C\*\*



**Initiated By:** NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT  
**Date Initiated:** 03/10/2009  
**Docket/Case Number:** HBD: 09-NYSE-5  
**Principal Product Type:** Other  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Decision  
**Resolution Date:** 03/20/2009  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$160,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** \*\*CONTINUED FROM #7\*\*  
 STIPULATED SANCTION:THE IMPOSITION BY THE NYSE OF A PENALTY  
 CONSISTING OF:1.CENSURE; AND 2.\$160,000  
 \*\*03/20/2009\*\*DECISION ISSUED 09-NYSE-5 DECISION:  
 RESPONDENT FIRM, GOLDMAN SACHS & CO. VIOLATED:  
 NYSE RULE 476(A)(10) BY FAILING TO ACCURATELY FILE WITH THE NYSE  
 CERTAIN: FORM SS20 REPORTS;FORM 121 REPORTS;  
 DAILY PROGRAM TRADE REPORTS; AND REPORTS OF SHORT INTEREST  
 POSITIONS IN SECURITIES LISTED ON THE NYSE.  
 2.NYSE RULE 410B BY FAILING TO PROPERLY REPORT TO THE NYSE  
 CERTAIN TRANSACTIONS INVOLVING EXCHANGE LISTED SECURITIES  
 THAT WERE NOT REPORTED TO THE CONSOLIDATED TAPE;  
 3.NYSE RULE 476(A)(11) BY FAILING TO TIMELY FILE CERTAIN DAILY  
 PROGRAM TRADE REPORTS;  
 4.NYSE RULE 460.30 BY FAILING TO TIMELY NOTIFY THE NYSE OF ITS  
 PARTICIPATION IN THREE OFFERINGS FOR WHICH ITS AFFILIATED  
 SPECIALIST WAS REGISTERED;  
 5.SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES  
 17A-3 AND 17A-4 THEREUNDER AND NYSE RULE 440 BY FAILING TO MAKE  
 AND PRESERVE ACCURATE BOOKS AND RECORDS; AND 6.NYSE RULE  
 132.30 BY FAILING TO SUBMIT ACCURATE ACCOUNT TYPE INDICATORS TO  
 THE NYSE FOR COMPARISON AND/OR SETTLEMENT.7.NYSE RULE 342 BY  
 FAILING TO PROVIDE FOR, ESTABLISH AND MAINTAIN APPROPRIATE  
 PROCEDURES OF SUPERVISION AND CONTROL, INCLUDING A SYSTEM OF  
 REASONABLE FOLLOW-UP AND REVIEW, WITH RESPECT TO:



THE ACCURATE FILING OF FORM SS20 REPORTS;  
 THE ACCURATE FILING OF FORM 121 REPORTS;  
 THE ACCURATE AND TIMELY FILING OF DAILY PROGRAM TRADE  
 REPORTS;THE PROPER REPORTING TO THE NYSE OF CERTAIN  
 TRANSACTIONS INVOLVING EXCHANGE LISTED SECURITIES THAT WERE  
 NOT REPORTED TO THE CONSOLIDATED TAPE;THE SUBMISSION OF  
 ACCURATE REPORTS OF SHORT INTEREST POSITIONS IN SECURITIES  
 LISTED ON THE NYSE; AND THE TIMELY NOTIFICATION TO THE NYSE OF  
 ITS PARTICIPATION IN CERTAIN OFFERINGS FOR WHICH ITS AFFILIATED  
 SPECIALIST WAS REGISTERED;SANCTION:CENSURE AND \$160,000 FINE.

### Regulator Statement

**\*\*04/15/2009\*\***THE DECISION BECAME FINAL AS OF THE CLOSE OF  
 BUSINESS ON APRIL 14, 2009.

### Reporting Source:

Firm

### Current Status:

Final

### Allegations:

FINRA DEPARTMENT OF ENFORCEMENT ("DOE"), ON BEHALF OF NYSE  
 REGULATION, INC., ALLEGED THAT BETWEEN OCTOBER 2000 AND  
 SEPTEMBER 2005, GOLDMAN, SACHS & CO. (THE "FIRM") HAD  
 DEFICIENCIES IN ITS REPORTING PROCESSES AND PROCEDURES THAT  
 CAUSED IT TO INACCURATELY AND/OR UNTIMELY FILE CERTAIN REQUIRED  
 REPORTS WITH THE NYSE, INCLUDING FORMS 121, FORMS SS20, NYSE  
 RULE 410B REPORTS, DAILY PROGRAM TRADE REPORTS, AND NYSE RULE  
 421 SHORT INTEREST REPORTS. ADDITIONALLY, DOE ALLEGED THAT  
 FROM OCTOBER 2000 UNTIL AUGUST 2004, THE FIRM FAILED TO PROVIDE  
 FOR APPROPRIATE SUPERVISORY PROCEDURES AND CONTROL,  
 INCLUDING A SEPARATE SYSTEM OF REASONABLE FOLLOW-UP AND  
 REVIEW, TO CONFIRM THAT THE REPORTS WERE ACCURATELY AND  
 TIMELY SUBMITTED. DOE ALSO ALLEGED THAT THE FIRM FAILED TO MAKE  
 TIMELY NOTIFICATIONS OF ITS PARTICIPATION IN PUBLIC OFFERINGS  
 PURSUANT TO NYSE RULE 460.30. THE ALLEGED REPORTING VIOLATIONS  
 ALSO RESULTED IN ALLEGED INACCURATE BOOKS AND RECORDS IN  
 VIOLATION OF §17 OF THE EXCHANGE ACT, RULES 17A-3 AND 17A-4 AND  
 NYSE RULE 440. ADDITIONALLY, DURING THE TIME PERIOD JANUARY 2005  
 THROUGH MARCH 2006, DOE ALLEGED THAT THE FIRM SUBMITTED  
 NUMEROUS INACCURATE ACCOUNT TYPE INDICATORS TO THE NYSE'S  
 ON-LINE COMPARISON SYSTEM IN VIOLATION OF NYSE RULE 132.30.

### Initiated By:

NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

### Date Initiated:

03/10/2009

### Docket/Case Number:

HBD: 09-NYSE-5

### Principal Product Type:

No Product



**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Stipulation and Consent

**Resolution Date:** 04/14/2009

**Sanctions Ordered:** Censure  
Monetary/Fine \$160,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A CENSURE AND ON MAY 14, 2009, PAID A MONETARY PENALTY IN THE AMOUNT OF \$160,000.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A STIPULATION OF FACTS AND CONSENT TO PENALTY WITH FINRA DEPARTMENT OF ENFORCEMENT ON BEHALF OF NYSE REGULATION, INC., WHICH WAS APPROVED BY THE NYSE HEARING BOARD ON MARCH 20, 2009 AND BECAME FINAL ON APRIL 14, 2009. ON MAY 14, 2009, THE FIRM PAID A MONETARY PENALTY IN THE AMOUNT OF \$160,000.

**Disclosure 162 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** \*\*10/13/08\*\* STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY FINRA ENFORCEMENT ON BEHALF OF NYSE REGULATION'S DIVISION OF ENFORCEMENT AND PENDING CONSENTED TO FINDINGS: WITHOUT ADMITTING OR DENYING GUILT, GOLDMAN, SACHS & CO. CONSENTS TO FINDINGS THAT HE VIOLATED: 1. NYSE RULE 342 IN THAT IT FAILED TO REASONABLY SUPERVISE OR CONTROL CERTAIN BUSINESS ACTIVITIES OF ITS EQUITY FINANCE GROUP; PROVIDE FOR APPROPRIATE PROCEDURES OF SUPERVISION AND CONTROL; AND ESTABLISH A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW TO DETERMINE THAT DELEGATED AUTHORITY AND RESPONSIBILITY WAS BEING PROPERLY EXERCISED, IN THAT IT FAILED TO ESTABLISH PROCEDURES REASONABLY DESIGNED TO: (A) DETECT AND PREVENT CERTAIN IMPROPER TRADES BETWEEN AFFILIATES FROM BEING EXECUTED BY THE NEW YORK EFG TRADING DESK; (B) MONITOR CERTAIN TRADING ACTIVITIES OF THE NEW YORK EFG TRADING DESK; (C) MAKE AND PRESERVE CERTAIN BOOKS



AND RECORDS;  
 (D) ENSURE COMPLIANCE WITH THE UPTICK RULE; AND (E) ENSURE COMPLIANCE WITH CERTAIN NYSE REPORTING REQUIREMENTS; 2. SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 17A-3 AND 17A-4 THEREUNDER AND NYSE RULE 440 BY FAILING TO MAKE AND PRESERVE CURRENT BOOKS AND RECORDS RELATING TO ORDER TICKETS FOR TRANSACTIONS; 3. SECTION 10(A) OF THE SECURITIES EXCHANGE ACT OF 1934 BY: (A) FAILING TO MARK TICKETS FOR SALE ORDERS AS EITHER LONG OR SHORT AS REQUIRED BY RULE 10A-1(C); AND (B) ERRONEOUSLY EXECUTING SELL ORDERS ON A MINUS TICK FOR SECURITIES IN WHICH THE FIRM HELD A SHORT POSITION IN VIOLATION OF RULE 10A-1(A); AND 4. NYSE RULE 410B BY FAILING TO REPORT TO THE NYSE CERTAIN TRANSACTIONS IN NYSE LISTED SECURITIES EXECUTED OFF THE FLOOR OF THE NYSE. STIPULATED SANCTION:THE IMPOSITION BY THE NYSE OF A PENALTY CONSISTING OF: A. A CENSURE; AND B. A \$600,000 FINE.

**Initiated By:** NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

**Date Initiated:** 10/13/2008

**Docket/Case Number:** HBD#: 08-45

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 11/17/2008

**Sanctions Ordered:** Censure  
Monetary/Fine \$600,000.00

**Other Sanctions Ordered:** CONSENT TO CENSURE AND \$600,000 FINE TO BE PAID IN EQUAL SHARES TO THE NYSE AND FINRA.

**Sanction Details:** \*\*10/23/08\*\* DECISION NO. 08-45 ISSUED BY NYSE HEARING BOARD  
 DECISION:RESPONDENT FIRM GOLDMAN, SACHS & CO. VIOLATED (1)  
 NYSE RULE 342 IN THAT IT FAILED TO REASONABLY SUPERVISE OR  
 CONTROL CERTAIN BUSINESS ACTIVITIES OF ITS EQUITY FINANCE  
 GROUP; PROVIDE FOR APPROPRIATE PROCEDURES OF SUPERVISION  
 AND CONTROL; AND ESTABLISH A SEPARATE SYSTEM OF FOLLOW-UP AND  
 REVIEW TO DETERMINE THAT DELEGATED AUTHORITY AND  
 RESPONSIBILITY WAS BEING PROPERLY EXERCISED, IN THAT IT FAILED TO



ESTABLISH PROCEDURES REASONABLY DESIGNED TO (A) DETECT AND PREVENT CERTAIN IMPROPER TRADES BETWEEN AFFILIATES FROM BEING EXECUTED BY THE NEW YORK EFG TRADING DESK; (B) MONITOR CERTAIN TRADING ACTIVITIES OF THE NEW YORK EFG TRADING DESK; (C) MAKE AND PRESERVE CERTAIN BOOKS AND RECORDS; (D) ENSURE COMPLIANCE WITH THE UPTICK RULE; AND (E) ENSURE COMPLIANCE WITH CERTAIN NYSE REPORTING REQUIREMENTS; (2) SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 17A-3 AND 17A-4 THEREUNDER AND NYSE RULE 440 BY FAILING TO MAKE AND PRESERVE CURRENT BOOKS AND RECORDS RELATING TO ORDER TICKETS FOR TRANSACTIONS (3) SECTION 10(A) OF THE SECURITIES EXCHANGE ACT OF 1934 BY (A) FAILING TO MARK TICKETS FOR SALE ORDERS AS EITHER LONG OR SHORT AS REQUIRED BY RULE 10A-1(C); (B) ERRONEOUSLY EXECUTING SELL ORDERS ON A MINUS TICK FOR SECURITIES IN WHICH THE FIRM HELD A SHORT POSITION IN VIOLATION OF RULE 10A-1(A) AND (3) NYSE RULE 410B BY FAILING TO REPORT TO THE NYSE CERTAIN TRANSACTIONS IN NYSE LISTED SECURITIES EXECUTED OFF THE FLOOR OF THE NYSE. SANCTION: CENSURE AND A \$600,000 FINE.

#### Regulator Statement

**\*\*10/23/08\*\*** UNLESS A REVIEW HAS BEEN REQUESTED BY ANY PERSON OR BODY AUTHORIZED BY NYSE RULE 476(G), THIS DECISION WILL BECOME FINAL 25 CALENDAR DAYS AFTER NOTICE OF THE HEARING BOARD'S DETERMINATION HAS BEEN SERVED UPON THE RESPONDENT.  
**\*\*11/18/08\*\*** THE DECISION BECAME FINAL AS OF THE CLOSE OF BUSINESS ON NOVEMBER 17, 2008 AND THE FINE BECAME PAYABLE ON THAT SAME DATE.

#### Reporting Source:

Firm

#### Current Status:

Final

#### Allegations:

THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA") DEPARTMENT OF MARKET REGULATION AND THE NYSE DIVISION OF ENFORCEMENT ALLEGED THAT, DURING THE PERIOD FROM SEPTEMBER 1, 2003 TO SEPTEMBER 30, 2004, A FIRM TRADING DESK VIOLATED FIRM GUIDELINES AND CERTAIN FINRA AND NYSE RULES IN CONNECTION WITH IMPLEMENTING A TRADING STRATEGY, AND THAT THE FIRM ALSO FAILED TO REASONABLY SUPERVISE CERTAIN ACTIVITIES OF ITS TRADING DESK. SPECIFICALLY, NYSE AND FINRA ALLEGED THAT THE FIRM'S TRADING DESK FAILED TO MAINTAIN ITS INDEPENDENCE IN THE CONDUCT OF CERTAIN OVER-THE-COUNTER STOCK TRANSACTIONS IN WHICH A FOREIGN AFFILIATE WAS THE COUNTERPARTY. NYSE AND FINRA ALLEGED THAT THE ACTIVITIES VIOLATED RULES RELATING TO TRADE REPORTING, SHORT SALES, MAINTENANCE OF PROPER BOOKS AND RECORDS AND SUPERVISORY OBLIGATIONS, INCLUDING NASD MARKETPLACE RULES



6420(A), 6420(B) AND 5430(A), 6130(D)(6), SEC RULES 17A-3 AND 17A-4 AND NASD CONDUCT RULES 2110, 3010(A) AND (B) AND 3110, NYSE RULES 342, 410B AND 440, AS WELL AS §§10(A) AND 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 10A-1 (A) & (C) AND 17A-3 & 4 THEREUNDER.

**Initiated By:** NEW YORK STOCK EXCHANGE ("NYSE")

**Date Initiated:** 10/13/2008

**Docket/Case Number:** HBD NO. 08-45

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Stipulation and Consent

**Resolution Date:** 11/17/2008

**Sanctions Ordered:** Censure  
Monetary/Fine \$600,000.00

**Other Sanctions Ordered:**

**Sanction Details:** THE FIRM CONSENTED TO A JOINT MONETARY PENALTY IN THE AMOUNT OF \$600,000, PAID AS \$300,000 TO EACH OF FINRA AND NYSE, WHICH WAS PAID ON DECEMBER 15, 2008.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED JOINTLY INTO AN AWC WITH FINRA AND A STIPULATION OF FACTS AND CONSENT TO PENALTY WITH NYSE, AND ON DECEMBER 15, 2008, THE FIRM PAID A JOINT MONETARY PENALTY IN THE AMOUNT OF \$600,000, PAID AS \$300,000 TO EACH OF FINRA AND NYSE.

#### Disclosure 163 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** MSRB RULE G-14 - GOLDMAN, SACHS & CO. FAILED TO REPORT THE CONTRA PARTY IDENTIFIER FOR INTER-DEALER TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM.



**Initiated By:** FINRA

**Date Initiated:** 12/23/2008

**Docket/Case Number:** [2008012105501](#)

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/23/2008

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$17,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$17,500.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE FINRA DEPARTMENT OF MARKET REGULATION ALLEGED THAT, DURING THE PERIOD FROM JANUARY 1, 2007 THROUGH JUNE 30, 2007, GOLDMAN, SACHS & CO. (THE "FIRM") FAILED TO REPORT THE CONTRA-PARTY IDENTIFIER FOR CERTAIN INTER-DEALER TRANSACTIONS EFFECTED IN CERTAIN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM ("RTRS") IN ALLEGED VIOLATION OF MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB") RULE G-14.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA")

**Date Initiated:** 12/23/2008



<b>Docket/Case Number:</b>	AWC NO. 20080121055-01
<b>Principal Product Type:</b>	Debt - Municipal
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/23/2008
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$17,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FIRM CONSENTED TO A MONETARY PENALTY IN THE AMOUNT OF \$17,500 WHICH WAS PAID ON JANUARY 15, 2009.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY FINRA ON DECEMBER 23, 2008 AND ON JANUARY 15, 2009, THE FIRM PAID A MONETARY PENALTY IN THE AMOUNT OF \$17,500.

#### Disclosure 164 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULES 17A-3, 17A-4, NASD RULES 2110, 3010(A), 3010(B), 3110, 5430(A), 6130(D)(6), 6420(A), 6420(B) - GOLDMAN, SACHS & CO. FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT TO NASDAQ LAST SALE REPORTS OF TRANSACTIONS IN ELIGIBLE SECURITIES; FAILED TO REPORT LAST SALE REPORTS OF TRANSACTIONS IN ELIGIBLE SECURITIES TO NASDAQ. THE FIRM FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH THE NASDAQ MARKET CENTER (NMC) OR THE TRADE REPORTING AND COMPARISON SERVICE (TRACS) LAST SALE REPORTS OF TRANSACTIONS IN NASDAQ SECURITIES; FAILED TO REPORT TO THE NMC LAST SALE REPORTS OF TRANSACTIONS IN NASDAQ SECURITIES. THE FIRM FAILED TO REPORT TO THE NMC THE CORRECT SYMBOL INDICATING THAT THE TRANSACTION WAS A SHORT SALE FOR TRANSACTIONS IN REPORTABLE SECURITIES. THE FIRM FAILED TO SHOW THE TIME OF ENTRY OR TIME OF EXECUTION ON BROKERAGE ORDER MEMORANDUM; FAILED TO NOTATE A SHORT SALE INDICATOR ON



THE ORDER TICKET; FAILED TO NOTATE A CAPACITY OF AGENT OR PRINCIPAL ON ORDER TICKETS. THE FIRM WAS UNABLE TO PRODUCE ORDER TICKETS FOR TRANSACTIONS. THE FIRM DID NOT HAVE IN PLACE A SYSTEM REASONABLY DESIGNED TO MONITOR AND REVIEW THE PROPRIETARY DIVIDEND YIELD ENHANCEMENT TRANSACTIONS OF ITS EQUITY FINANCE GROUP (EFG) TO ENSURE COMPLIANCE WITH SECURITIES LAWS, REGULATIONS, NASD RULES AND FIRM GUIDELINES. THE FIRM FAILED TO ESTABLISH PROCEDURES REASONABLY DESIGNED TO DETECT POTENTIALLY IMPROPER PROPRIETARY YIELD ENHANCEMENT TRANSACTIONS EXECUTED BY EFG'S NEW YORK TRADING DESK AND THEREBY FAILED TO ADEQUATELY SUPERVISE THE BUSINESS ACTIVITIES OF EFG'S NEW YORK TRADING DESK. THE FIRM FAILED TO ESTABLISH WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NASD RULES 3110, 5430, 6130, AND 6420 AND SEC RULES 17A-3 AND 17A-4.

**Initiated By:** FINRA

**Date Initiated:** 12/01/2008

**Docket/Case Number:** [2005000121901](#)

**Principal Product Type:** Other

**Other Product Type(s):** ELIGIBLE SECURITIES, NASDAQ SECURITIES, REPORTABLE SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/01/2008

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$600,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$600,000 TO BE PAID



## JOINTLY TO FINRA AND THE NEW YORK STOCK EXCHANGE.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE FINRA DEPARTMENT OF MARKET REGULATION AND THE NEW YORK STOCK EXCHANGE ("NYSE") DIVISION OF ENFORCEMENT ALLEGED THAT, DURING THE PERIOD FROM SEPTEMBER 1, 2003 TO SEPTEMBER 30, 2004, A GOLDMAN, SACHS & CO. (THE "FIRM") TRADING DESK VIOLATED FIRM GUIDELINES AND CERTAIN FINRA AND NYSE RULES IN CONNECTION WITH IMPLEMENTING A TRADING STRATEGY, AND THAT THE FIRM ALSO FAILED TO REASONABLY SUPERVISE CERTAIN ACTIVITIES OF ITS TRADING DESK. SPECIFICALLY, NYSE AND FINRA ALLEGED THAT THE FIRM'S TRADING DESK FAILED TO MAINTAIN ITS INDEPENDENCE IN THE CONDUCT OF CERTAIN OVER-THE-COUNTER STOCK TRANSACTIONS IN WHICH A FOREIGN AFFILIATE WAS THE COUNTERPARTY. NYSE AND FINRA ALLEGED THAT THE ACTIVITIES VIOLATED RULES RELATING TO TRADE REPORTING, SHORT SALES, MAINTENANCE OF PROPER BOOKS AND RECORDS AND SUPERVISORY OBLIGATIONS, INCLUDING NASD MARKETPLACE RULES 6420(A) & (B), 5430(A) AND 6130(D)(6), NASD CONDUCT RULES 2110, 3010(A) AND (B) AND 3110, NYSE RULES 342, 410B AND 440, AS WELL AS SECTIONS 10A AND 17A OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 10A-1(A) & (C) AND 17A-3 & 4 THEREUNDER.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA")
<b>Date Initiated:</b>	12/01/2008
<b>Docket/Case Number:</b>	AWC NO. 20050001219-01
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/01/2008
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$600,000.00
<b>Other Sanctions Ordered:</b>	





<b>Sanction Details:</b>	THE FIRM CONSENTED TO A JOINT MONETARY PENALTY IN THE AMOUNT OF \$600,000, PAID AS \$300,000 TO EACH OF FINRA AND NYSE, WHICH WAS PAID ON DECEMBER 15, 2008.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM ENTERED JOINTLY INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WITH FINRA AND A STIPULATION OF FACTS AND CONSENT TO PENALTY WITH NYSE, AND ON DECEMBER 15, 2008, THE FIRM PAID A JOINT MONETARY PENALTY IN THE AMOUNT OF \$600,000, PAID AS \$300,000 TO EACH OF FINRA AND NYSE.

#### Disclosure 165 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 4632(D), 6955 - GOLDMAN, SACHS & CO. INACCURATELY REPORTED TO THE TRADE REPORTING FACILITY THE SECOND LEG OF "RISKLESS" PRINCIPAL TRANSACTIONS IN DESIGNATED SECURITIES BECAUSE IT INACCURATELY DESIGNATED THE CAPACITY OF SUCH TRANSACTIONS AS "PRINCIPAL." THE FIRM TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA.
<b>Initiated By:</b>	FINRA
<b>Date Initiated:</b>	09/24/2008
<b>Docket/Case Number:</b>	<a href="#">2007010225101</a>
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	DESIGNATED SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	09/24/2008
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No



**Sanctions Ordered:** Censure  
Monetary/Fine \$12,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$12,500.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** FINRA ALLEGED THAT ON JULY 31, 2007, GOLDMAN, SACHS & CO. ("GOLDMAN SACHS") 1) INACCURATELY REPORTED TO THE TRADE REPORTING FACILITY CERTAIN "RISKLESS" PRINCIPAL TRANSACTIONS IN CERTAIN DESIGNATED SECURITIES AS "PRINCIPAL" TRANSACTIONS IN ALLEGED VIOLATION OF NASD MARKETPLACE RULE 4632(D) AND 2) TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM ("OATS") CERTAIN REPORTS THAT CONTAINED INACCURATE OR INCOMPLETE DATA IN ALLEGED VIOLATION OF NASD RULE 6955.

**Initiated By:** FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA")

**Date Initiated:** 09/24/2008

**Docket/Case Number:** 20070102251-01

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 09/24/2008

**Sanctions Ordered:** Censure  
Monetary/Fine \$12,500.00

**Other Sanctions Ordered:**

**Sanction Details:** GOLDMAN SACHS CONSENTED TO A CENSURE AND ON OCTOBER 9, 2008, PAID A MONETARY PENALTY IN THE AMOUNT OF \$12,500.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN SACHS



ENTERED INTO AN ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY FINRA AND ON OCTOBER 9, 2008, PAID A MONETARY PENALTY IN THE AMOUNT OF \$12,500.

#### Disclosure 166 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASDAQ RULE 4755 - GOLDMAN, SACHS & CO ENTERED ORDERS INTO NASDAQ MARKET CENTER THAT FAILED TO CORRECTLY INDICATE IF THE ORDERS WERE A BUY, SHORT SALE OR LONG SALES.
<b>Initiated By:</b>	NASDAQ STOCK MARKET
<b>Date Initiated:</b>	09/24/2008
<b>Docket/Case Number:</b>	2007010225102
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	09/24/2008
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS GOLDMAN, SACHS & CO. CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS: THEREFORE, THE FIRM IS FINED \$5,000.

**Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	NASDAQ ALLEGED THAT ON JULY 31, 2007, GOLDMAN, SACHS & CO. ("GOLDMAN SACHS") ENTERED CERTAIN ORDERS INTO THE NASDAQ MARKET CENTER AND FAILED TO APPROPRIATELY IDENTIFY WHETHER SUCH ORDERS WERE BUYS, SHORT SALES OR LONG SALES IN ALLEGED VIOLATION OF NASDAQ MARKETPLACE RULE 4755.
<b>Initiated By:</b>	THE NASDAQ STOCK MARKET LLC ("NASDAQ")
<b>Date Initiated:</b>	09/24/2008
<b>Docket/Case Number:</b>	20070102251-02
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	09/24/2008
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GOLDMAN SACHS CONSENTED TO A MONETARY PENALTY IN THE AMOUNT OF \$5,000 WHICH WAS PAID ON OCTOBER 8, 2008.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN SACHS ENTERED INTO AN ACCEPTANCE, WAIVER AND CONSENT ("AWC") WHICH WAS ACCEPTED BY NASDAQ AND ON OCTOBER 8, 2008, PAID A MONETARY PENALTY IN THE AMOUNT OF \$5,000.

#### Disclosure 167 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110, 6130, 6230(A), 6230(C)(6), 6955 - GOLDMAN, SACHS & CO. EXECUTED SHORT SALE TRANSACTIONS AS TO WHICH THE FIRM FAILED TO REPORT THESE TRANSACTIONS TO THE NASDAQ MARKET CENTER (NMC) WITH A SHORT SALE MODIFIER; FAILED TO REPORT TO THE NMC THE CORRECT SYMBOL INDICATING WHETHER TRANSACTIONS WERE A BUY, SELL, SELL SHORT, SELL SHORT EXEMPT OR CROSS FOR



TRANSACTIONS IN REPORTABLE SECURITIES. THE FIRM SUBMITTED TO OATS ROUTE OR COMBINED ORDER/ROUTE REPORTS THAT THE OATS SYSTEM WAS UNABLE TO LINK TO THE CORRESPONDING NEW ORDER SUBMITTED BY THE DESTINATION MEMBER FIRM DUE TO INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA. THE FIRM FAILED TO REPORT TO TRACE THE CORRECT CONTRA PARTY'S IDENTIFIER FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES AND FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES EXECUTED ON A BUSINESS DAY DURING TRACE SYSTEM HOURS WITHIN 15 MINUTES OF THE TIME OF EXECUTION.

**Initiated By:** FINRA

**Date Initiated:** 04/17/2008

**Docket/Case Number:** [2004100019001](#)

**Principal Product Type:** Other

**Other Product Type(s):** TRACE-ELIGIBLE SECURITIES; REPORTABLE SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/17/2008

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$55,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$55,000.

**Reporting Source:** Firm

**Current Status:** Final



<b>Allegations:</b>	FINRA ALLEGED THAT, ON CERTAIN OCCASIONS, GOLDMAN, SACHS & CO. (THE "FIRM"): (I) FAILED TO REPORT TO THE NASDAQ MARKET CENTER THE CORRECT SYMBOL INDICATING THE ORDER TYPE OF CERTAIN TRANSACTIONS AND TO REPORT CERTAIN SHORT SALE TRANSACTIONS WITH A SHORT SALE MODIFIER IN ALLEGED VIOLATION OF NASD MARKETPLACE RULE 6130; (II) SUBMITTED TO THE ORDER AUDIT TRAIL SYSTEM ("OATS") CERTAIN ROUTE OR COMBINED ORDER/ROUTE REPORTS THAT THE OATS SYSTEM WAS UNABLE TO LINK TO THE CORRESPONDING NEW ORDER SUBMITTED BY THE DESTINATION MEMBER FIRM DUE TO DATA FORMATTING IRREGULARITIES IN ALLEGED VIOLATION OF NASD MARKETPLACE RULE 6955 AND (III) FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE ("TRACE") THE CORRECT CONTRA PARTY'S IDENTIFIER FOR CERTAIN TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES AND TO REPORT CERTAIN TRANSACTIONS TO TRACE IN A TIMELY MANNER IN ALLEGED VIOLATION OF NASD MARKETPLACE RULES 6230 (C)(6) AND 2110, RESPECTIVELY.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA")
<b>Date Initiated:</b>	04/17/2008
<b>Docket/Case Number:</b>	20041000190-01
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	TRACE-ELIGIBLE SECURITIES; REPORTABLE SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/17/2008
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$55,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	ON APRIL 28, 2008, THE FIRM PAID A MONETARY PENALTY IN THE AMOUNT OF \$55,000.
<b>Firm Statement</b>	ON APRIL 16, 2008, FINRA ACCEPTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") THAT WAS EXECUTED BY THE FIRM ON MARCH 25, 2008. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A CENSURE AND ON APRIL 28, 2008, PAID A MONETARY PENALTY IN THE AMOUNT OF \$55,000



## Disclosure 168 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p><b>**3/20/08**</b> STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY NYSE REGULATION'S DIVISION OF ENFORCEMENT AND PENDING. 1) VIOLATED NYSE RULE 123(E) AND NYSE RULE 123(F) IN THAT ON THOUSANDS OF OCCASIONS THE FIRM FAILED TO PROVIDE CERTAIN REQUIRED DATA NEEDED TO LINK THE ENTRY OF ORDERS WITH REPORTS OF EXECUTION IN THE FRONT END SYSTEMIC CAPTURE SYSTEM; AND 2) VIOLATED NYSE RULE 342 IN THAT THE FIRM FAILED TO IMPLEMENT ADEQUATE CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO FULLY REMEDIATE THE FIRM'S ORDER MANAGEMENT SYSTEM TO MEET NYSE TECHNICAL SPECIFICATIONS IN A TIMELY MANNER AND THEREBY PREVENT VIOLATIONS OF NYSE RULE 123(E) AND NYSE RULE 123(F). STIPULATED SANCTION: CENSURE AND FINE IN THE AMOUNT OF \$100,000.</p>
<b>Initiated By:</b>	NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT
<b>Date Initiated:</b>	03/20/2008
<b>Docket/Case Number:</b>	HBD# 08-17
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	04/18/2008
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$100,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	<p><b>**3/24/08**</b> DECISION NO. 08-17 ISSUED BY NYSE HEARING BOARD. DECISION: VIOLATED NYSE RULES 123(E) AND 123(F) BY FAILING TO PROVIDE CERTAIN REQUIRED DATA NEEDED TO LINK ENTRY OF ORDERS WITH REPORTS OF EXECUTION IN FRONT END SYSTEMIC</p>



CAPTURE SYSTEM; VIOLATED NYSE RULE 342 BY FAILING TO IMPLEMENT ADEQUATE CONTROLS, INCLUDING SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO FULLY REMEDIATE FIRM'S ORDER MANAGEMENT SYSTEM TO MEET NYSE TECHNICAL SPECIFICATIONS IN TIMELY MANNER AND THEREBY PREVENT VIOLATIONS OF NYSE RULE 123(E) AND NYSE RULE 123(F) - CONSENT TO CENSURE AND \$100,000 FINE.

### Regulator Statement

**\*\*4/29/08\*\*** THE DECISION BECAME FINAL AS OF THE CLOSE OF BUSINESS ON APRIL 18, 2008 AND THE FINE BECAME PAYABLE ON THAT SAME DATE.

### Reporting Source:

Firm

### Current Status:

Final

### Allegations:

THE NYSE'S DIVISION OF ENFORCEMENT ALLEGED THAT, ON CERTAIN OCCASIONS, GOLDMAN, SACHS & CO. (THE "FIRM") VIOLATED (I) NYSE RULE 123(E) AND NYSE RULE 123(F) BY FAILING TO PROVIDE CERTAIN REQUIRED DATA NEEDED TO LINK THE ENTRY OF ORDERS WITH REPORTS OF EXECUTION IN THE FRONT END SYSTEMIC CAPTURE SYSTEM; AND (II) VIOLATED NYSE RULE 342 IN THAT THE FIRM FAILED TO IMPLEMENT CERTAIN CONTROLS, INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW IN ORDER TO FULLY REMEDIATE THE FIRM'S ORDER MANAGEMENT SYSTEM TO MEET NYSE TECHNICAL SPECIFICATIONS IN A TIMELY MANNER AND THEREBY PREVENT THE ALLEGED VIOLATIONS OF NYSE RULE S 123(E) AND 123(F).

### Initiated By:

NEW YORK STOCK EXCHANGE ("NYSE") DIVISION OF ENFORCEMENT

### Date Initiated:

03/20/2008

### Docket/Case Number:

HBD#08-17

### Principal Product Type:

Other

### Other Product Type(s):

### Principal Sanction(s)/Relief Sought:

Civil and Administrative Penalt(ies) /Fine(s)

### Other Sanction(s)/Relief Sought:

CENSURE

### Resolution:

Decision

### Resolution Date:

04/18/2008

### Sanctions Ordered:

Censure  
Monetary/Fine \$100,000.00



**Other Sanctions Ordered:**

**Sanction Details:** ON APRIL 8, 2008, THE FIRM PAID A MONETARY PENALTY IN THE AMOUNT OF \$100,000.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A CENSURE AND ON APRIL 8, 2008, PAID A MONETARY PENALTY IN THE AMOUNT OF \$100,000.

**Disclosure 169 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** \*\*2/19/08\*\* STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY NYSE REGULATION'S DIVISION OF ENFORCEMENT AND PENDING. 1. VIOLATED SECTION 11(A)(1) OF THE EXCHANGE ACT AND NYSE RULE 90 IN THAT, ON NUMEROUS OCCASIONS, ORDERS WERE EXECUTED BY THE FIRM'S FLOOR BROKERS ON THE NYSE FLOOR FOR AN ACCOUNT IN WHICH THE FIRM HAD AN INTEREST WITHOUT SUCH ORDERS MEETING THE REQUIREMENTS OF A STATUTORY EXEMPTION; 2. VIOLATED NYSE RULE 410(B) AND EXCHANGE ACT RULE 11A1-1(T), IN THAT THE FIRM, ON NUMEROUS OCCASIONS, ALLOWED PROPRIETARY ORDERS IN LISTED EQUITY SECURITIES THAT COULD ONLY HAVE BEEN PROPERLY EXECUTED PURSUANT TO EXCHANGE ACT SECTION 11(A)(1)(G) TO BE TRANSMITTED TO THE NYSE FLOOR WITHOUT BEING IDENTIFIED IN A MANNER THAT WOULD ENABLE THE ORDER TO BE HANDLED PURSUANT TO THE REQUIREMENTS OF EXCHANGE ACT SECTION 11(A)(1)(G) AND EXCHANGE ACT RULE 11A1-1(T) THEREUNDER; 3. VIOLATED NYSE RULE 132.30, IN THAT, ON MORE THAN ONE OCCASION, THE FIRM FAILED TO SUBMIT ACCURATE ACCOUNT TYPE INDICATORS FOR COMPARISON AND/OR SETTLEMENT; AND 4. VIOLATED NYSE RULE 342, IN THAT THE FIRM FAILED TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULES AND FEDERAL SECURITIES LAWS WITH RESPECT TO EFFECTING CERTAIN PROPRIETARY TRADES IN LISTED EQUITY SECURITIES ON THE NYSE FLOOR SO AS TO PREVENT THE VIOLATIONS DESCRIBED ABOVE. STIPULATED SANCTION: CENSURE AND FINE IN THE AMOUNT OF \$225,000.

**Initiated By:** NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

**Date Initiated:** 02/19/2008

**Docket/Case Number:** HBD# 08-08



**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 03/27/2008

**Sanctions Ordered:** Censure  
Monetary/Fine \$225,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \*\*2/26/08\*\* DECISION NO. 08-8 ISSUED BY NYSE HEARING BOARD. DECISION: VIOLATED SECTION 11(A)(I) OF EXCHANGE ACT OF 1934 AND NYSE RULE 90 BY EXECUTING ORDERS ON FLOOR FOR ACCOUNT IN WHICH FIRM HAD INTEREST WITHOUT SUCH ORDERS MEETING REQUIREMENTS OF STATUTORY EXEMPTION; VIOLATED NYSE RULE 410(B) AND EXCHANGE ACT RULE 11AL-L(T), BY ALLOWING PROPRIETARY ORDERS IN LISTED EQUITY SECURITIES THAT COULD ONLY HAVE BEEN PROPERLY EXECUTED PURSUANT TO EXCHANGE ACT SECTION 11(A)(1)(G) TO BE TRANSMITTED TO FLOOR WITHOUT BEING IDENTIFIED IN MANNER THAT WOULD ENABLE ORDER TO BE HANDLED PURSUANT TO REQUIREMENTS OF EXCHANGE ACT SECTION 11(A)(1)(G) AND RULE 11AL-1(T) THEREUNDER; VIOLATED NYSE RULE 132.30 BY FAILING TO SUBMIT ACCURATE ACCOUNT TYPE INDICATORS FOR COMPARISON AND/OR SETTLEMENT; VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND IMPLEMENT ADEQUATE CONTROLS, INCLUDING SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH NYSE RULES AND FEDERAL SECURITIES LAWS WITH RESPECT TO EFFECTING CERTAIN PROPRIETARY TRADES IN LISTED EQUITY SECURITIES ON FLOOR SO AS TO PREVENT VIOLATIONS DESCRIBED ABOVE-CONSENT TO CENSURE AND \$225,000 FINE.

**Regulator Statement** \*\*3/27/08\*\* THE DECISION BECAME FINAL AS OF THE CLOSE OF BUSINESS ON MARCH 24, 2008 AND THE FINE BECAME PAYABLE ON THAT SAME DATE.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE NYSE DIVISION OF ENFORCEMENT ALLEGED THAT CERTAIN OF THE



FIRM'S TRADERS INADVERTENTLY MISLABELED CERTAIN PROPRIETARY ORDERS SENT TO THE NYSE FOR EXECUTION AND THAT CERTAIN OTHER PROPRIETARY ORDERS BY CERTAIN FIRM TRADERS SENT TO THE NYSE FOR EXECUTION WERE INADVERTENTLY MISLABELED DUE TO A COMPUTER PROGRAMMING PROBLEM, THEREBY NOT IDENTIFYING SUCH ORDERS AS "G" ORDERS, IN ALLEGED VIOLATION OF SECTION 11(A)(1) OF THE EXCHANGE ACT AND RULE 11A1-1(T) THERE UNDER AND NYSE RULES 90 AND 410(B). THE NYSE ENFORCEMENT STAFF ALSO ALLEGED THAT (I) THE FIRM FAILED TO SUBMIT ACCURATE ACCOUNT TYPE INDICATORS FOR COMPARISON AND/OR SETTLEMENT IN VIOLATION OF NYSE RULE 132.30 AND (II) FAILED TO SUPERVISE CERTAIN ASPECTS OF THE PROPRIETARY TRADING ACTIVITIES OF EMPLOYEES INVOLVED SO AS TO PREVENT MISLABELING OF ORDERS IN LISTED EQUITY SECURITIES.

**Initiated By:** NEW YORK STOCK EXCHANGE ("NYSE") DIVISION OF ENFORCEMENT

**Date Initiated:** 02/19/2008

**Docket/Case Number:** HBD# 08-08

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Decision

**Resolution Date:** 03/27/2008

**Sanctions Ordered:** Censure  
Monetary/Fine \$225,000.00

**Other Sanctions Ordered:**

**Sanction Details:** ON APRIL 8, 2008, THE FIRM PAID A MONETARY PENALTY IN THE AMOUNT OF \$225,000.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A CENSURE AND ON APRIL 8, 2008, PAID A MONETARY PENALTY IN THE AMOUNT OF \$225,000.

#### Disclosure 170 of 325

**Reporting Source:** Regulator

**Current Status:** Pending



**Allegations:** THE STATEMENT OF CHARGES ALLEGES THAT GOLDMAN, SACHS, ON SEVERAL TRADE DATES REPORTED INACCURACIES OF CLEARED VX POSITIONS AT OCC COMPARED WITH THE LARGE TRADER POSITIONS REPORTED TO THE CFTC AND THE CFE. (CFE RULE 410 AND CFTC REGULATION 1.46)

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 10/12/2007

**Docket/Case Number:** CFE 07-0001

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ON NOVEMBER 26, 2007, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO., ("GS") ACCEPTED A STIPULATION AND CONSENT FROM THE CBOE FUTURES EXCHANGE ("CFE"). THE CFE ALLEGED THAT ON SEVERAL TRADE DATES DURING THE PERIOD FROM FEBRUARY 27, 2007 THROUGH MAY 15, 2007, GS REPORTED INACCURACIES OF CLEARED VIX FUTURES POSITIONS TO THE OPTIONS CLEARING CORPORATION AS COMPARED WITH LARGE TRADER POSITIONS IN VIOLATION OF CFE RULE 410 AND CFTC REGULATION 1.46. GS CONSENTED TO A CENSURE AND PAID A FINE OF \$10,000. THE FINE WAS PAID ON FEBRUARY 28, 2008.

**Initiated By:** CBOE FUTURES EXCHANGE

**Date Initiated:** 11/26/2007

**Docket/Case Number:** 07-0001

**Principal Product Type:** Futures - Financial

**Other Product Type(s):**



<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	11/26/2007
<b>Sanctions Ordered:</b>	Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GS CONSENTED TO A CENSURE AND ON FEBRUARY 28, 2008, PAID A FINE IN THE AMOUNT OF \$10,000.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS CONSENTED TO A CENSURE AND PAYMENT OF \$10,000 FINE THAT WAS ACCEPTED BY THE CBOE FUTURES EXCHANGE ON NOVEMBER 26, 2007.

#### Disclosure 171 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p><b>**6/29/07**</b>STIPULATION AND CONSENT TO PENALTY FILED BY NYSE REGULATION'S DIVISION OF ENFORCEMENT AND PENDING.CONSENTED TO FINDINGS:WITHOUT ADMITTING OR DENYING GUILT, GOLDMAN, SACHS &amp; CO. CONSENTS TO FINDINGS THAT IT VIOLATED:1. NYSE RULE 401(A) BY FAILING TO ADHERE TO THE PRINCIPLES OF GOOD BUSINESS PRACTICE IN THAT THE FIRM FAILED TO ENSURE THE DELIVERY OF PROSPECTUSES IN CONNECTION WITH CERTAIN SALES OF REGISTERED SECURITIES IN VIOLATION OF SECTION 5(B)(2) OF THE SECURITIES ACT OF 1933;2. NYSE RULE 1100(B) BY FAILING TO DELIVER PRODUCT DESCRIPTIONS TO CERTAIN CUSTOMERS THAT PURCHASED EXCHANGE TRADED FUNDS; AND 3. NYSE RULE 342 BY FAILING TO PROVIDE FOR, ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES OF SUPERVISION AND CONTROL INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW, WITH RESPECT TO ITS OPERATIONAL AND TECHNOLOGICAL ACTIVITIES RELATING TO THE DELIVERY OF CERTAIN PRODUCT DESCRIPTIONS AND PROSPECTUSES.STIPULATED SANCTION:THE IMPOSITION BY THE NYSE OF:1. CENSURE;</p> <p>2. A FINE IN THE AMOUNT OF \$375,000; AND 3. AN UNDERTAKING TO PROVIDE ENFORCEMENT WITH A WRITTEN CERTIFICATION THAT ITS CURRENT POLICIES AND PROCEDURES, INCLUDING WRITTEN SUPERVISORY AND OPERATIONAL POLICIES AND PROCEDURES,</p>



REGARDING THE DELIVERY OF PROSPECTUSES AND PRODUCT DESCRIPTIONS ARE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND NYSE RULES APPLICABLE TO THE DELIVERY OF PROSPECTUSES AND PRODUCT DESCRIPTIONS. THE FIRM WILL PROVIDE ENFORCEMENT WITH THIS WRITTEN CERTIFICATION WITHIN 90 DAYS FROM THE DATE THAT A HEARING PANEL DECISION IN THIS MATTER BECOMES FINAL.

**Initiated By:** NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

**Date Initiated:** 06/29/2007

**Docket/Case Number:** HPD 07-117

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 10/04/2007

**Sanctions Ordered:** Censure  
Monetary/Fine \$375,000.00

**Other Sanctions Ordered:** CONSENT TO CENSURE, \$375,000 FINE AND UNDERTAKING.

**Sanction Details:** \*\*9/7/07\*\*DECISION 07-117 ISSUED BY NYSE HEARING BOARD  
DECISION: GOLDMAN, SACHS & CO. CONSENTED TO FINDINGS THAT IT VIOLATED: 1. NYSE RULE 401(A) BY FAILING TO ADHERE TO THE PRINCIPLES OF GOOD BUSINESS PRACTICE IN THAT THE FIRM FAILED TO ENSURE THE DELIVERY OF PROSPECTUSES IN CONNECTION WITH CERTAIN SALES OF REGISTERED SECURITIES IN VIOLATION OF SECTION 5(B)(2) OF THE SECURITIES ACT OF 1933;  
2. NYSE RULE 1100(B) BY FAILING TO DELIVER PRODUCT DESCRIPTIONS TO CERTAIN CUSTOMERS THAT PURCHASED EXCHANGE TRADED FUNDS; AND 3. NYSE RULE 342 BY FAILING TO PROVIDE FOR, ESTABLISH AND MAINTAIN APPROPRIATE PROCEDURES OF SUPERVISION AND CONTROL INCLUDING A SYSTEM OF FOLLOW-UP AND REVIEW, WITH RESPECT TO ITS OPERATIONAL AND TECHNOLOGICAL ACTIVITIES RELATING TO THE DELIVERY OF CERTAIN PRODUCT DESCRIPTIONS AND PROSPECTUSES.SANCTION: CENSURE, A \$375,000 FINE AND AN UNDERTAKING

**Regulator Statement** \*\*10/4/07\*\*THE DECISION BECAME FINAL AS OF THE CLOSE OF BUSINESS



ON OCTOBER 2, 2007 AND THE FINE BECAME PAYABLE ON THAT SAME DATE. CONTACT: PEGGY GERMINO 212-656-8450.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	IN CONNECTION WITH AN INDUSTRY-WIDE SETTLEMENT RELATING TO PROSPECTUS DELIVERY ISSUES, THE NYSE ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") FAILED TO (I) SEND PRODUCT DESCRIPTIONS TO CERTAIN CUSTOMERS THAT PURCHASED EXCHANGE TRADED FUNDS IN VIOLATION OF NYSE RULES 1100(B) AND 342(A) (FAILURE TO SUPERVISE), AND (II) DELIVER PROSPECTUSES IN CONNECTION WITH CERTAIN CUSTOMER PURCHASES OF ASSET-BACKED SECURITIES, CERTAIN GSAM FUNDS, AND CERTAIN CORPORATE DEBT AND EQUITY SECURITIES IN VIOLATION OF NYSE RULES 401(A) AND 342(A).
<b>Initiated By:</b>	NEW YORK STOCK EXCHANGE ("NYSE")
<b>Date Initiated:</b>	09/07/2007
<b>Docket/Case Number:</b>	07-117
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EXCHANGE TRADED FUNDS ("ETF")
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE, UNDERTAKING
<b>Resolution:</b>	Stipulation and Consent
<b>Resolution Date:</b>	10/04/2007
<b>Sanctions Ordered:</b>	Monetary/Fine \$375,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKING - WITHIN 90 DAYS, GS IS REQUIRED TO PROVIDE NYSE ENFORCEMENT WITH WRITTEN CERTIFICATION THAT GS' CURRENT POLICIES AND PROCEDURES, INCLUDING WRITTEN SUPERVISORY AND OPERATIONAL POLICIES AND PROCEDURES REGARDING THE DELIVERY OF PROSPECTUSES AND PRODUCT DESCRIPTIONS ARE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH FEDERAL SECURITIES LAWS AND NYSE RULES APPLICABLE TO THE DELIVERY OF PROSPECTUSES AND PRODUCT DESCRIPTIONS.
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATION, GS CONSENTED TO A CENSURE, AN UNDERTAKING AS DESCRIBED IN (B) AND ON OCTOBER 02,



2007, PAID A MONETARY PENALTY IN THE AMOUNT OF \$375,000.

## Firm Statement

THE MATTER HAS BEEN RESOLVED PURSUANT TO AN INDUSTRY-WIDE SETTLEMENT. SEE RESPONSE TO ITEM 12.

## Disclosure 172 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 2860(B)(3), 2860(B)(5), 5430, 6130(B) - RESPONDENT MEMBER EXCEEDED THE POSITION LIMIT IN TRANSACTIONS INVOLVING CALL AND PUT OPTION CONTRACTS. THE FINDINGS STATED THAT THE FIRM FAILED TO TIMELY FILE WITH NASD ACCURATE LARGE OPTIONS POSITION REPORTS COVERING SEPARATE POSITIONS IN CONVENTIONAL OPTIONS. THE FINDINGS ALSO STATED THAT THE FIRM IMPROPERLY DOUBLE-REPORTED TRADES TO THE NASDAQ MARKET CENTER (NMC). THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ACCEPT OR DECLINE IN THE TRADE REPORTING FACILITY AND THE OVER-THE-COUNTER REPORTING FACILITY TRANSACTIONS IN REPORTABLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION.

**Initiated By:** NASD

**Date Initiated:** 07/11/2007

**Docket/Case Number:** [2005002755201](#)

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/11/2007

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure





Monetary/Fine \$40,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, GOLDMAN, SACHS & CO., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM WAS CENSURED AND FINED \$40,000.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

NASD ALLEGED THAT GS VIOLATED THE FOLLOWING NASD RULES: CONDUCT RULE 2860(B)(3) BY EXCEEDING OPTION CONTRACT POSITION LIMITS ON FOUR (4) OCCASIONS; CONDUCT RULE 2860(B)(5) BY FAILING TO TIMELY REPORT LARGE OPTION POSITIONS WITH NASD ON SEVEN (7) TRADING DAYS; MARKETPLACE RULE 5430 FOR IMPROPERLY DOUBLE REPORTING TRADES FROM OCTOBER 5, 2005 TO JANUARY 4, 2006; AND MARKETPLACE RULE 6130(B) BY FAILING TO ACCEPT OR DECLINE WITHIN TWENTY MINUTES 1,812 TRANSACTIONS IN THE TRADE REPORTING FACILITY AND THE OVER-THE-COUNTER REPORTING FACILITY FROM MAY 1, 2006 THROUGH AUGUST 31, 2006.

**Initiated By:**

NASD

**Date Initiated:**

07/11/2007

**Docket/Case Number:**

20050027552-01

**Principal Product Type:**

Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

CENSURE

**Resolution:**

Acceptance, Waiver & Consent(AWC)

**Resolution Date:**

07/11/2007

**Sanctions Ordered:**

Censure  
Monetary/Fine \$40,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

ON JULY 26, 2007, GS PAID A CIVIL PENALTY IN THE AMOUNT OF \$40,000.

**Firm Statement**

GS SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT



WHICH WAS ACCEPTED BY THE NASD ON JULY 11, 2007. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS AGREED TO A CENSURE AND PAYMENT OF A \$40,000 CIVIL MONEY PENALTY.

## Disclosure 173 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	CBOE ALLEGED THAT ON OCTOBER 31, 2006, THE FIRM CONTROLLED AGGREGATE LONG CALL, SHORT PUT POSITIONS IN THE SPY OPTION CLASS OF 344,193 OPTION CONTRACTS. AFTER APPLYING THE FIRM'S SHORT UNDERLYING POSITION OF SPY SHARES AS A HEDGE, THE FIRM STILL EXCEEDED THE APPLICABLE POSITION LIMIT BY 1,839 OPTION CONTRACTS IN VIOLATION OF CBOE RULE 4.11.
<b>Initiated By:</b>	CHICAGO BOARD OPTIONS EXCHANGE ("CBOE")
<b>Date Initiated:</b>	01/17/2006
<b>Docket/Case Number:</b>	84983
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	02/16/2007
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	UNDER THE CBOE'S MINOR RULE VIOLATION FINE SYSTEM, THE FIRM WAS ASSESSED A \$5,000 SUMMARY FINE EFFECTIVE FEBRUARY 16, 2007, WHICH THE CBOE THEREAFTER DEBITS FROM THE FIRM'S ACCOUNT WITH THE APPROPRIATE CLEARING MEMBER. THE FINE WAS PAID ON MARCH 7, 2007.
<b>Firm Statement</b>	THE FIRM DECLINED TO CONTEST THE VIOLATION AND UNDER THE CBOE'S MINOR RULE VIOLATION FINE SYSTEM, THE FIRM WAS ASSESSED A \$5,000 SUMMARY FINE EFFECTIVE FEBRUARY 16, 2007, WHICH THE CBOE THEREAFTER DEBITS FROM THE FIRM'S ACCOUNT WITH THE APPROPRIATE CLEARING MEMBER. THE FINE WAS PAID ON MARCH 7,



2007.

## Disclosure 174 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	CBOE ALLEGED THAT ON JULY 18, 2006, THE FIRM CONTROLLED AGGREGATE LONG CALL, SHORT PUT POSITIONS IN THE MVR OPTION CLASS OF 36,190 OPTION CONTRACTS, WHICH EXCEEDED THE APPLICABLE POSITION LIMIT BY 4,690 OPTION CONTRACTS IN VIOLATION OF CBOE RULE 4.11.
<b>Initiated By:</b>	CHICAGO BOARD OPTIONS EXCHANGE ("CBOE")
<b>Date Initiated:</b>	07/20/2006
<b>Docket/Case Number:</b>	84081
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	08/21/2006
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	UNDER THE CBOE'S MINOR RULE VIOLATION FINE SYSTEM, THE FIRM WAS ASSESSED A \$5,000 SUMMARY FINE EFFECTIVE AUGUST 21, 2006, WHICH THE CBOE THEREAFTER DEBITS FROM THE FIRM'S ACCOUNT WITH THE APPROPRIATE CLEARING MEMBER. THE FINE WAS PAID ON SEPTEMBER 8, 2006.
<b>Firm Statement</b>	THE FIRM DECLINED TO CONTEST THE VIOLATION AND UNDER THE CBOE'S MINOR RULE VIOLATION FINE SYSTEM THE FIRM WAS ASSESSED A \$5,000 SUMMARY FINE EFFECTIVE AUGUST 21, 2006, WHICH THE CBOE THEREAFTER DEBITS FROM THE FIRM'S ACCOUNT WITH THE APPROPRIATE CLEARING MEMBER. THE FINE WAS PAID ON SEPTEMBER 8, 2006.


**Disclosure 175 of 325**

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	MSRB RULE G-14, G-12(F)(I) AND G-27: RESPONDENT FAILED TO REPORT AND/OR INCORRECTLY REPORTED INTER-DEALER TRANSACTIONS IN PERIODIC AUCTION RESET SECURITIES (PARS) TO THE MSRB; IT FAILED TO SUBMIT TO A REGISTERED CLEARING AGENCY INFORMATION AND/OR INSTRUCTIONS REQUIRED TO ALLOW FOR AUTOMATED COMPARISON OF THE FIRM'S INTER-DEALER TRANSACTIONS; THE FIRM'S SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED, IN CONNECTION WITH REPORTING INTER-DEALER TRANSACTIONS IN PARS, TO ACHIEVE COMPLIANCE WITH MSRB RULES; THE FIRM FAILED TO ADEQUATELY MONITOR ITS REPORTING OF THOSE TRANSACTIONS FOR COMPLIANCE WITH MSRB RULES.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	01/03/2007
<b>Docket/Case Number:</b>	<a href="#">E102005016901</a>
<b>Principal Product Type:</b>	Mutual Fund(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	01/03/2007
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$85,000.00
<b>Other Sanctions Ordered:</b>	UNDERTAKINGS: WITHIN 90 DAYS COMPLETE REVIEW AND ASSEMENT OF THE ADEQUACY OF ITS SUPERVISORY SYSTEM AND PROCEDURES CONCERNING COMPLIANCE WITH MSRB RULES IN RESPECT TO THE REPORTING ISSUES.



**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT MEMBER FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$85,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT FROM JUNE 14, 2004 THROUGH APRIL 24, 2005, GS FAILED TO REPORT OR INCORRECTLY REPORTED CERTAIN OF THE FIRM'S INTER-DEALER TRANSACTIONS IN PARS TO THE MSRB IN VIOLATION OF MSRB RULE G-14; THAT GS FAILED TO SUBMIT TO A REGISTERED CLEARING AGENCY INFORMATION AND/OR INSTRUCTIONS REQUIRED TO ALLOW FOR AUTOMATED COMPARISON OF CERTAIN OF THE FIRM'S INTER-DEALER TRANSACTIONS IN VIOLATION OF MSRB G-12(F)(I); AND THAT THE FIRM'S SUPERVISORY SYSTEM AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH MSRB RULES G-14 AND G-12(F)(I) IN CONNECTION WITH REPORTING INTER-DEALER PARS TRANSACTIONS, IN VIOLATION OF MSRB RULE G-27.

**Initiated By:** NASD

**Date Initiated:** 12/22/2006

**Docket/Case Number:** E1020050169-01

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE  
UNDERTAKING

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 01/03/2007

**Sanctions Ordered:** Censure  
Monetary/Fine \$85,000.00

**Other Sanctions Ordered:** GS AGREED TO REVIEW AND ASSESS THE ADEQUACY OF ITS SUPERVISORY SYSTEM AND PROCEDURES TO ENSURE COMPLIANCE WITH MSRB RULES; PROVIDE, WITHIN 90 DAYS, A REPRESENTATION TO THE NASD THAT SUCH PROCEDURES HAVE BEEN REVIEWED AND REVISED AND, WITHIN 6 MONTHS, REPORT ON THE PROGRESS OF ANY ONGOING CORRECTIVE ACTION.



<b>Sanction Details:</b>	ON JANUARY 19, 2007, GS PAID A CIVIL MONEY PENALTY IN THE AMOUNT OF \$85,000.
<b>Firm Statement</b>	GS SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WHICH WAS ACCEPTED BY THE NASD ON JANUARY 3, 2007. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS AGREED TO A CENSURE AND PAYMENT OF \$85,000 CIVIL MONEY PENALTY, AND MADE THE REQUIRED UNDERTAKINGS.

#### Disclosure 176 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULE 2110 - GOLDMAN, SACHS & CO. FAILED, WITHIN 90 SECONDS AFTER EXECUTION, TO TRANSMIT THROUGH THE NASDAQ NATIONAL MARKET CENTER LAST SALE REPORTS OF TRANSACTIONS IN CQS SECURITIES.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	09/15/2006
<b>Docket/Case Number:</b>	20050017975-01
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	CQS SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	09/15/2006
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$6,500.00
<b>Other Sanctions Ordered:</b>	



**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$6,500.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT FROM JANUARY 1 THROUGH APRIL 30, 2005, GS VIOLATED NASD RULE 2110 BY FAILING TO TIMELY TRANSMIT THROUGH NASDAQ NATIONAL MARKET CENTER LAST SALE REPORTS OF CERTAIN TRANSACTIONS IN CQS SECURITIES.

**Initiated By:** NASD

**Date Initiated:** 09/15/2006

**Docket/Case Number:** 20050017975-01

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 09/15/2006

**Sanctions Ordered:** Censure  
Monetary/Fine \$6,500.00

**Other Sanctions Ordered:**

**Sanction Details:** GS CONSENTED TO A CENSURE AND ON OCTOBER 3, 2006, PAID A CIVIL MONEY PENALTY IN THE AMOUNT OF \$6,500.

**Firm Statement** GS SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WHICH WAS ACCEPTED BY THE NASD ON SEPTEMBER 15, 2006. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS AGREED TO A CENSURE AND PAYMENT OF A \$6,500 CIVIL MONETARY FINE.

#### Disclosure 177 of 325

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:** MSRB RULES G-15(F) AND G-27 - FROM JUNE 1, 2004 THROUGH JUNE 30, 2005, THE FIRM EXECUTED 178 TRADES IN MUNICIPAL SECURITIES THAT VIOLATED MSRB RULE G-15(F). SOME OF THE TRADES WERE SALES TO CUSTOMERS WHO WERE NOT PROVIDED THE WRITTEN DISCLOSURES REQUIRED UNDER RULE G-15 THAT WERE BUYING BONDS BELOW THE MINIMUM DENOMINATION AND THAT LIQUIDITY MAY BE ADVERSELY AFFECTED. THE FIRM'S SUPERVISORY SYSTEMS AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE MINIMUM DENOMINATION RESTRICTIONS IN RULE G-15(F), INCLUDING THE DISCLOSURE REQUIREMENTS IN RULE G-15(F)(III). SOME OF THE FIRM'S SYSTEMS USED BY TRADERS FOR BOTH PURCHASES AND SALES DID NOT HAVE AUTOMATIC STOP DESIGNED TO PREVENT TRADES FROM BEING EXECUTED BELOW THE STATED MINIMUM DENOMINATION. THE FIRM DID NOT HAVE AN AUTOMATIC STOP OR WARNING FUNCTION FOR THE EXECUTION OF ORDERS IN AMOUNTS BELOW MINIMUM DENOMINATION, AND THE FIRM DID NOT HAVE ADEQUATE WRITTEN POLICIES OR PROCEDURES REQUIRING TRADERS TO CHECK THE MINIMUM DENOMINATION OF A BOND BEFORE EXECUTING A TRADE. THE FIRM LACKED ADEQUATE WRITTEN POLICIES AND PROCEDURES REQUIRING TRADERS TO DETERMINE WHETHER A SALE BY A CUSTOMER WOULD CONSTITUTE A LIQUIDATION OF A CUSTOMER'S ENTIRE POSITION AS PERMITTED BY RULE G-15(F)(II). THE FIRM ALSO DID NOT HAVE ADEQUATE WRITTEN SUPERVISORY PROCEDURES ADDRESSING THE MINIMUM DENOMINATION RESTRICTIONS IN RULE G-15(F) OR THE DISCLOSURES REQUIREMENTS IN RULE G-15(F)(III).

**Initiated By:** NASD

**Date Initiated:** 07/28/2006

**Docket/Case Number:** [2005002574201](#)

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/28/2006





**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?**

No

**Sanctions Ordered:**

Censure

Monetary/Fine \$50,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE THE FIRM IS CENSURED, FINED \$50,000 AND REQUIRED TO ADOPT AND IMPLEMENT POLICIES AND PROCEDURES FOR COMPLIANCE WITH G-15(F) AND G-27 CONCERNING MINIMUM DENOMINATIONS AND TO INFORM NASD STAFF IN WRITING WITHIN 60 DAYS OF THE ACCEPTANCE OF THE AWC THAT SUCH POLICIES AND PROCEDURES HAVE BEEN IMPLEMENTED.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

NASD ALLEGED THAT, DURING THE PERIOD FROM JUNE 1, 2004 THROUGH JUNE 30, 2005, GS EXECUTED CERTAIN TRADES IN MUNICIPAL SECURITIES BELOW THE MINIMUM DENOMINATION (AND, IN SOME OF THOSE TRADES, DID NOT PROVIDE THE CUSTOMERS WITH WRITTEN DISCLOSURE THAT THEY WERE BUYING SECURITIES BELOW THE MINIMUM DENOMINATION) IN VIOLATION OF MSRB RULE G-15(F); AND THAT THE FIRM'S SUPERVISORY SYSTEMS AND PROCEDURES WERE NOT REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE MINIMUM DENOMINATION RESTRICTIONS OF RULE G-15(F) IN VIOLATION OF MSRB RULE G-27.

**Initiated By:**

NASD

**Date Initiated:**

06/27/2006

**Docket/Case Number:**

[2005002574201](#)

**Principal Product Type:**

Debt - Municipal

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

CENSURE

UNDERTAKING



<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	07/28/2006
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$50,000.00
<b>Other Sanctions Ordered:</b>	GS AGREED TO ADOPT AND IMPLEMENT POLICIES AND PROCEDURES DESIGNED TO ENSURE COMPLIANCE WITH MINIMUM DENOMINATION RULES AND INFORM THE NASD WHEN SUCH POLICIES AND PROCEDURES HAVE BEEN IMPLEMENTED.
<b>Sanction Details:</b>	GS CONSENTED TO A CENSURE AND ON AUGUST 3, 2006, PAID A CIVIL MONEY PENALTY IN THE AMOUNT OF \$50,000.
<b>Firm Statement</b>	GS SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WHICH WAS ACCEPTED BY THE NASD ON JULY 28, 2006. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS AGREED TO A CENSURE AND PAYMENT OF A \$50,000 CIVIL MONEY PENALTY.

#### Disclosure 178 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC RULE 200(G), NASD RULES 6130, 6955 - RESPONDENT MEMBER EXECUTED PROPRIETARY SHORT SALES, FAILED TO PROPERLY MARK THE ORDER TICKETS AS SHORT AND INCORRECTLY REPORTED EACH TRANSACTION AS A LONG SALE. THE FINDINGS STATED THAT THE FIRM TRANSMITTED TO THE ORDER AUDIT TRAIL SYSTEM (OATS) REPORTS THAT CONTAINED INACCURATE, INCOMPLETE OR IMPROPERLY FORMATTED DATA.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	07/20/2006
<b>Docket/Case Number:</b>	<a href="#">2005002334001</a>
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)



**Resolution Date:** 07/20/2006

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, GOLDMAN, SACHS & CO., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$20,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT (I) ON AUGUST 3 & 4, 2005, GS VIOLATED SEC RULE 200(G) AND NASD MARKETPLACE RULE 6130 BY FAILING TO PROPERLY MARK ORDER TICKETS IN CONNECTION WITH SEVERAL PROPRIETARY SHORT SALES, AND (II) GS TRANSMITTED TO OATS CERTAIN REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA IN VIOLATION OF NASD MARKETPLACE RULE 6955.

**Initiated By:** NASD

**Date Initiated:** 07/20/2006

**Docket/Case Number:** 20050023340-01

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/20/2006

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:****Sanction Details:**

GS CONSENTED TO A CENSURE AND ON AUGUST 18, 2006, PAID A CIVIL MONEY PENALTY IN THE AMOUNT OF \$20,000.

**Firm Statement**

GS SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WHICH WAS ACCEPTED BY THE NASD ON JULY 20, 2006. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS AGREED TO A CENSURE AND PAYMENT OF A \$20,000 CIVIL MONEY PENALTY.

**Disclosure 179 of 325****Reporting Source:**

Regulator

**Current Status:**

Final

**Allegations:**

SEC ADMINISTRATIVE PROCEEDING RELEASE 33-8684, 34-53888, DATED MAY 31, 2006, THE SECURITIES AND EXCHANGE COMMISSION COMPLAINT ALLEGES THAT RESPONDENT WILLFULLY VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT.

AS PART OF ITS BROKER-DEALER BUSINESS RESPONDENT UNDERWRITE, AND MANAGE AUCTIONS FOR, AUCTION RATE SECURITIES. FROM AT LEAST JANUARY 1, 2003 THROUGH JUNE 30, 2004, IN CONNECTION WITH CERTAIN AUCTIONS, RESPONDENT ENGAGED IN ONE OR MORE OF THE FOLLOWING PRACTICES VIOLATIONS: COMPLETION OF OPEN OR MARKET BIDS, INTERVENTION IN AUCTIONS, BIDS TO PREVENT FAILED AUCTIONS, BIDS TO A SET A "MARKET" RATE, BIDS TO PREVENT ALL-HOLD AUCTIONS, PRIORITIZATION OF BIDS, SUBMISSION OR REVISION OF BIDS AFTER DEADLINES, ALLOCATION OF SECURITIES, PARTIAL ORDERS, EXPRESS OR TACTIC UNDERSTANDING TO PROVIDE HIGHER RETURNS, AND PRICE TALK.

**Initiated By:**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:**

05/31/2006

**Docket/Case Number:**

3-12310

**Principal Product Type:**

Equity Listed (Common & Preferred Stock)

**Other Product Type(s):**

MUNICIPAL BONDS, CORPORATE BONDS

**Principal Sanction(s)/Relief Sought:**

Cease and Desist

**Other Sanction(s)/Relief Sought:**

CENSURE, CIVIL PENALTY

**Resolution:**

Order

**Resolution Date:**

05/31/2006



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?**

No

**Sanctions Ordered:**

Censure  
Monetary/Fine \$1,500,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

NOT LATER THAN 6 MONTHS AFTER THE ENTRY OF THIS ORDER, RESPONDENT SHALL PROVIDE ALL OF ITS CUSTOMERS WHO HOLD AUCTION RATE SECURITIES ("HOLDERS") AND THE ISSUERS OF SUCH SECURITIES ("ISSUERS") WITH A WRITTEN DESCRIPTION OF THE RESPONDENT'S MATERIAL AUCTION PRACTICES AND PROCEDURES.

FURTHERMORE, COMMENCING NOT LATER THAN 3 MONTHS AFTER THE ENTRY OF THIS ORDER, RESPONDENT SHALL AT ALL TIMES MAKE A DESCRIPTION OF ITS THEN-CURRENT MATERIAL AUCTION PRACTICES AND PROCEDURES AVAILABLE TO (1) ALL CUSTOMERS AND BROKER-DEALERS WHO ARE PARTICIPATING THROUGH SUCH RESPONDENT IN AN AUCTION OF AUCTION RATE SECURITIES ON THE PORTION OF ITS WEBSITE THAT IS ACCESSIBLE TO SUCH CUSTOMERS AND BROKER-DEALERS AND IS RELATED TO SUCH AUCTION AND (2) THE GENERAL PUBLIC ON ANOTHER PORTION OF ITS WEBSITE ACCESSIBLE TO THE GENERAL PUBLIC.

NOT LATER THAN 6 MONTHS AFTER THE DATE OF THIS ORDER, UNLESS OTHERWISE EXTENDED BY THE STAFF OF THE COMMISSION FOR GOOD CAUSE SHOWN, RESPONDENT'S CHIEF EXECUTIVE OFFICER OR GENERAL COUNSEL SHALL CERTIFY IN WRITING TO THE STAFF OF THE COMMISSION THAT RESPONDENT HAS IMPLEMENTED PROCEDURES THAT ARE REASONABLY DESIGNED TO PREVENT AND DETECT FAILURES BY RESPONDENT TO CONDUCT THE AUCTION PROCESS IN ACCORDANCE WITH THE AUCTION PROCEDURES DISCLOSED IN THE DISCLOSURE DOCUMENTS AND ANY SUPPLEMENTAL DISCLOSURES AND THAT THE RESPONDENT IS IN COMPLIANCE WITH SECTION IV.E. OF THIS ORDER.

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE FINDINGS, RESPONDENT CONSENTED TO THE ENTRY OF THIS ORDER; ACCORDINGLY, PURSUANT TO SECTION 8A OF THE SECURITIES ACT AND SECTION 15(B) OF THE EXCHANGE ACT, IS ORDERED THAT RESPONDENT IS CENSURED, SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT; AND SHALL, WITHIN 10 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY OF \$1,500,000 TO THE UNITED STATES TREASURY.



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC ALLEGED THAT FOURTEEN INVESTMENT BANKING FIRMS, INCLUDING GS, VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT OF 1933, BY ENGAGING IN ONE OR MORE PRACTICES RELATING TO AUCTIONS OF AUCTION RATE SECURITIES DURING THE PERIOD FROM JANUARY 1, 2003 THROUGH JUNE 30, 2004 AS DESCRIBED IN THE CEASE-AND-DESIST ORDER ENTERED BY THE SEC.
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	05/31/2006
<b>Docket/Case Number:</b>	3-12310
<b>Principal Product Type:</b>	Debt - Municipal
<b>Other Product Type(s):</b>	AUCTION-RATE SECURITIES, WHICH ARE MUNICIPAL BONDS, CORPORATE BONDS AND PREFERRED STOCKS WITH INTEREST RATES OR DIVIDEND YIELDS THAT ARE PERIODICALLY RESET THROUGH AUCTIONS.
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE/CIVIL PENALTY/UNDERTAKING
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	05/31/2006
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$1,500,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	GS HAS AGREED TO PROVIDE CERTAIN DISCLOSURES ABOUT ITS MATERIAL AUCTION PRACTICES AND PROCEDURES TO AUCTION PARTICIPANTS AND TO CERTIFY TO THE SEC THAT IT HAS IMPLEMENTED CERTAIN PROCEDURES RELATING TO THE AUCTION PROCESS.
<b>Sanction Details:</b>	GOLDMAN SACHS & CO. CONSENTED TO A CENSURE AND A CEASE-AND-DESIST ORDER AND, ON JUNE 9, 2006, PAID A CIVIL MONEY PENALTY IN THE AMOUNT OF \$1,500,000.
<b>Firm Statement</b>	AS PART OF A MULTI-FIRM SETTLEMENT, GS SUBMITTED AN OFFER OF SETTLEMENT WHICH WAS ACCEPTED BY THE SEC ON MAY 31, 2006. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS CONSENTED TO A CENSURE AND CEASE-AND-DESIST ORDER AND PAYMENT OF \$1,500,000



## CIVIL MONEY PENALTY.

## Disclosure 180 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASAD RULES 3370, 6130(D)(6) - GOLDMAN, SACHS & CO., WITH RESPECT TO CUSTOMER SHORT SALE ORDERS IN A COMMON STOCK ACCEPTED BY THE FIRM, FAILED TO MAKE AND/OR ANNOTATE AN AFFIRMATIVE DETERMINATION THAT THE FIRM WOULD RECEIVE DELIVERY OF THE SECURITY ON BEHALF OF THE CUSTOMER OR THAT THE FIRM COULD BORROW THE SECURITY ON BEHALF OF THE CUSTOMER FOR DELIVERY BY SETTLEMENT DATE; WITH RESPECT TO SHORT SALES IN THE COMMON STOCK EFFECTED FOR THE FIRM'S PROPRIETARY ACCOUNT(S) FAILED TO MAKE AND/OR ANNOTATE AN AFFIRMATIVE DETERMINATION THAT THE FIRM COULD BORROW THE SECURITY OR OTHERWISE PROVIDE FOR DELIVERY BY SETTLEMENT DATE; WITH RESPECT TO SHORT SALE TRANSACTIONS IN THE STOCK, FAILED TO REPORT EACH TRANSACTION TO NASDAQ MARKET CENTER WITH A SHORT SALE MODIFIER; AND INCORRECTLY REPORTED SHORT SALE TRANSACTIONS IN THE STOCK TO THE NASDAQ MARKET CENTER AS SHORT SALE EXEMPT.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	05/11/2006
<b>Docket/Case Number:</b>	<a href="#">2004100017801</a>
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	05/11/2006
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No



**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS THEREFORE, THE FIRM IS CENSURED AND FINED \$20,000.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT FROM NOVEMBER 1, 2003 THROUGH JANUARY 15, 2004, WITH RESPECT TO CERTAIN SHORT SALE ORDERS IN A COMMON STOCK, GOLDMAN, SACHS & CO. ("GS&CO.") FAILED TO MAKE AND/OR ANNOTATE AN AFFIRMATIVE DETERMINATION THAT IT WOULD RECEIVE DELIVERY OF THE SECURITY ON BEHALF OF THE CUSTOMER OR THAT IT COULD BORROW THE SECURITY ON BEHALF OF THE CUSTOMER FOR DELIVERY BY SETTLEMENT DATE, AND WITH RESPECT TO CERTAIN SHORT SALES IN THE COMMON STOCK EFFECTED FOR THE FIRM'S PROPRIETARY ACCOUNT(S), GS&CO. FAILED TO MAKE AND/OR ANNOTATE AN AFFIRMATIVE DETERMINATION THAT THE FIRM COULD BORROW THE SECURITY OR OTHERWISE PROVIDE FOR DELIVERY BY SETTLEMENT DATE IN VIOLATION OF NASD CONDUCT RULE 3370; WITH RESPECT TO CERTAIN SHORT SALE TRANSACTIONS IN THE STOCK, GS& CO. FAILED TO REPORT EACH TRANSACTION TO NASDAQ MARKET CENTER WITH A SHORT SALE MODIFIER, AND INCORRECTLY REPORTED CERTAIN SHORT SALE TRANSACTIONS IN THE STOCK TO THE NASDAQ MARKET CENTER AS SHORT SALE EXEMPT IN VIOLATION OF NASD MARKET PLACE RULE 6130(D)(6).

**Initiated By:** NASD

**Date Initiated:** 03/29/2006

**Docket/Case Number:** 20041000178-01

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)





**Resolution Date:** 05/11/2006

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** GS&CO. CONSENTED TO A CENSURE AND PAID A FINE OF \$20,000.

**Firm Statement** ON MARCH 29, 2006, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS&CO. CONSENTED TO A CENSURE AND A \$20,000 FINE. THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY NASD ON MAY 11, 2006.

#### Disclosure 181 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ON JANUARY 3, 2006, CBOT ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") EXECUTED CERTAIN EXCHANGE FOR PHYSICAL ("EFP") TRANSACTIONS IN ALLEGED VIOLATION OF CBOT REGULATION 444.01 GOVERNING TRANSFER TRADES AND EXECUTED CERTAIN EFP TRANSACTIONS FOR THE PURPOSE OF OFFSETTING EXISTING POSITIONS IN THE DELIVERY MONTH OR WITHIN TWO BUSINESS DAYS PRIOR TO FIRST DELIVERY DAY WHERE NO CHANGE OF OWNERSHIP WAS INVOLVED AND WHERE THE DATE OF EXECUTION OF THE POSITION BEING TRANSFERRED WAS NOT THE SAME AS THE TRANSFER DATE IN ALLEGED VIOLATION OF CBOT REGULATION 444.03.

**Initiated By:** CHICAGO BOARD OF TRADE ("CBOT")

**Date Initiated:** 01/03/2006

**Docket/Case Number:** 05-MSR-24

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 04/28/2006

**Sanctions Ordered:** Monetary/Fine \$130,000.00

**Other Sanctions Ordered:**

**Sanction Details:** GS PAID A MONETARY FINE OF \$130,000.

**Firm Statement** GS SUBMITTED AN OFFER OF SETTLEMENT TO THE CBOT, WHICH WAS ACCEPTED. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS CONSENTED TO PAY A \$130,000 FINE.

**Disclosure 182 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD PORTAL MARKET RULE 5332(A)(2)- RESPONDENT FIRM FAILED TO TRANSMIT THROUGH ACT LAST SALE REPORTS OF TRANSACTIONS IN PORTAL EQUITY SECURITIES BY 6:30PM EST ON THE DAY OF EXECUTION.

**Initiated By:** NASD

**Date Initiated:** 11/23/2005

**Docket/Case Number:** 20050000606-01

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 11/23/2005

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF



FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$7,500.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT, FOR THE PERIOD OF JANUARY 1, 2004 THROUGH APRIL 30, 2004, GOLDMAN SACHS & CO. ("GS") FAILED TO TRANSMIT THROUGH ACT 100 LAST SALE REPORTS OF TRANSACTIONS IN PORTAL EQUITY SECURITIES, BY 6:30 PM EST ON THE DAY OF EXECUTION, IN VIOLATION OF NASD PORTAL MARKET RULE 5322(A)(2).

**Initiated By:** NASD

**Date Initiated:** 10/12/2005

**Docket/Case Number:** 2005000060601

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY SECURITIES

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 11/23/2005

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500.00

**Other Sanctions Ordered:**

**Sanction Details:** GS PAID A MONETARY FINE OF \$7,500.

**Firm Statement** ON OCTOBER 12, 2005, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, GS CONSENTED TO A CENSURE AND \$7,500 FINE. THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY NASD ON NOVEMBER 23, 2005.

#### Disclosure 183 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 2110, 3010, 3370, 6130 - RESPONDENT MEMBER EFFECTED



SHORT SALES IN SECURITIES FOR THE FIRM'S PROPRIETARY ACCOUNTS AND FAILED TO MAKE/ANNOTATE AN AFFIRMATIVE DETERMINATION THAT THE FIRM COULD BORROW THE SECURITIES OR OTHERWISE PROVIDE FOR DELIVERY OF THE SECURITIES BY SETTLEMENT DATE; FAILED TO REPORT SHORT SALE TRANSACTIONS TO THE NASDAQ MARKET CENTER WITH A SHORT SALE MODIFIER, INCORRECTLY REPORTED LONG SALE TRANSACTIONS TO THE NASDAQ MARKET CENTER WITH A SHORT SALE MODIFIER AND JOURNAL ENTRIES BETWEEN FIRM'S ACCOUNTS; THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD CONCERNING REGISTRATION AND BOOKS AND RECORDS.

**Initiated By:** NASD

**Date Initiated:** 10/13/2005

**Docket/Case Number:** 20050002343-01

**Principal Product Type:** Other

**Other Product Type(s):** UNSPECIFIED SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/13/2005

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$15,000.

**Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD ALLEGED THAT, IN CONNECTION WITH CERTAIN SHORT TRANSACTIONS ON OR ABOUT AUGUST 23 AND 24, 2004, GOLDMAN, SACHS & CO. ("GS"): (1) FAILED TO ANNOTATE AN AFFIRMATIVE DETERMINATION THAT THE RELEVANT SECURITIES COULD BE BORROWED OR OTHERWISE PROVIDED FOR DELIVERY OF THE SECURITIES BY SETTLEMENT DATE, (2) FAILED TO REPORT CERTAIN SHORT SALES TO THE NASDAQ MARKET CENTER WITH A SHORT SALE MODIFIER, AND (3) FAILED TO MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, IN VIOLATION OF NASD CONDUCT RULE 3370, NASD MARKETPLACE RULE 6130, AND NASD CONDUCT RULES 2110 AND 3010.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	08/26/2005
<b>Docket/Case Number:</b>	20050002343-01
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	10/13/2005
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$15,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GS PAID A FINE OF \$5,000 FOR THE SHORT SALE VIOLATIONS, \$5,000 FOR THE VIOLATION OF NASD RULE 6130, AND \$5,000 FOR SUPERVISION DEFICIENCIES.
<b>Firm Statement</b>	ON AUGUST 26, 2005, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, GS CONSENTED TO A CENSURE AND TO PAY A \$15,000 TOTAL FINE. THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY NASD ON OCTOBER 13, 2005.

#### Disclosure 184 of 325

**Reporting Source:** Regulator



**Current Status:** Final

**Allegations:** \*\*9/28/05\*\*STIPULATION AND CONSENT TO PENALTY FILED BY NYSE DIVISION OF ENFORCEMENT AND PENDING CONSENTED TO FINDINGS:  
 1.VIOLATED EXCHANGE RULE 410A BY FAILING TO SUBMIT ACCURATE TRADING INFORMATION THROUGH THE SUBMISSION OF ELECTRONIC BLUE SHEETS IN RESPONSE TO ONE OR MORE REQUESTS FOR SUCH INFORMATION BY THE EXCHANGE;2.VIOLATED EXCHANGE RULE 401 BY FAILING TO ADHERE TO THE PRINCIPLES OF GOOD BUSINESS PRACTICE IN THE CONDUCT OF THEIR BUSINESS AFFAIRS IN THAT IT SUBMITTED INACCURATE TRADING INFORMATION ON ELECTRONIC BLUE SHEETS IN RESPONSE TO ONE OR MORE REQUESTS FOR SUCH INFORMATION BY THE EXCHANGE; AND 3.VIOLATED EXCHANGE RULES 342 BY FAILING TO ESTABLISH AND MAINTAIN APPROPRIATE SYSTEMS AND PROCEDURES FOR THE SUPERVISION AND CONTROL OF AREAS RESPONSIBLE FOR COMPLYING WITH ELECTRONIC BLUE SHEET REPORTING REQUIREMENTS, AND FAILED TO ESTABLISH A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW TO REASONABLY ENSURE COMPLIANCE WITH EXCHANGE RULES RELATING TO THE PREPARATION AND SUBMISSION OF ELECTRONIC BLUE SHEETS.  
 STIPULATED SANCTION:THE IMPOSITION BY THE EXCHANGE OF A CENSURE, A \$150,000 FINE AND A REQUIREMENT THAT RESPONDENT WILL CONDUCT A VALIDATION OF ALL REQUIRED BLUE SHEET DATA ELEMENTS IN ACCORDANCE WITH ISG REGULATORY MEMORANDUM, ISG 2005-01.

**Initiated By:** NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

**Date Initiated:** 09/28/2005

**Docket/Case Number:** HPD #05-145

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 02/17/2006

**Sanctions Ordered:** Censure  
 Monetary/Fine \$150,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \*\*1/5/06\*\*DECISION 05-145 ISSUED BY NYSE HEARING PANEL



DECISION: VIOLATED NYSE RULE 410A BY FAILING TO SUBMIT ACCURATE TRADING INFORMATION THROUGH THE SUBMISSION OF ELECTRONIC BLUE SHEETS; VIOLATED NYSE RULE 401 BY SUBMITTING INACCURATE TRADING INFORMATION ON ELECTRONIC BLUE SHEETS; VIOLATED NYSE RULE 342 BY FAILING TO ESTABLISH AND MAINTAIN APPROPRIATE SYSTEMS AND PROCEDURES FOR THE SUPERVISION AND CONTROL OF AREAS RESPONSIBLE FOR COMPLYING WITH ELECTRONIC BLUE SHEET REPORTING REQUIREMENTS AND FAILING TO ESTABLISH A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW TO REASONABLY ENSURE COMPLIANCE WITH NYSE RULES RELATING TO THE PREPARATION AND SUBMISSION OF ELECTRONIC BLUE SHEETS. CONSENT TO CENSURE, FINE OF \$150,000, AND A REQUIREMENT TO CONDUCT VALIDATION OF ALL REQUIRED BLUE SHEET DATA ELEMENTS, AND UNDERTAKING TO INFORM NYSE IN WRITING THAT VALIDATION HAS BEEN COMPLETED.

#### Regulator Statement

**\*\*2/17/06\*\***THE DECISION IS NOW FINAL AND EFFECTIVE IMMEDIATELY.  
CONTACT:PEGGY GERMINO 212-656-8450

#### Reporting Source:

Firm

#### Current Status:

Final

#### Allegations:

NYSE ALLEGED AS PART OF AN INDUSTRY-WIDE SETTLEMENT THAT, PRIOR TO 2003, GOLDMAN, SACHS & CO. ("GS") FAILED TO MAINTAIN ADEQUATE WRITTEN SUPERVISORY PROCEDURES RELATING TO ITS BLUE SHEET SUBMISSIONS, FAILED TO ESTABLISH A FOLLOW UP SYSTEM TO CONFIRM INFORMATION CONTAINED IN ITS BLUE SHEET SUBMISSIONS, AND SUBMITTED INACCURATE INFORMATION IN ITS BLUE SHEET SUBMISSIONS IN VIOLATION OF NYSE RULES 410A, 401, 342 AND 342.33.

#### Initiated By:

NEW YORK STOCK EXCHANGE ("NYSE")

#### Date Initiated:

09/01/2003

#### Docket/Case Number:

HPD 05-145

#### Principal Product Type:

No Product

#### Other Product Type(s):

#### Principal Sanction(s)/Relief Sought:

Civil and Administrative Penalt(ies) /Fine(s)

#### Other Sanction(s)/Relief Sought:

#### Resolution:

Decision

#### Resolution Date:

01/03/2006



<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$150,000.00
<b>Other Sanctions Ordered:</b>	GS WAS REQUIRED TO CONDUCT A VALIDATION OF ALL REQUIRED BLUE SHEET DATA ELEMENTS AND TO INFORM THE NYSE IN WRITING THAT IT HAS COMPLETED ITS VALIDATION.
<b>Sanction Details:</b>	GS PAID A MONETARY FINE OF \$150,000.
<b>Firm Statement</b>	ON JANUARY 3, 2006, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS PARTICIPATED IN THE INDUSTRY-WIDE SETTLEMENT, CONSENTING TO A CENSURE, AND A \$150,000 FINE, AND AGREED TO CONDUCT A VALIDATION OF ALL REQUIRED BLUE SHEET DATA ELEMENTS IN ACCORDANCE WITH ISG REGULATORY MEMORANDUM, ISG 2005-01 AND TO NOTIFY THE NYSE WHEN THE VALIDATION IS COMPLETE IN WRITING.

#### Disclosure 185 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110, 3010, 3370, 4632, 6130, 6955(A) - RESPONDENT MEMBER EFFECTED SHORT SALES IN SECURITIES FOR THE FIRM'S PROPRIETARY ACCOUNT(S) AND FAILED TO MAKE/ANNOTATE AN AFFIRMATIVE DETERMINATION THAT THE FIRM COULD BORROW THE SECURITIES OR OTHERWISE PROVIDE FOR THE DELIVERY OF THE SECURITIES BY SETTLEMENT DATE. THE FINDINGS STATED THAT THE FIRM FAILED TO CORRECTLY REPORT TO ACT RISKLESS PRINCIPAL TRANSACTIONS IN NASDAQ NATIONAL MARKET SECURITIES. THE FINDINGS ALSO STATED THAT THE FIRM, EXECUTED SHORT SALE TRANSACTIONS AND FAILED TO REPORT EACH OF THESE TRANSACTIONS TO ACT WITH A SHORT SALE MODIFIER. NASD FOUND THAT THE FIRM FAILED TO REPORT TO ACT THE CORRECT SYMBOL INDICATING WHETHER THE TRANSACTION WAS A BUY, SELL, SELL SHORT, SELL SHORT EXEMPT OR CROSS FOR TRANSACTIONS IN ELIGIBLE SECURITIES. IN ADDITION, THE FINDINGS STATED THAT THE FIRM TRANSMITTED TO OATS REPORTS THAT CONTAINED INACCURATE, INCOMPLETE, OR IMPROPERLY FORMATTED DATA. NASD ALSO FOUND THAT THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND THE RULES OF NASD CONCERNING TRADE REPORTING, SHORT SALES, AND CUSTOMER SALE TRANSACTION REPORTING OBLIGATIONS.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	07/19/2005
<b>Docket/Case Number:</b>	20042000105





**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/19/2005

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$25,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN SACHS & CO., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$25,000.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT, ON TRADE DATES JULY 22ND AND 23RD, 2003, GOLDMAN, SACHS & CO. ("GSCO") ENGAGED IN CERTAIN TRANSACTIONS THAT IN CERTAIN RESPECTS VIOLATED RULES FOR SHORT SALES TRANSACTIONS AND MARKETPLACE RULES FOR OATS (NASD CONDUCT RULES 3370, 2110 AND 3010, AND NASD MARKETPLACE RULES 4632, 6130 AND 6955(A)), AND THAT GSCO'S SUPERVISORY PROCEDURES IN SUCH AREAS WERE DEFICIENT.

**Initiated By:** NASD

**Date Initiated:** 06/15/2005

**Docket/Case Number:** MRD200341928/20042000105

**Principal Product Type:** Other



<b>Other Product Type(s):</b>	SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	07/19/2005
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$25,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GSCO PAID A FINE OF \$25,000.
<b>Firm Statement</b>	ON OR ABOUT JUNE 15, 2000, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, GSCO CONSENTED TO A CENSURE AND TO PAY A TOTAL FINE OF \$25,000. THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE NASD ON 7/19/2005.

#### Disclosure 186 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	CBOT ALLEGED THAT ON DECEMBER 20 THROUGH DECEMBER 22, 2004, GOLDMAN, SACHS & CO. MADE DATA ENTRY ERRORS ON 11 TRADES, IN VIOLATION OF REGULATION 332.08.
<b>Initiated By:</b>	CHICAGO BOARD OF TRADE ("CBOT")
<b>Date Initiated:</b>	05/03/2005
<b>Docket/Case Number:</b>	04-RFT-083
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	05/31/2005



<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GOLDMAN, SACHS & CO. PAID A MONETARY FINE OF \$1,000.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. CONSENTED TO PAY A \$1000 FINE.

#### Disclosure 187 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	MSRB RULE G-14 AND G-27- RESPONDENT FIRM FAILED TO TIMELY REPORT ITS MUNICIPAL SECURITIES INTER-DEALER TRANSACTIONS TO THE MSRB WITH THE TIME OF TRADE EXECUTION AND/OR REPORTED INVALID TIME OF TRADES. THE FIRM FAILED TO MONITOR ITS TRADE REPORTING TO ENSURE COMPLIANCE WITH MSRB RULE G-14.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	06/28/2005
<b>Docket/Case Number:</b>	<a href="#">C10050037</a>
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	06/28/2005
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$140,000.00
<b>Other Sanctions Ordered:</b>	



**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$140,000

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** AS PART OF AN INDUSTRY-WIDE SETTLEMENT OF REPORTING ISSUES, ON MARCH 4, 2005, THE NASD ALLEGED THAT ON OR ABOUT JANUARY 2003 THROUGH MAY 2004, GOLDMAN, SACHS & CO. ("GS") FAILED TO TIMELY REPORT 10% OF ITS MUNICIPAL SECURITIES INTER-DEALER TRANSACTIONS, AND THAT GS FAILED TO REPORT THE TIME OF TRADE EXECUTION AND/OR REPORTED INVALID TIME OF TRADES 49% OF THE TIME. NASD ALLEGED THAT ON OR ABOUT FEBRUARY 2003 THROUGH OCTOBER 2003, GS FAILED TO REPORT 79% OF THE TIME MUNICIPAL SECURITIES INTER-DEALER TRADE EXECUTIONS, TO THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB"). THE NASD ALLEGED THAT SUCH REPORTING ISSUES VIOLATED MSRB RULE G-14. ON OR ABOUT JANUARY 2003 THROUGH MAY 2004, GS FAILED TO MONITOR ITS TRADES TO ENSURE COMPLIANCE WITH MSRB RULE G-14, IN VIOLATION OF MSRB RULE G-27.

**Initiated By:** NASD

**Date Initiated:** 03/04/2005

**Docket/Case Number:** [C10050037](#)

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/13/2005

**Sanctions Ordered:** Censure  
Monetary/Fine \$140,000.00

**Other Sanctions Ordered:**

**Sanction Details:** GS PAID A TOTAL FINE OF \$140,000 AND WAS CENSURED.

**Firm Statement**

ON MAY 6, 2005, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, GS CONSENTED TO A CENSURE AND TO PAY A \$140,000 FINE. THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY NASD ON MAY 13, 2005.

**Disclosure 188 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULES 2110, 2710, 3010(A) - RESPONDENT MEMBER FAILED TO TAKE REASONABLE STEPS TO ENSURE THAT SHARES HELD BY FIVE INDIVIDUALS WERE NOT SOLD IN LESS THAN A YEAR AS REQUIRED BY RULE 2710(C)(7)(A)(I) AND FAILED TO TAKE REASONABLE STEPS TO ENSURE THAT ITS REPRESENTATIONS TO NASD THAT SHARES HELD BY THE FIVE INDIVIDUALS WOULD NOT BE SODL FOR THREE YEARS FROM THE EFFECTIVE DATE OF THE IPO WOULD BE ADHERED TO; FIRM'S SUPERVISORY SYSTEM, INCLUDING ITS WRITTEN PROCEDURES, CONTAINED INADEQUATE POLICIES OR PROCEDURES FOR MONITORING RESTRICTIONS ON SALES OF SECURITIES HELD BY FIRM'S EMPLOYEES OR THEIR RELATIVES WHICH COULD NOT BE SOLD FOR SPECIFIC PERIODS OF TIME PURSUANT TO NASD RULE 2710 OR WHICH IT HAD REPRESENTED TO NASD WOULD NOT BE SOLD FOR SPECIFIC PERIODS IN CONNECTION WITH OBTAINING APPROVAL OF THE TERMS OF AN OFFERING.

**Initiated By:** NASD

**Date Initiated:** 03/17/2005

**Docket/Case Number:** [CE2050004](#)

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 03/17/2005



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$125,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO., CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE THE FIRM IS CENSURED AND FINED \$125,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE NASD ALLEGED THAT GOLDMAN SACHS VIOLATED NASD RULES 2710, 2110 AND 3010 FOR FAILING TO TAKE REASONABLE STEPS TO ENSURE THAT SHARES OF AN ISSUER HELD BY RELATIVES OF CERTAIN EMPLOYEES WERE NOT SOLD PRIOR TO THE EXPIRATION OF LOCK-UP PERIODS IN CONNECTION WITH GOLDMAN SACHS' ROLE AS AN UNDERWRITER OF SUCH ISSUER'S IPO.

**Initiated By:** NASD, INC.

**Date Initiated:** 05/27/2003

**Docket/Case Number:** [CE2050004](#)

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 03/17/2005

**Sanctions Ordered:** Censure  
Monetary/Fine \$125,000.00

**Other Sanctions Ordered:**



<b>Sanction Details:</b>	GOLDMAN SACHS PAID THE FINE OF \$125,000 ON MARCH 28, 2005.
<b>Firm Statement</b>	ON MARCH 17, 2005, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, GOLDMAN SACHS ENTERED INTO AN ACCEPTANCE, WAIVER AND CONSENT WITH THE NASD. GOLDMAN SACHS AGREED TO CENSURE BY THE NASD AND TO PAY A FINE OF \$125,000.

#### Disclosure 189 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	PHLX ALLEGED THAT ON APRIL 15, 2004, GOLDMAN, SACH & CO. ("GS") FAILED TO MAINTAIN REQUIRED POSITION LIMITS IN VIOLATION OF PHLX RULE 1001.
<b>Initiated By:</b>	PHILADELPHIA STOCK EXCHANGE ("PHLX")
<b>Date Initiated:</b>	02/03/2005
<b>Docket/Case Number:</b>	2005-01
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	03/04/2005
<b>Sanctions Ordered:</b>	Monetary/Fine \$2,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GS PAID A FINE OF \$2500.00
<b>Firm Statement</b>	GS SUBMITTED ON OFFER OF SETTLEMENT, STIPULATION OF FACTS AND CONSENT TO SANCTIONS, WHICH WERE ACCEPTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS CONSENTED TO CENSURE AND PAYMENT OF A \$2,500 FINE.

#### Disclosure 190 of 325

<b>Reporting Source:</b>	Firm
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<b>Current Status:</b>	Final
<b>Allegations:</b>	CME ALLEGED THAT ON SEPTEMBER 8, 2004, GOLDMAN, SACHS & CO.'S FLOOR ORDER PICK UP EXCEPTION RATE OF 13.40%, EXCEEDED THE ACCEPTABLE RATE, IN VIOLATION OF RULE 536.
<b>Initiated By:</b>	CHICAGO MERCANTILE EXCHANGE ("CME")
<b>Date Initiated:</b>	09/14/2004
<b>Docket/Case Number:</b>	04-24339-CTRA
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	09/20/2004
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GOLDMAN, SACHS & CO. PAID A FINE OF \$1000.00
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. CONSENTED TO PAY A \$1,000 FINE.

#### Disclosure 191 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE CBOT ALLEGED THAT GOLDMAN, SACHS & CO. FAILED TO MAKE ALL TRADE DATA SUBMISSIONS IN A CORRECT MANNER IN VIOLATION OF REGULATION 332.08.
<b>Initiated By:</b>	CHICAGO BOARD OF TRADE ("CBOT")
<b>Date Initiated:</b>	09/27/2004
<b>Docket/Case Number:</b>	04-RFT-026
<b>Principal Product Type:</b>	No Product





<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	12/01/2004
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GOLDMAN, SACHS & CO. PAID A FINE OF \$1,000.
<b>Firm Statement</b>	GOLDMAN, SACHS & CO. SUBMITTED AN OFFER OF SETTLEMENT TO THE CBOT, WHICH WAS ACCEPTED. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. CONSENTED TO PAY A \$1000 FINE.

#### Disclosure 192 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	PHLX ALLEGED THAT FROM JANUARY 2003 THROUGH JUNE 2003, ON SIX SEPARATE OCCASIONS, GOLDMAN, SACHS & CO. ENTERED ORDERS TO TRADE ALL OF THE SEPARATE COMPONENTS OF THE EXCHANGE OIL SERVICE SECTOR INDEX OR SEMICONDUCTOR SECTOR INDEX ("INDICES") FOR ITS PRINCIPAL FACILITATION ACCOUNT PRIOR TO FACILITATING THE EXECUTION AT THE PHLX OF CUSTOMER ORDERS TO TRADE OPTIONS ON THE INDICES, IN VIOLATIONS OF PHLX RULE 1064.
<b>Initiated By:</b>	PHILADELPHIA STOCK EXCHANGE ("PHLX")
<b>Date Initiated:</b>	11/11/2004
<b>Docket/Case Number:</b>	2004-10
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Decision



<b>Resolution Date:</b>	02/02/2005
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$100,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GOLDMAN, SACHS & CO. WAS CENSURED AND PAID A FINE OF \$100,000.
<b>Firm Statement</b>	GOLDMAN, SACHS & CO. SUBMITTED AN OFFER OF SETTLEMENT TO PHLX, WHICH WAS ACCEPTED. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. CONSENTED TO PAY A \$100,000 FINE.

#### Disclosure 193 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD CONDUCT RULES 2110 AND 3010 – GOLDMAN, SACHS & CO. SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH RESPECT TO THE APPLICABLE SECURITIES LAWS AND REGULATIONS, AND RULES OF NASD CONCERNING: COMPLIANCE WITH EXCHANGE ACT RULE 10A-1, RELATING TO THE IMPROPER MARKING OF ORDER TICKETS FOR PROPRIETY ORDERS AND COMPLIANCE WITH THE "TICK TEST" AND; COMPLIANCE WITH NASD MARKETPLACE RULE 6440(F), RELATING TO TRADING IN FRONT OF CUSTOMER ORDERS. SPECIFICALLY, THE FIRMS SUPERVISORY SYSTEM DID NOT INCLUDE WRITTEN SUPERVISORY PROCEDURES PROVIDING FOR: IDENTIFICATION RULES; A STATEMENT OF SUPERVISORY STEP(S) TO BE TAKEN BY THE IDENTIFIED PERSON(S); A STATEMENT AS TO HOW OFTEN SUCH PERSON(S) SHOULD TAKE SUCH STEP(S); AND A STATEMENT AS TO HOW THE COMPLETION OF THE STEP(S) INCLUDED IN THE WRITTEN SUPERVISORY PROCEDURES SHOULD BE DOCUMENT.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	12/31/2004
<b>Docket/Case Number:</b>	CMS040209
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNSPECIFIED SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	


**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/31/2004

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS FINED \$5,000 FOR THE DEFICIENT SUPERVISORY PROCEDURES.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT GOLDMAN, SACHS & CO.'S ("GS") SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECURITIES LAWS AND REGULATIONS RELATING TO (I) THE PROPER MARKING OF ORDER TICKETS FOR PROPRIETY ORDERS AND COMPLIANCE WITH THE "TICK TEST" AND (II) TRADING IN FRONT OF CUSTOMER ORDERS, IN VIOLATION OF NASD CONDUCT RULES 2110 AND 3010.

**Initiated By:** NASD

**Date Initiated:** 12/31/2004

**Docket/Case Number:** CMS040209

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**



**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/31/2004

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** GS PAID A FINE OF \$5000.00

**Firm Statement** THE NASD ALLEGATIONS RESULTED FROM A TRADING AND MARKET MARKING SURVEILLANCE EXAMINATION CONDUCTED BY THE NASD DEPARTMENT OF MARKET REGULATION DURING NOVEMBER 18-22, 2002. GS SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT TO THE NASD, WHICH WAS ACCEPTED. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS CONSENTED TO PAY A \$5,000 FINE.

#### Disclosure 194 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE ISE ALLEGED THAT IN 43 INSTANCES BETWEEN NOVEMBER 2002 THROUGH APRIL 2003, GOLDMAN SACHS ("GS"), AS ELECTRONIC ACCESS MEMBER ("EAM"), RECEIVED CUSTOMER ORDERS AND WITHIN 30 SECONDS OF ENTERING THE ORDERS INTO THE ISE TRADING SYSTEM, GS ENTERED PROPRIETARY ORDERS THAT EXECUTED AGAINST THE CUSTOMER ORDERS, IN VIOLATION OF ISE RULE 717(D). THE ISE ALLEGED THAT ON ONE OCCASION IN DECEMBER 2002, GS, AS EAM, RECEIVED A CUSTOMER ORDER WHICH WAS EXECUTED AGAINST AN EXISTING PRINCIPAL ORDER WITHOUT FIRST POSTING THE ORDER ON THE EXCHANGE FOR 30 SECONDS, IN VIOLATION OF ISE RULE 717(D). THE ISE ALSO ALLEGED THAT GS FAILED TO MENTION SATISFACTORY WRITTEN SUPERVISORY PROCEDURES TO ENSURE COMPLIANCE WITH ISE RULES REGARDING PROPER FACILITATION OF CUSTOMER ORDERS BY GS, IN VIOLATION OF ISE RULE 401.

**Initiated By:** INTERNATIONAL SECURITIES EXCHANGE ("ISE")

**Date Initiated:** 04/23/2003

**Docket/Case Number:** 2002-1130-03; 2002-1231-10; 2003-01;

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)


**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 08/18/2004

**Sanctions Ordered:** Censure  
Monetary/Fine \$15,000.00

**Other Sanctions Ordered:**

**Sanction Details:** GS PAID A TOTAL FINE OF \$15,000.

**Firm Statement** GS ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WITH ISE. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS AGREED TO A CENSURE BY ISE AND TO PAYMENT OF A \$15,000 FINE.

**Disclosure 195 of 325**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE COMMISSIONER OF SECURITIES OF THE STATE OF LOUISIANA, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY.

**Initiated By:** THE COMMISSIONER OF SECURITIES OF THE STATE OF LOUISIANA

**Date Initiated:** 04/12/2002

**Docket/Case Number:** UNKNOWN

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 10/20/2003

**Sanctions Ordered:** Monetary/Fine \$344,339.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:** GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE



LOUISIANA SECURITIES LAW IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.

**Sanction Details:**

THE \$344,339 PAYMENT TO THE COMMISSIONER OF SECURITIES OF THE STATE OF LOUISIANA WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

**Firm Statement**

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE COMMISSIONER OF SECURITIES OF THE STATE OF LOUISIANA THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE LOUISIANA SECURITIES LAW IN FAILING TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING. ADDITIONALLY, GOLDMAN SACHS FAILED TO SUPERVISE ITS EMPLOYEES TO ENSURE ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURED AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING.

**Disclosure 196 of 325**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE SECURITIES DIVISION OF THE ATTORNEY GENERAL OF THE STATE OF SOUTH CAROLINA, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

**Initiated By:** THE SECURITIES DIVISION OF THE ATTORNEY GENERAL OF THE STATE OF SOUTH CAROLINA

**Date Initiated:** 04/12/2002

**Docket/Case Number:** FILE NO. 03085

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist


**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 04/22/2003

**Sanctions Ordered:** Monetary/Fine \$309,130.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:** GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING ACT §§35-1-520(1)(B)(VII) AND 35-1-520(2)(B)(I) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.

**Sanction Details:** THE \$309,130 PAYMENT TO THE SECURITIES DIVISION OF THE ATTORNEY GENERAL OF THE STATE OF SOUTH CAROLINA WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

**Firm Statement** WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE SECURITIES DIVISION OF THE ATTORNEY GENERAL OF THE STATE OF SOUTH CAROLINA THAT FOUND GOLDMAN SACHS TO HAVE FAILED TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING UNDER §35-1-520(2)(B)(I) OF THE ACT.

**Disclosure 197 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD MARKETPLACE RULE 4613(E)(1)(C) - RESPONDENT MEMBER, A MARKET MAKER IN SECURITIES, CAUSED A LOCKED/CROSSED MARKET CONDITION PRIOR TO THE MARKET OPENING BY ENTERING A BID (ASK) QUOTATION THAT LOCKED/CROSSED ANOTHER MARKET MAKER'S QUOTATIONS WITHOUT IMMEDIATELY THEREAFTER SENDING THROUGH SELECTNET TO THE MARKET MAKER WHOSE QUOTES IT LOCKED OR CROSSED A TRADE-OR-MOVE MESSAGE THAT WAS AT THE RECEIVING MARKET MAKER'S QUOTED PRICE AND WHOSE AGGREGATE SIZE WAS AT LEAST 5,000 SHARES

**Initiated By:** NASD



**Date Initiated:** 07/26/2004

**Docket/Case Number:** CMS040111

**Principal Product Type:** Other

**Other Product Type(s):** SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/26/2004

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS CENSURED AND FINED \$20,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT IN 128 INSTANCES BETWEEN JULY 2003 AND SEPTEMBER 2003, DURING THE 9 MINUTE PERIOD IMMEDIATELY PRIOR TO THE OPENING OF THE MARKET, GOLDMAN SACHS, AS MARKET MAKER FOR CERTAIN SECURITIES, CAUSED A LOCKED/CROSSED MARKET CONDITION BY ENTERING A BID (ASK) QUOTATION THAT LOCKED/CROSSED ANOTHER MARKET MAKER'S QUOTATION WITHOUT IMMEDIATELY SENDING THROUGH SELECTNET TO SUCH LOCKED/CROSSED MARKET MAKER A TRADE-ON-MOVE MESSAGE THAT WAS AT THE RECEIVING MARKET MAKER'S QUOTED PRICE AND WHOSE AGGREGATE SIZE WAS AT LEAST 5,000 SHARES, IN VIOLATION OF NASD MARKETPLACE RULE 4613(E)(L)(C).





<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	05/23/2002
<b>Docket/Case Number:</b>	CMS 040111
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	07/01/2004
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$20,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GOLDMAN SACHS PAID A TOTAL FINE OF \$20,000
<b>Firm Statement</b>	GOLDMAN SACHS ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WITH NASD. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN SACHS AGREED TO A CENSURE BY NASD AND THE PAYMENT OF A \$20,000 FINE.

#### Disclosure 198 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC ADMIN PROCEEDING FILE NO. 3-11533, RELS 33-8434, 34-49953, DATED JULY 1, 2004 - GOLDMAN VIOLATED THE FEDERAL SECURITIES LAWS IN CONNECTION WITH FOUR INTERNATIONAL PUBLIC OFFERINGS FOR WHICH THE FIRM SERVED AS UNDERWRITER WHEN CERTAIN SALES TRADERS ON GOLDMAN'S NEW YORK ASIAN SHARES SALES DESK (THE "DESK") SENT LENGTHY AND DETAILED EMAILS CONCERNING THE OFFERINGS TO NUMEROUS INSTITUTIONAL CUSTOMERS DURING THE "WAITING PERIOD," THE PERIOD AFTER A REGISTRATION STATEMENT IS FILED BUT BEFORE THE COMMISSION DECLARES IT TO BE EFFECTIVE. IN CONNECTION WITH ONE OF THESE FOUR OFFERINGS, A GLOBAL, MULTI-BILLION DOLLAR INITIAL PUBLIC OFFERING, GOLDMAN ALSO VIOLATED THE FEDERAL SECURITIES LAWS WHEN, DURING THE "PRE-FILING PERIOD", THE PERIOD BEFORE THE REGISTRATION STATEMENT WAS



FILED, A SENIOR GOLDMAN REPRESENTATIVE (THE "SENIOR GOLDMAN REPRESENTATIVE"), AFTER OBTAINING CLEARANCE FROM GOLDMAN SENIOR MANAGERS AND GOLDMAN COUNSEL, SPOKE TO THE PRESS ABOUT THE ISSUER, AND EXPLAINED THAT THE PROCEEDS OF THE OFFERING WOULD BE USED IN CHINA, AND NOT IN SUDAN. THESE ACTIONS ARE PROHIBITED BY SECTIONS 5(B) AND (C), RESPECTIVELY, OF THE SECURITIES ACT.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 07/01/2004

**Docket/Case Number:** SEC ADMIN FILE NO. 3-11533/REL 33-8434

**Principal Product Type:** Other

**Other Product Type(s):** PUBLIC OFFERINGS

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order

**Resolution Date:** 07/01/2004

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Monetary/Fine \$200,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS SPECIFIED IN THE OFFER SUBMITTED BY GOLDMAN. ACCORDINGLY, IT IS HEREBY ORDERED THAT: PURSUANT TO SECTION 8A OF THE SECURITIES ACT AND SECTION 21C OF THE EXCHANGE ACT, GOLDMAN SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS, AND ANY FUTURE VIOLATIONS, OF SECTIONS 5(B) AND 5(C) OF THE SECURITIES ACT. GOLDMAN SHALL, WITHIN TEN DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$2,000,000 TO THE UNITED STATES TREASURY.

**Regulator Statement** THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION")



DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT") AND SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AGAINST GOLDMAN, SACHS & CO. ("RESPONDENT" OR "GOLDMAN"). IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, GOLDMAN HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER"), WHICH THE COMMISSION HAS DETERMINED TO ACCEPT.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p>THE SEC ALLEGED THAT GOLDMAN SACHS SALES TRADERS FOR THE ASIAN SHARES SALES DESK MADE PUBLIC OFFERS OF SECURITIES VIA E MAIL TO CERTAIN INSTITUTIONAL CUSTOMERS IN CONNECTION WITH FOUR INTERNATIONAL PUBLIC OFFERINGS DURING THE "WAITING PERIOD," WHEN THE REGISTRATION STATEMENTS WERE FILED, BUT NOT YET DECLARED EFFECTIVE BY THE SEC, DURING THE PERIOD OCTOBER 1999 TO MARCH 2000, IN VIOLATION OF SECTION 5(B) OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT"). THE SEC ALLEGED THAT GOLDMAN SACHS FAILED TO SUPERVISE THESE SALES TRADERS FOR PURPOSES OF SECTION 15(B)(4)(E) OF THE SECURITIES EXCHANGE ACT OF 1934. THE SEC ALSO ALLEGED THAT A GOLDMAN SACHS REPRESENTATIVE MADE COMMENTS TO THE MEDIA ON FOUR OCCASIONS IN CONNECTION WITH ONE OF THE PUBLIC OFFERING DURING THE "PRE-FILING PERIOD," THE PERIOD BEFORE THE REGISTRATION STATEMENT WAS FILED WITH THE SEC, FROM JANUARY TO FEBRUARY 2000, IN VIOLATION OF SECTION 5(C) OF THE SECURITIES ACT.</p>
<b>Initiated By:</b>	U.S. SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	07/01/2004
<b>Docket/Case Number:</b>	3-11533
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Order



**Resolution Date:** 07/01/2004

**Sanctions Ordered:** Monetary/Fine \$2,000,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** GOLDMAN SACHS PAID A TOTAL FINE OF \$2,000,000.

**Firm Statement** GOLDMAN SACHS SUBMITTED AN OFFER TO THE SEC, WHICH WAS ACCEPTED. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN SACHS OFFERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING VIOLATIONS, AND ANY FUTURE VIOLATIONS, OF SECTION 5(B) AND 5(C) OF THE SECURITIES ACT, AND TO PAY A CIVIL MONEY PENALTY OF \$2,000,000 TO THE UNITED STATES TREASURY.

#### Disclosure 199 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** \*\*07/22/2004\*\* STIPULATION AND CONSENT TO PENALTY FILED BY NYSE DIVISION OF ENFORCEMENT AND PENDING. HEARING REQUESTED. CONSENTED TO FINDINGS: WITHOUT ADMITTING OR DENYING GUILT, GOLDMAN SACHS CONSENTED TO FINDINGS THAT IT: 1. VIOLATED EXCHANGE RULE 341 IN THAT IT FAILED TO ESTABLISH REASONABLE AND APPROPRIATE CONTROLS, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW, TO ENSURE COMPLIANCE WITH EXCHANGE RULES AND FEDERAL SECURITIES LAWS RELATING TO EXECUTION AND ALLOCATION OF CUSTOMER ORDERS; 2. VIOLATED EXCHANGE RULE 440 AND SEC REGULATIONS 240.17A-3 AND 240.17A-4 BY FAILING TO MAKE AND PRESERVE REQUIRED AND TIMELY RECORDS RELATING TO THE RECEIPT AND EXECUTION OF CUSTOMER ORDERS; STIPULATED SACTION: THE IMPOSITION BY THE EXCHANGE OF A CENSURE AND \$175,000 FINE.

**Initiated By:** NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

**Date Initiated:** 07/22/2004

**Docket/Case Number:** HPD# 04-146

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**



## Other Sanction(s)/Relief Sought:

**Resolution:** Decision

**Resolution Date:** 10/22/2004

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$175,000.00

## Other Sanctions Ordered:

**Sanction Details:** \*\*09/21/2004\*\* DECISION HPD 04-146 ISSUED BY NYSE HEARING PANEL  
DECISION: 1. VIOLATED EXCHANGE RULE 342 BY FAILING TO ENSURE COMPLIANCE WITH EXCHANGE RULES AND FEDERAL SECURITIES LAWS RELATING TO EXECUTION AND ALLOCATION OF CUSTOMER ORDERS. 2. VIOLATED EXCHANGE RULE 440 AND SEC REGULATIONS 240.17A-3 AND 240.17A-4 BY FAILING TO MAKE AND PRESERVE TIMELY RECORDS RELATING TO RECEIPT AND EXECUTION OF CUSTOMER ORDERS. PENALTY: THE IMPOSITION BY THE EXCHANGE OF THE PENALTY OF A CENSURE AND A FINE OF \$175,000.

**Regulator Statement** \*\*10/22/2004\*\* THE DECISION IS NOW FINAL AND IS EFFECTIVE IMMEDIATELY. CONTACT: MICHELE VAN TASSEL (212) 656-5340.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NYSE ALLEGED THAT, DURING THE PERIOD JANUARY THROUGH MAY 2001, GOLDMAN, SACHS & CO. (GS) FAILED TO SUPERVISE AND CONTROL THE ACTIVITIES OF A FORMER REGISTERED REPRESENTATIVE ("RR") WHO FAILED TO TIMELY SUPPLY ACCOUNTS NUMBERS, OR OTHER INDICATIONS OF BENEFICIAL OWNERSHIP OF TRADES, AND DELAY ALLOCATION OF EXECUTED TRADES, WHICH LED TO MORE FAVORABLE TRADES IN THE RR'S PERSONAL ACCOUNT FOR A POTENTIAL GAIN OF \$600,000, AND WAS TO THE DETRIMENT OF GS CUSTOMERS, GS IS ALSO ALLEGED TO HAVE FAILED TO ENSURE THAT ITS EMPLOYEES MADE AND PRESERVED BOOKS AND RECORDS CONCERNING ACCOUNT DESIGNATIONS AND EXECUTION OF CUSTOMER ORDERS. THE ALLEGED CONDUCT IS IN VIOLATION OF NYSE RULES 342, 342.16, 440 SECURITIES AND EXCHANGE COMMISSION



REGULATIONS 240.17A-3(A)(6) AND (7).

**Initiated By:** NEW YORK STOCK EXCHANGE, INC. ("NYSE")

**Date Initiated:** 06/22/2004

**Docket/Case Number:** 04-146

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Stipulation and Consent

**Resolution Date:** 07/21/2004

**Sanctions Ordered:** Censure  
Monetary/Fine \$175,000.00

**Other Sanctions Ordered:**

**Sanction Details:** GS PAID A TOTAL FINE OF \$175,000.

**Firm Statement** GS SUBMITTED A CONSENT TO PENALTY TO NYSE, WHICH WAS ACCEPTED. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS OFFERED TO BE CENSURED AND PAID A \$175,000 FINE.

#### Disclosure 200 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD CONDUCT RULES 2110, 2440, IM-2440, 3010, 3110 AND 6240, AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT, AND RULE 17A-3 AND 17A-4, THEREUNDER - RESPONDENT GOLDMAN, SACHS & CO. CHARGED MARKDOWNS RANGING FROM 9.4 PERCENT TO 30.4 PERCENT ON FIVE PAIRS OF TRADES. IN EACH OF THESE PARIS, THE FIRM MARKUP TO ITS CUSTOMER EXCEEDED THE LEVEL OF COMPENSATION PERMITTED BY NASD RULE 2440 ADN IM-2440. IN ADDITION, THE FIRM FAILED TO CREATE ADEQUATE RECORDS OF CUSTOMERS ORDERS RECEIVED BY SALESPeOPLE WHO WORKED ON THE HIGH YIELD AND DISTRESSED BOND DESKS. ACCORDING TO TRADERS AND SALESPeOPLE, MOST TRADES ON THE HIGH YIELD AND DISTRESSED DESKS INVOLVED A NEGOTIATED PROCESS WHEREBY A CUSTOMER INDICATED A POSSIBLE INTEREST IN A TRADE AT A SPECIFIED PRICE OR WITHIN A SPECIFIED



PRICE RANGE. THEREAFTER, THERE COULD BE PRICE NEGOTIATIONS THAT MIGHT OR MIGHT NOT RESULT IN A TRADE. ALTHOUGH FIRM'S CUSTOMERS TYPICALLY DID NOT PLACE AN ORDER BEFORE AGREEING TO EXECUTE A TRADE, THE FIRM DID AT TIMES RECEIVE CUSTOMER ORDERS BEFORE EXECUTING A TRADE AND FAILED IN SOME INSTANCES TO COMPLETE APPROPRIATE ORDER DOCUMENTATION. THE FIRM ALSO AT TIMES RECORDED INACCURATE TRADE EXECUTION TIMES IN ITS RECORDKEEPING SYSTEM BECAUSE FIRM'S TRADE ENTRY SYSTEM AUTOMATICALLY RECORDED THE TRADE ENTRY TIME AS THE TRADE EXECUTION TIME, EVEN IF TRADE ENTRY WAS DELAYED. USE OF THIS TRADE ENTRY SYSTEM ALSO RESULTED IN REPORTING OF SUCH INACCURATE INFORMATION TO THE FIXED INCOME PRICING SYSTEM ("FIPS"). FURTHERMORE, THE FIRM'S SUPERVISORY SYSTEM FOR HIGH YIELD AND DISTRESSED BOND TRADING WAS INADEQUATE IN SCOPE AND FLAWED IN EXECUTION. ASSIGNMENTS WERE NOT CLEARLY MADE, THERE WAS A LACK OF OBJECTIVE STANDARDS, WRITTEN POLICIES WERE NOT ALWAYS FOLLOWED IN PRACTICE, AND THE FIRM DID NOT DETECT THESE PROBLEMS. DURING A SUBSTANTIAL PORTION OF 2000 AND 2001, NO SUPERVISOR CONDUCTED ANY REGULAR REVIEW OF FIRM'S HIGH YIELD BOND TRADES. THE SUPERVISORY SYSTEM WAS NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE

**Initiated By:** NASD

**Date Initiated:** 07/15/2004

**Docket/Case Number:** CMS040106

**Principal Product Type:** Debt - Corporate

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/15/2004

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure



Monetary/Fine \$4,656,425.00  
 Disgorgement/Restitution

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED, FINED \$4,656,425, REQUIRED TO PAY \$343,575 IN RESTITUTION, AND TO PROVIDE AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FOR DISTRESSED AND HIGH YIELD BONDS AS TO FAIR PRICING AND BOOKS AND RECORDS WITHIN 60 BUSINESS DAYS.

**Regulator Statement** WITH SECURITIES LAWS AND REGULATIONS BECAUSE IT LACKED SUFFICIENT SPECIFICITY AND OBJECTIVITY. THE WRITTEN PROCEDURES FAILED TO SPECIFY WHAT STEPS TRADING SUPERVISORS WERE TO TAKE IN REVIEWING FOR COMPLIANCE WITH FAIR PRICING, RECORDKEEPING, OR THE FIPS RULES.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT ON FIVE PAIRS OF TRADES EXECUTED ON GOLDMAN, SACHS & CO.'S ("GS") HIGH YIELD AND DISTRESSED BOND DESKS BETWEEN JULY 2000 AND AUGUST 2001, GS VIOLATED NASD RULES RELATING TO MARKUPS/MARKDOWNS AND RECORD-KEEPING AND THAT EACH TRANSACTION VIOLATED NASD CONDUCT RULES 2110, 2440, IM-2440, 3010, 3110 AND 6240, SECTION 17(A) OF THE EXCHANGE ACT AND RULES 17A-3 AND 17A-4.

**Initiated By:** NASD

**Date Initiated:** 07/15/2004

**Docket/Case Number:** CMS040106

**Principal Product Type:** Debt - Corporate

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:** FINE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 07/15/2004





<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$4,656,425.00 Disgorgement/Restitution
<b>Other Sanctions Ordered:</b>	UNDERTAKING
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THESE STATEMENTS OR ALLEGATIONS, THE COMPANY CONSENTED TO A CENSURE; TO AN UNDERTAKING TO REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES FOR TRADING IN DISTRESSED AND HIGH-YIELD BONDS AS TO FAIR PRICING AND BOOKS AND RECORDS; TO MAKE RESTITUTION PAYMENTS TOTALING \$343,575 IN CONNECTION WITH THE FIVE TRADES MENTIONED ABOVE; TO FINES OF \$1,656,425 FOR THE MARKUP/MARKDOWNS AND FIPS REPORTING VIOLATIONS RELATING TO THE FIVE TRADES \$1,500,000 FOR THE BOOKS AND RECORDS VIOLATIONS, AND \$1,500,000 FOR THE SUPERVISORY VIOLATIONS.
<b>Firm Statement</b>	ON JULY 15, 2004 THE NASD OFFICE OF DISCIPLINARY AFFAIRS AND NATIONAL ADJUDICATORY COUNCIL ACCEPTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") THAT WAS EXECUTED BY THE COMPANY ON JULY 13, 2004. IN THE AWC, THE NASD'S DEPARTMENT OF MARKET REGULATION (WITHOUT MAKING ANY LEGAL OR FACTUAL FINDINGS) STATED OR ALLEGED THAT THE COMPANY HAD VIOLATED NASD RULES RELATING TO MARKUP/MARKDOWNS IN CONNECTION WITH FIVE TRADES OCCURRING BETWEEN JULY 2000 AND AUGUST 2001 BY THE COMPANY'S HIGH-YIELD AND DISTRESSED BOND DESKS; THAT THE COMPANY VIOLATED RECORD-KEEPING RULES IN THAT THOSE DESKS FAILED IN SOME INSTANCES TO CREATE CERTAIN REQUIRED RECORDS AND IN SOME INSTANCES INACCURATELY RECORDED TIMES OF TRADE EXECUTION; AND THAT IN CERTAIN RESPECTS THE COMPANY'S SUPERVISORY SYSTEM FOR HIGH-YIELD AND DISTRESSED BOND TRADING WAS INADEQUATE IN ITS SCOPE AND FLAWED IN ITS EXECUTION.

#### Disclosure 201 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	GOLDMAN SACHS ALLEGEDLY VIOLATED (I) SECTION 15(C)(1) AND RULE 15C1-2 OF THE EXCHANGE ACT AS A RESULT OF CERTAIN TRADING IN U.S. TREASURY BONDS ON OCTOBER 31, 2001; AND (II) SECTION 15(F) OF THE EXCHANGE ACT BY FAILING TO MAINTAIN POLICIES AND PROCEDURES SPECIFICALLY ADDRESSED TO THE POSSIBLE MISUSE OF NON-PUBLIC INFORMATION OBTAINED FROM OUTSIDE CONSULTANTS.
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION



<b>Date Initiated:</b>	09/04/2003
<b>Docket/Case Number:</b>	FILE NO. 3-11240
<b>Principal Product Type:</b>	Debt - Government
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST, DISGORGEMENT, CIVIL PENALTY AND UNDERTAKING
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	09/04/2003
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$5,000,000.00 Disgorgement/Restitution Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN SACHS CONSENTED TO THE ENTRY OF AN ORDER THAT, AMONG OTHER THINGS, (I) CENSURED GOLDMAN SACHS; (II) DIRECTED GOLDMAN SACHS TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS OF SECTION 15(C)(1)(A) & (C) AND 15(F) AND RULE 15C1-2 OF THE EXCHANGE ACT; (III) ORDERED GOLDMAN SACHS TO PAY DISGORGEMENT AND PREJUDGMENT INTEREST IN THE AMOUNT OF \$1,742,642, AND A CIVIL MONETARY PENALTY OF \$5 MILLION; AND (IV) DIRECTED GOLDMAN SACHS TO CONDUCT A REVIEW ITS POLICIES AND PROCEDURES ADOPT, IMPLEMENT AND MAINTAIN POLICIES AND PROCEDURES CONSISTENT WITH THE ORDER AND THAT REVIEW. GOLDMAN SACHS ALSO UNDERTOOK TO PAY \$2,562,740 IN DISGORGEMENT AND INTEREST RELATING TO CERTAIN TRADING IN U.S. TREASURY BOND FUTURES.
<b>Firm Statement</b>	ON SEPTEMBER 4, 2003, THE SEC ENTERED ITS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER PURSUANT TO SECTIONS 15(B)(4) & 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AS TO GOLDMAN, SACHS & CO., AS DESCRIBED ABOVE.

## Disclosure 202 of 325

**Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF WYOMING/ SECRETARY OF STATE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF WYOMING/ SECRETARY OF STATE
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	CONSENT ORDER NO. 02-09
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/19/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE WYOMING SECURITIES ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE STATE OF WYOMING/ SECRETARY OF STATE WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF WYOMING/ SECRETARY OF STATE THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE WYOMING SECURITIES ACT UNDER WYO. STAT. §17-4-106(A)(II)(G) WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND WYO. STAT. §17-4-106 (B)(II)(A) IN WHICH BROKER-DEALERS ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES/AGENTS.



## Disclosure 203 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF WISCONSIN/ DEPARTMENT OF FINANCIAL INSTITUTIONS, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF WISCONSIN/ DEPARTMENT OF FINANCIAL INSTITUTIONS
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	FILE NO. S-03102 (EX)
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/24/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$413,277.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING CH. 551, WISCONSIN STATUTES IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER. GOLDMAN SACHS WILL COMPLY WITH THE ABOVE IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$413,277 PAYMENT TO THE STATE OF WISCONSIN/ DEPARTMENT OF FINANCIAL INSTITUTIONS WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF WISCONSIN/ DEPARTMENT OF FINANCIAL INSTITUTIONS THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE WISCONSIN UNIFORM SECURITIES LAW, CH. 551,



WISCONSIN STATUTES, UNDER SEC. 551.34(1)(G), WISCONSIN STATUTES WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND 551.34(1)(J), WIS. STATS WHICH REQUIRES BROKER-DEALERS TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 204 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF WEST VIRGINIA/ OFFICE OF THE STATE AUDITOR, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF WEST VIRGINIA/ OFFICE OF THE STATE AUDITOR
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	E03-1353
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	12/29/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE WEST VIRGINIA CODE § 32-2-204(A)(2)(G) AND (J) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER. GOLDMAN SACHS WILL COMPLY WITH THE CODE IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE STATE OF WEST VIRGINIA/ OFFICE OF THE STATE AUDITOR WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO



FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

## Firm Statement

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF WEST VIRGINIA/ OFFICE OF THE STATE AUDITOR THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE WEST VIRGINIA SECURITIES ACT WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS UNDER WEST VIRGINIA CODE § 32-2-204(A)(2)(G) AND WEST VIRGINIA CODE § 32-2-204(A)(2)(J), BROKER-DEALERS ALSO ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

## Disclosure 205 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF WASHINGTON/ DEPARTMENT OF FINANCIAL INSTITUTIONS/SECURITIES DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF WASHINGTON/ DEPARTMENT OF FINANCIAL INSTITUTIONS/SECURITIES DIVISION
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	S-03-091-03-CO01
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	08/25/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$454,149.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF WASHINGTON, REVISED CODE OF WASHINGTON, CH. 21.20, ET. SEQ. IN CONNECTION WITH THE RESEARCH PRACTICES



REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE ABOVE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.

**Sanction Details:**

THE \$454,149 PAYMENT TO THE STATE OF WASHINGTON/ DEPARTMENT OF FINANCIAL INSTITUTIONS/SECURITIES DIVISION WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

**Firm Statement**

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF WASHINGTON/ DEPARTMENT OF FINANCIAL INSTITUTIONS/SECURITIES DIVISION THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED RCW 21.29.119(1)(G) IN WHICH GOLDMAN SACHS FAILED TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING.

**Disclosure 206 of 325**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE STATE OF TENNESSEE/ DEPARTMENT OF COMMERCE AND INSURANCE/ OFFICE OF LEGAL COUNSEL, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

**Initiated By:** STATE OF TENNESSEE/ DEPARTMENT OF COMMERCE AND INSURANCE/ OFFICE OF LEGAL COUNSEL

**Date Initiated:** 04/12/2002

**Docket/Case Number:** FILE NO. 03-004

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**



<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/03/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$438,366.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING T.C.A. §§ 48-2-112 (A)(2)(G) AND (J), IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER. GOLDMAN SACHS WILL COMPLY WITH THE ABOVE ACTS IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$438,366 PAYMENT TO THE STATE OF TENNESSEE/ DEPARTMENT OF COMMERCE AND INSURANCE/ OFFICE OF LEGAL COUNSEL WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF TENNESSEE/ DEPARTMENT OF COMMERCE AND INSURANCE/ OFFICE OF LEGAL COUNSEL THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED TENNESSEE CODE ANNOTATED § 48-2-112 (A)(2)(G), FAILING TO ENSURE THAT ANALYST WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING.

#### Disclosure 207 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE SOUTH DAKOTA/ DEPARTMENT OF REVENUE AND REGULATION/ DIVISION OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	SOUTH DAKOTA/ DEPARTMENT OF REVENUE AND REGULATION/ DIVISION OF SECURITIES
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	CASE # 646
<b>Principal Product Type:</b>	Other





<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/03/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING CHAPTER 47-31A IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE ABOVE CHAPTER IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE SOUTH DAKOTA/DEPARTMENT OF REVENUE AND REGULATION/ DIVISION OF SECURITIES WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE SOUTH DAKOTA/ DEPARTMENT OF REVENUE AND REGULATION/ DIVISION OF SECURITIES THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE UNIFORM SECURITIES ACT, CHAPTER 47-31A, UNDER §47-31A-204(A)(2)(G) WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS; AND §47-31A-204(A)(2)(G) IN WHICH BROKER-DEALERS ALSO ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 208 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS/ DEPARTMENT OF BUSINESS REGULATION/ SECURITIES DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.



**Initiated By:** STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS/ DEPARTMENT OF BUSINESS REGULATION/ SECURITIES DIVISION

**Date Initiated:** 04/12/2002

**Docket/Case Number:** CASE # 361

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 09/15/2003

**Sanctions Ordered:** Monetary/Fine \$250,000.00

**Other Sanctions Ordered:** GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE RHODE ISLAND UNIFORM SECURITIES ACT OF 1990 ("RISUSA") § 7-11-101 ET SEQ. OF THE RHODE ISLAND GENERAL LAWS, 1989, AS AMENDED IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN ORDER. GOLDMAN SACHS WILL COMPLY WITH THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.

**Sanction Details:** THE \$250,000 PAYMENT TO THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS/ DEPARTMENT OF BUSINESS REGULATION/ SECURITIES DIVISION WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

**Firm Statement** WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS/ DEPARTMENT OF BUSINESS REGULATION/ SECURITIES DIVISION THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE RHODE ISLAND UNIFORM SECURITIES ACT OF 1990 ("RISUSA") § 7-11-212(B)(8) WHICH PROHIBITS THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS; AND THE RHODE ISLAND UNIFORM SECURITIES ACT OF 1990 ("RISUSA") § 7-11-212(B)(11) STATING A BROKER-DEALER IS ALSO REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.



## Disclosure 209 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE COMMONWEALTH OF PUERTO RICO/ OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	COMMONWEALTH OF PUERTO RICO/ OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	MATTER NO. C 03-V-012
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	08/29/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$293,457.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING SECTIONS 204(A)(2)(G) AND 204(A)(2)(J) OF THE ACT NO. 60 AND REGULATION 6078 IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THESE SECTIONS AND REGULATION IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$293,457 PAYMENT TO THE COMMONWEALTH OF PUERTO RICO/ OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED



INTO A CONSENT ORDER WITH THE COMMONWEALTH OF PUERTO RICO/ OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE ACT NO. 60, (SECTION 204(A)(2)(G)) AND REGULATION 6078 (SECTION 26.1) WHICH PROSCRIBE THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS; AND ACT NO. 60, (SECTION 204(A)(2)(J)) AND REGULATION 6078 (SECTIONS 25.4.4 AND 28.2) WHICH STATES BROKER-DEALERS ALSO ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 210 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE OHIO DEPARTMENT OF COMMERCE/ DIVISION OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	OHIO DEPARTMENT OF COMMERCE/ DIVISION OF SECURITIES
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	CHECK # 056674
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	10/27/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$874,773.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING CHAPTER 1707 OF THE OHIO REVISED CODE AND THE REGULATIONS PASSED THERE UNDER IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS AGREEMENT. GOLDMAN SACHS SHALL COMPLY WITH SUCH LAWS REFERENCED AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$874,773 PAYMENT TO THE OHIO DEPARTMENT OF COMMERCE/



DIVISION OF SECURITIES WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

#### Firm Statement

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE OHIO DEPARTMENT OF COMMERCE/ DIVISION OF SECURITIES THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED OHIO REVISED CODE CHAPTER 1707 AND THE RULES PROMULGATED THERE UNDER THAT GOLDMAN SACHS FAILED TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKS.

#### Disclosure 211 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** COORDINATED INVESTIGATIONS INTO GOLDMAN SACHS' ACTIVITIES IN CONNECTION WITH ITS POTENTIAL CONFLICTS OF INTEREST BY RESEARCH ANALYSTS, THE ISSUANCE OF RESEARCH THAT MIGHT HAVE LACKED OBJECTIVITY, AND POTENTIALLY IMPROPER SHARING OF RESEARCH INFORMATION WITH PUBLIC COMPANIES AND THE INVESTMENT BANKING DIVISION OF THE FIRM DURING THE PERIOD OF APPROXIMATELY 1999 THROUGH 2001 HAVE BEEN CONDUCTED BY A MULTI-STATE TASK FORCE AND A JOINT TASK FORCE OF THE U.S. SECURITIES AND EXCHANGE COMMISSION, THE NEW YORK STOCK EXCHANGE, AND THE NATIONAL ASSOCIATION OF SECURITIES DEALERS.

**Initiated By:** NORTH DAKOTA SECURITIES DEPARTMENT

**Date Initiated:** 09/18/2003

**Docket/Case Number:**

**URL for Regulatory Action:**

**Principal Product Type:** Investment Contract(s)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent



**Resolution Date:** 09/18/2003

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** Yes

**Sanctions Ordered:** Monetary/Fine \$250,000.00

**Other Sanctions Ordered:**

**Sanction Details:** GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE NORTH DAKOTA SECURITIES ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER

**Regulator Statement** GOLDMAN SACHS FAILED REASONABLY TO SUPERVISE ITS EMPLOYEES TO ENSURE THAT ITS ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING. THE PRACTICES SET FORTH ABOVE INVOLVED MANY INVESTORS.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE NORTH DAKOTA SECURITIES DEPARTMENT, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

**Initiated By:** NORTH DAKOTA SECURITIES DEPARTMENT

**Date Initiated:** 04/12/2002

**Docket/Case Number:** CRD #361

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 10/07/2003



<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE NORTH DAKOTA SECURITIES ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCES IN THIS ORDER. GOLDMAN SACHS WILL COMPLY WITH THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE NORTH DAKOTA SECURITIES DEPARTMENT WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE NORTH DAKOTA SECURITIES DEPARTMENT THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE SECURITIES ACT UNDER SECTION 10-04-11(1)(C) N.D.C.C. WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS; SECTION 10-04-11(1)(M) N.D.C.C. WHICH STATES BROKER-DEALERS ALSO ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 212 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF NORTH CAROLINA/ DEPARTMENT OF THE SECRETARY OF STATE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF NORTH CAROLINA/ DEPARTMENT OF THE SECRETARY OF STATE
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	03-009-IG
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist


**Other Sanction(s)/Relief Sought:**

<b>Resolution:</b>	Other
<b>Resolution Date:</b>	11/25/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$620,209.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING N.C.G.S. §78A-39(A)(2)(G) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER. GOLDMAN SACHS WILL COMPLY WITH THE NORTH CAROLINA SECURITIES ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$620,209 PAYMENT TO THE STATE OF NORTH CAROLINA/ DEPARTMENT OF THE SECRETARY OF STATE WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF NORTH CAROLINA/ DEPARTMENT OF THE SECRETARY OF STATE THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE NORTH CAROLINA SECURITIES ACT UNDER N.C.G.S. §78A-39(A)(2)(G) WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS.

**Disclosure 213 of 325**

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF NEW YORK/ OFFICE OF THE ATTORNEY GENERAL, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF NEW YORK/ OFFICE OF THE ATTORNEY GENERAL
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	FEDERAL REFERENCE # 3243
<b>Principal Product Type:</b>	Other





<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	08/21/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,462,158.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE MARTIN ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ASSURANCE OF DISCONTINUANCE AND WILL COMPLY WITH THE MARTIN ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ASSURANCE.
<b>Sanction Details:</b>	THE \$1,462,158 PAYMENT TO THE STATE OF NEW YORK/ OFFICE OF THE ATTORNEY GENERAL WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER (ASSURANCE OF DISCONTINUANCE) WITH THE STATE OF NEW YORK OFFICE OF THE ATTORNEY GENERAL RELATING TO THE VIOLATION OF THE MARTIN ACT IN CONNECTION WITH THE COMPANY'S RESEARCH PRACTICES AND SHALL COMPLY, INTER ALIA, WITH THE PROVISIONS OF EXHIBIT 1 AND EXHIBIT 2, AS ATTACHED WITH THE CONSENT ORDER.

#### Disclosure 214 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE NEW MEXICO REGULATION & LICENSING DEPARTMENT/ SECURITIES DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	NEW MEXICO REGULATION & LICENSING DEPARTMENT/ SECURITIES DIVISION



<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	03-03-031-048 (CO)
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	12/05/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING SECTION 58-13B-16.A(2)(H) OF THE ACT IN CONNECTION WITH THE RESEARCH PRACTICED REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE ABOVE AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE NEW MEXICO REGULATION & LICENSING DEPARTMENT/ SECURITIES DIVISION WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE NEW MEXICO REGULATION & LICENSING DEPARTMENT/ SECURITIES DIVISION THAT FOUND GOLDMAN SACHS TO HAVE FAILED TO ENSURE AND FAILED REASONABLY TO SUPERVISE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING UNDER SECTION 58-13B-16.A(2)(H).

#### Disclosure 215 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF NEW JERSEY/ DEPARTMENT OF LAW AND PUBLIC SAFETY/ DIVISION OF CONSUMER AFFAIRS/ BUREAU OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE,



# JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

<b>Initiated By:</b>	STATE OF NEW JERSEY/ DEPARTMENT OF LAW AND PUBLIC SAFETY/ DIVISION OF CONSUMER AFFAIRS/ BUREAU OF SECURITIES
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	N/A
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	10/02/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$648,335.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE UNIFORM SECURITIES LAW (1997), N.J.S.A. 49:3-47 ET SEQ.. GOLDMAN SACHS WILL COMPLY WITH THE LAW AS ABOVE AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$648,335 PAYMENT TO THE OFFICE OF THE STATE OF NEW JERSEY/ DEPARTMENT OF LAW AND PUBLIC SAFETY/ DIVISION OF CONSUMER AFFAIRS/ BUREAU OF SECURITIES WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF NEW JERSEY/ DEPARTMENT OF LAW AND PUBLIC SAFETY/ DIVISION OF CONSUMER AFFAIRS/ BUREAU OF SECURITIES REGULATION THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED N.J.S.A. 49:3-58(A)(2)(VII) TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING AND N.J.S.A. 49:3-58(A)(2)(XI) THAT GOLDMAN SACHS FAILED REASONABLY TO SUPERVISE ITS EMPLOYEES TO ENSURE THAT ITS ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND



## INVESTMENT BANKING.

## Disclosure 216 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF NEW HAMPSHIRE/DEPARTMENT OF STATE/BUREAU OF SECURITIES REGULATION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	THE STATE OF NEW HAMPSHIRE/ DEPARTMENT OF STATE/ BUREAU OF SECURITIES REGULATION
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	CRD #361
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	11/25/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING N.H. REV. STAT. §§ 421-B:10(I)(B)(7) AND 421-B:10(I)(B)(10) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER. GOLDMAN SACHS WILL COMPLY WITH ABOVE STATS AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE STATE OF NEW HAMPSHIRE/DEPARTMENT OF STATE/BUREAU OF SECURITIES REGULATION WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED



INTO A CONSENT ORDER WITH THE STATE OF NEW HAMPSHIRE/ DEPARTMENT OF STATE/ BUREAU OF SECURITIES REGULATION THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE NEW HAMPSHIRE SECURITIES ACT UNDER N.H. REV. STAT. §§ 421-B:10(I)(B)(7) WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND 421-B:10(I)(B)(10) WHICH STATES BROKER-DEALERS ALSO ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF THEIR EMPLOYEES AND AGENTS.

#### Disclosure 217 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING STATE OF NEVADA/ OFFICE OF THE SECRETARY OF STATE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF NEVADA/ OFFICE OF THE SECRETARY OF STATE
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	FILE NO. 103-183
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/03/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING NRS 90.420(1)(H) AND NRS 90.420(1)(K) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER. GOLDMAN SACHS WILL COMPLY WITH THE NRS CHAPTER 90 IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE OFFICE OF STATE OF NEVADA/ OFFICE OF



THE SECRETARY OF STATE WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

#### Firm Statement

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF NEVADA/ OFFICE OF THE SECRETARY OF STATE THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED NRS 90.420(1)(H) WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND NRS 90.420(1)(K) WHICH STATES THAT BROKER-DEALERS ALSO ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF THEIR EMPLOYEES AND AGENTS.

#### Disclosure 218 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF NEBRASKA/ DEPARTMENT OF BANKING & FINANCE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF NEBRASKA/ DEPARTMENT OF BANKING & FINANCE
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	RECEIPT # 75114
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	11/25/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER. GOLDMAN SACHS WILL COMPLY WITH THE ACT IN CONNECTION



WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.

**Sanction Details:**

THE \$250,000 PAYMENT TO THE OFFICE OF THE STATE OF NEBRASKA/ DEPARTMENT OF BANKING & FINANCE WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

**Firm Statement**

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF NEBRASKA/ DEPARTMENT OF BANKING & FINANCE THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE NEB. REV. STAT. § 8-1103(9)(A)(VII) THAT GOLDMAN SACHS FAILED TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING.

**Disclosure 219 of 325**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE OFFICE OF THE MONTANA STATE AUDITOR, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

**Initiated By:** MONTANA STATE AUDITOR

**Date Initiated:** 04/12/2002

**Docket/Case Number:** I 05-01-03-112

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 05/09/2003

**Sanctions Ordered:** Monetary/Fine \$250,000.00



<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF MONTANA IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE ACT IN REFERENCED CONNECTION AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE OFFICE OF THE MONTANA STATE AUDITOR WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE MONTANA STATE AUDITOR THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE SEC. ACT OF MONTANA § 30-10-101 ET SEQ., MCA, AND § 30-10-201(13)(G), MCA, WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS; AND §30-10-201(13)(K), MCA WHICH STATES BROKER-DEALERS ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 220 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE OFFICE OF THE MISSISSIPPI SECRETARY OF STATE/ BUSINESS REGULATION AND ENFORCEMENT DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	OFFICE OF THE MISSISSIPPI SECRETARY OF STATE/ BUSINESS REGULATION AND ENFORCEMENT DIVISION
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	02-11-06-S
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist




**Other Sanction(s)/Relief Sought:**

<b>Resolution:</b>	Other
<b>Resolution Date:</b>	08/29/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE MISSISSIPPI SECURITIES ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE OFFICE OF THE MISSISSIPPI SECRETARY OF STATE/ BUSINESS REGULATION AND ENFORCEMENT DIVISION WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE MISSISSIPPI SECURITIES ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.

**Disclosure 221 of 325**

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE MISSOURI OFFICE OF SECRETARY OF STATE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	MISSOURI OFFICE OF SECRETARY OF STATE
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	AO-03-15
<b>Principal Product Type:</b>	Other



<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	11/25/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$431,117.00
<b>Other Sanctions Ordered:</b>	IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, GOLDMAN SACHS WILL CEASE AND DESIST FROM ENGAGING IN THE PRACTICES PROSCRIBED BY §§409.204(A)(2)(G) AND (J) RSMO, AND WILL COMPLY WITH THE MISSOURI SECURITIES ACT, CHAPTER 409, RSMO AND THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$431,117 PAYMENT TO THE MISSOURI OFFICE OF SECRETARY OF STATE WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE MISSOURI OFFICE OF SEC. OF STATE THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED §409.204(A)(2)(G) RSMO BY THE COMMISSIONER OF SECURITIES BY FAILING TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING.

#### Disclosure 222 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE MINNESOTA DEPARTMENT OF COMMERCE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	MINNESOTA DEPARTMENT OF COMMERCE
<b>Date Initiated:</b>	04/12/2002



<b>Docket/Case Number:</b>	SE2304866
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/04/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$379,051.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING MINN. STAT. CH. 80A (2002) AND MINN. R. CH. 2875 (2001) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE ABOVE IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE ABOVE AND WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$379,051 PAYMENT TO THE MINNESOTA DEPARTMENT OF COMMERCE WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE MINN. DEPARTMENT OF COMMERCE THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED MINN. STAT. §80A.07, SUBD. 1(7) (2002), WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND MINN. STAT. §80A.07, SUBD. 1(10) (2002) AND MINN. R. CH. 2875.0910(3) (2001) WHICH STATE BROKER DEALERS ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 223 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE SEC FILED A COMPLAINT AGAINST THE FIRM. THIS ACTION AROSE AS A RESULT OF THAT ACTION. RESEARCH ANALYSTS WERE SUBJECT TO



INAPPROPRIATE INFLUENCE BY INVESTMENT BANKING. THE FIRM PUBLISHED EXAGGERATED OR UNWARRANTED RESEARCH AND FAILED TO MAINTAIN APPROPRIATE SUPERVISION OVER ITS RESEARCH AND INVESTMENT BANKING OPERATIONS. RESEARCH ANALYSTS WERE COMPENSATED BASED IN PART UPON THEIR PARTICIPATION IN THE FIRM'S INVESTMENT BANKING RELATED ACTIVITIES. THE FIRM FAILED TO ESTABLISH AND MAINTAIN ADEQUATE POLICIES, SYSTEMS, AND PROCEDURES REASONABLY DESIGNED TO ENSURE THE OBJECTIVITY OF ITS PUBLISHED RESEARCH. NASD AND NYSE CONDUCT RULES WERE VIOLATED.

**Initiated By:** MICHIGAN

**Date Initiated:** 09/03/2003

**Docket/Case Number:** 03-039-M

**URL for Regulatory Action:**

**Principal Product Type:** Other

**Other Product Type(s):** RESEARCH

**Principal Sanction(s)/Relief Sought:** Injunction

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order

**Resolution Date:** 09/05/2003

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** Yes

**Sanctions Ordered:** Cease and Desist/Injunction

**Other Sanctions Ordered:** THE FIRM MUST COMPLY WITH THE JUDGMENT/SETTLEMENT REACHED IN THE CASE BROUGHT BY THE SEC.

**Sanction Details:** THE FIRM MUST COMPLY WITH NASD AND NYSE RULES OF ETHICAL CONDUCT.

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**Reporting Source:** Firm

**Current Status:** Final



<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF MICHIGAN, OFFICE OF FINANCIAL AND INSURANCE SERVICES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF MICHIGAN, OFFICE OF FINANCIAL AND INSURANCE SERVICES
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	03-039-M
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/05/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$765,768.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING MCL 451.604 (A)(1)(G) AND 451.604(A)(2) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, WILL COMPLY WITH MCL 451.604(A)(1)(G) AND 451.604(A)(2) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$765,768 PAYMENT TO THE STATE OF MICHIGAN, OFFICE OF FINANCIAL AND INSURANCE SERVICES WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS HAS ENTERED INTO A CONSENT ORDER WITH THE STATE OF MICHIGAN, OFFICE OF FINANCIAL AND INSURANCE SERVICES THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED MCL 451.604(A)(1)(G) THAT PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND MCL 451.604(A)(2) THAT STATES BROKER-DEALERS ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.



## Disclosure 224 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE COMMONWEALTH OF MASSACHUSETTS, SECURITIES DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	THE COMMONWEALTH OF MASSACHUSETTS, SECURITIES DIVISION
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	E-2003-41
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/22/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$489,205.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING M.G.L. C. 110A, §§ 204 (A)(2)(G) AND 204(A)(2)(J) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH M.G.L. C. 110A, §§ 204(A)(2)(G) AND 204(A)(2)(J) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$489,205 PAYMENT TO THE COMMONWEALTH OF MASSACHUSETTS, SECURITIES DIVISION WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS HAS ENTERED INTO A CONSENT ORDER WITH THE COMMON-WEALTH OF MASSACHUSETTS, SECURITIES DIVISION THAT FOUND GOLDMAN SACHS



TO HAVE VIOLATED M.G.L. C. 110A, §204(A)(2)(G) THAT PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND M.G.L. C. 110A, §204(A)(2)(J) THAT STATES BROKER-DEALERS ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 225 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE MARYLAND SECURITIES DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	MARYLAND SECURITIES DIVISION
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	2002-0893
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	11/21/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$408,100.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE MARYLAND SECURITIES ACT AS NOTED ABOVE, IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, AND WILL COMPLY WITH THE MARYLAND SECURITIES ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$408,100 PAYMENT TO MARYLAND SECURITIES DIVISION WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-



PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

## Firm Statement

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE MARYLAND SECURITIES DIVISION THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED MARYLAND SECURITIES ACT, SECTION 11-412(A)(7) THAT SUBJECT BROKER-DEALERS TO SANCTION FOR ENGAGING IN DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND MARYLAND SECURITIES ACT 11-412(A)(10) THAT STATES BROKER-DEALERS ARE ALSO SUBJECT TO SANCTION FOR FAILURE TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

## Disclosure 226 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE COMMONWEALTH OF KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	COMMONWEALTH OF KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	CRD #361
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	08/25/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$311,423.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING SECTIONS KRS 292.330(13)(A)7 AND KRS 292.330(13)(A)9A OF THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THE ORDER. GOLDMAN SACHS WILL COMPLY WITH THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL





COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.

**Sanction Details:**

THE \$311,423 PAYMENT TO THE COMMONWEALTH OF KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

**Firm Statement**

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE COMMONWEALTH OF KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED KRS 292.330(13)(A)7 THAT PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND KRS 292.330(13)(A)9A THAT REQUIRES BROKER-DEALERS TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

**Disclosure 227 of 325**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE STATE OF INDIANA SECURITIES DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

**Initiated By:** STATE OF INDIANA SECURITIES DIVISION

**Date Initiated:** 04/12/2002

**Docket/Case Number:** 03-0064 CO

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 09/10/2003

**Sanctions Ordered:** Monetary/Fine \$468,508.00



<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER; WILL COMPLY WITH THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER; AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, WHICH IS ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$468,508 PAYMENT TO THE STATE OF INDIANA SECURITIES DIVISION, WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF INDIANA SECURITIES DIVISION, THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED IND. CODE § 23-2-1-11(A)(6); 710 IND. ADMIN. CODE 1-17-1(W) THAT PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND IND. CODE § 23-2-1-11(A)(14); 710 IND. ADMIN. CODE 1-17-1(V) THAT REQUIRES BROKER-DEALERS TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 228 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	0300910
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	



<b>Resolution:</b>	Other
<b>Resolution Date:</b>	12/04/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$956,921.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING SECTIONS 8.E(1)(B) AND 8.E(1)(E)(IV) OF THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, AND WILL COMPLY WITH SECTIONS 8.E(1)(B) AND 8.E(1)(E)(IV) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$956,921 PAYMENT TO THE STATE OF ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT, WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF ILLINOIS SECURITIES DEPARTMENT THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED SECTION 8.E(1)(B) THAT PROSCRIBES THE USE OF UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND SECTION 8.E(1)(E)(IV) THAT REQUIRES DEALERS TO SUPERVISE ADEQUATELY THE CONDUCT OF THEIR EMPLOYEES.

#### Disclosure 229 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF IDAHO DEPARTMENT OF FINANCE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF IDAHO DEPARTMENT OF FINANCE
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	2003-7-21
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH



<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	08/25/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING IDAHO CODE §30-1413(7) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, WILL COMPLY WITH IDAHO CODE §30-1413(7) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED BY REFERENCE HEREIN.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE STATE OF IDAHO DEPARTMENT OF FINANCE WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF IDAHO DEPARTMENT OF FINANCE THAT HAS FOUND GOLDMAN SACHS TO HAVE VIOLATED IDAHO CODE 30-1413(7) THAT PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND IDAPA 12.01.08.119(01) THAT REQUIRES BROKER-DEALERS TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 230 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, SECURITIES ENFORCEMENT ATTORNEY, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, SECURITIES ENFORCEMENT ATTORNEY
<b>Date Initiated:</b>	04/12/2002



<b>Docket/Case Number:</b>	SEU2002-045
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/04/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING H.R.S. §§485-15(7) AND 485-15(10) OF THE UNIFORM SECURITIES ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNIFORM SECURITIES ACT, H.R.S. CH. 485 IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE STATE OF HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, SECURITIES ENFORCEMENT ATTORNEY WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE HAWAII DEPARTMENT OF COMMERCE AND AFFAIRS THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED H.R.S. §485-15(7) THAT PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND H.R.S. §485-15(10) THAT STATES BROKER-DEALERS ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 231 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE GOVERNMENT OF THE DISTRICT OF COLUMBIA, DEPARTMENT OF INSURANCE AND SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS



OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

<b>Initiated By:</b>	GOVERNMENT OF THE DISTRICT OF COLUMBIA, DEPARTMENT OF INSURANCE AND SECURITIES
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	SEC. CO 03-03
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	11/19/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE D.C. OFFICIAL CODE §§ 31-5602.07(A)(9),(12) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, WILL COMPLY WITH THE D.C. OFFICIAL CODE §§ 31-5602.07(A)(9),(12) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE STATE GOVERNMENT OF THE DISTRICT OF COLUMBIA, DEPARTMENT OF INSURANCE AND SECURITIES WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE GOVERNMENT OF THE DISTRICT OF COLUMBIA, DEPARTMENT OF INSURANCE AND SECURITIES REGULATION THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED D.C. OFFICIAL CODE §31-5602.07(A)(9) BY FAILING TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING. GOLDMAN SACHS ALSO VIOLATED D.C. OFFICIAL CODE §31-5602.07(A)(12) BY FAILING TO REASONABLY SUPERVISE ITS EMPLOYEES TO ENSURE THAT ITS ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY



INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING.

#### Disclosure 232 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF DELAWARE DEPUTY ATTORNEY GENERAL, DEPARTMENT OF JUSTICE, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF DELAWARE DEPUTY ATTORNEY GENERAL, DEPARTMENT OF JUSTICE
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	C.A. NO. 03-6-5
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/11/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE DELAWARE SECURITIES ACT (6 DEL. C. CHAP.73) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, WILL COMPLY WITH THE DELAWARE SECURITIES ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO STATE OF DELAWARE DEPARTMENT OF JUSTICE WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

**Firm Statement**

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF DELAWARE DEPARTMENT OF JUSTICE THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED 6 DEL.C. §7316 (A)(7) THAT PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND 6 DEL. C. §7316(A)(10) THAT STATES BROKER-DEALERS ARE REQUIRED TO SUPERVISE REASONABLY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

**Disclosure 233 of 325**

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF CONNECTICUT DEPARTMENT OF BANKING, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF CONNECTICUT DEPARTMENT OF BANKING
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	CO-2003-6797-S
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	08/27/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$262,402.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS CONSENT ORDER, WILL COMPLY WITH THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS CONSENT ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A.
<b>Sanction Details:</b>	THE \$262,402 PAYMENT TO STATE OF CONNECTICUT DEPARTMENT OF BANKING WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND





INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

#### Firm Statement

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF CONNECTICUT, DEPARTMENT OF BANKING, THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED SECTION 36B-4(B) OF THE ACT THAT PROSCRIBES ENGAGING IN DISHONEST OR UNETHICAL PRACTICES IN CONNECTION WITH THE OFFER, SALE OR PURCHASE OF A SECURITY AND SECTION 36B-31-6F(B) OF THE REGULATIONS STATING BROKER-DEALERS ARE REQUIRED TO ESTABLISH, ENFORCE, AND MAINTAIN A SYSTEM FOR SUPERVISING THEIR EMPLOYEES AND AGENTS THAT IS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS AND REGULATIONS.

#### Disclosure 234 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE STATE OF COLORADO DEPARTMENT OF REGULATORY AGENCIES, DIVISION OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

**Initiated By:** STATE OF COLORADO DEPARTMENT OF REGULATORY AGENCIES, DIVISION OF SECURITIES

**Date Initiated:** 04/12/2002

**Docket/Case Number:** 04-L-12

**Principal Product Type:** Other

**Other Product Type(s):** EQUITIES RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 10/06/2003

**Sanctions Ordered:** Monetary/Fine \$331,417.00

**Other Sanctions Ordered:** GOLDMAN SACHS IS PROHIBITED FROM FUTURE VIOLATIONS OF THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THE



CONSENT ORDER AND WILL COMPLY WITH THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS CONSENT ORDER. ADDITIONALLY, GOLDMAN SACHS WILL COMPLY WITH THE CONDITIONS AND LIMITATIONS CONTAINED IN ADDENDUM A ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.

**Sanction Details:**

THE \$331,417 PAYMENT TO THE STATE OF COLORADO DEPARTMENT OF REGULATORY AGENCIES, DIVISION OF SECURITIES WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

**Firm Statement**

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF COLORADO DEPARTMENT OF REGULATORY AGENCIES, DIVISION OF SECURITIES THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED §11-51-410(1)(G), C.R.S., AND RULE 51-4.7 THAT PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND §11-51-410 (1)(I), C.R.S. THAT STATES BROKER-DEALERS ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND SALES REPRESENTATIVES.

**Disclosure 235 of 325**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY, DEPARTMENT OF CORPORATIONS CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

**Initiated By:** STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY, DEPARTMENT OF CORPORATIONS

**Date Initiated:** 04/12/2002

**Docket/Case Number:** 081832609851

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist



## Other Sanction(s)/Relief Sought:

<b>Resolution:</b>	Other
<b>Resolution Date:</b>	12/15/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$2,609,851.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND REFRAIN FROM VIOLATING THE CORPORATE SECURITIES LAW OF 1968 AS NOTED ABOVE IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH CALIFORNIA CORPORATIONS CODE SECTION 25000 ET SEQ. IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$2,609,851 PAYMENT TO THE STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY, DEPARTMENT OF CORPORATIONS WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF CALIFORNIA BUSINESS, TRANSPORTATION AND HOUSING AGENCY, DEPARTMENT OF CORPORATIONS, THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED CORPORATIONS CODE SECTION 25218 AND TITLE 10 CALIFORNIA CODE OF REGULATIONS SECTION 260.218 AND 260.218.4(A) BY: FAILING TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING AND FAILING TO REASONABLY SUPERVISE ITS EMPLOYEES TO ENSURE THAT ITS ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCED FROM COVERED COMPANIES AND INVESTMENT BANKING.

## Disclosure 236 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING ARKANSAS SECURITIES DEPARTMENT, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS



AND INVESTMENT BANKING.

**Initiated By:** ARKANSAS SECURITIES DEPARTMENT

**Date Initiated:** 04/12/2002

**Docket/Case Number:** S-03-016-03-C003

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 09/22/2003

**Sanctions Ordered:** Monetary/Fine \$250,000.00

**Other Sanctions Ordered:** GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE ARK. CODE ANN. §§ 23-42-308(A)(2)(G) AND 23-42-308(A)(2)(J) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH §§ 23-42-308(A)(2)(G) AND 23-42-308(A)(2)(J) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.

**Sanction Details:** THE \$250,000 PAYMENT TO THE ARKANSAS SECURITIES DEPARTMENT WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

**Firm Statement** WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE ARKANSAS SECURITIES DEPARTMENT THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED ARK. CODE ANN. §§ 23-42-308 (A)(2)(G) WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND ARK. CODE ANN. §§ 23-42-308 (A)(2)(J) WHICH STATES BROKER-DEALERS ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

## Disclosure 237 of 325

**Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF ARIZONA CONSUMER PROTECTION & ADVOCACY, SECURITIES DIVISION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF ARIZONA CONSUMER PROTECTION & ADVOCACY, SECURITIES DIVISION
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	S-03533A-03-0000
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/29/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$395,321.00
<b>Other Sanctions Ordered:</b>	PURSUANT TO A.R.S. §44-1961 (B)(2) AND (3), GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING A.R.S. §44-1961 (A)(13) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED ON THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$395,321 PAYMENT TO THE STATE OF ARIZONA CONSUMER PROTECTION & ADVOCACY SECURITIES DIVISION WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF ARIZONA CONSUMER PROTECTION & ADVOCACY SECURITIES DIVISION THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED A.R.S. §44-1961 (A)(13) IN FAILING TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURE AND INFLUENCES FROM COVERED COMPANIES AND



INVESTMENT BANKING. ADDITIONALLY, GOLDMAN SACHS FAILED TO SUPERVISE ITS EMPLOYEES TO ENSURE ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURED AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING.

#### Disclosure 238 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE ALASKA DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT, DIVISION OF BANKING, SECURITIES, AND CORPORATIONS, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	ALASKA DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT, DIVISION OF BANKING, SECURITIES AND CORPORATIONS
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	04-02 S
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	05/23/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE ALASKA DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT, DIVISION OF BANKING, SECURITIES, AND CORPORATIONS WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED:



\$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

### Firm Statement

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE ALASKA DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT, DIVISION OF BANKING, SECURITIES, AND CORPORATIONS THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED ALASKA CODE AS 45.55.060 (A)(7) WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND AS 45.55.060 (B)(1) WHICH STATES BROKER-DEALERS ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

### Disclosure 239 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** VIOLATION OF THE VERMONT SECURITIES ACT IN THAT: (A) FIRM FAILED TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING WHICH CONDUCT IS A DISHONEST AND UNETHICAL PRACTICE UNDER SECTION 4221A(A)(8) OF THE ACT; AND (B) FIRM FAILED TO REASONABLY SUPERVISE ITS EMPLOYEES TO ENSURE THAT ITS ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING AS REQUIRED BY SECTION 4221A(A)(11) OF THE ACT.

**Initiated By:** VERMONT

**Date Initiated:** 07/01/2002

**Docket/Case Number:** 03-061-S

**URL for Regulatory Action:**

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order



<b>Resolution Date:</b>	09/10/2003
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	Yes
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GLOBAL SETTLEMENT RESULTING FROM INVESTIGATION BY ANALYST TASK FORCE. FIRM ADMITS THE JURISDICTION OF THE COMMISSIONER, NEITHER ADMITS NOR DENIES THE FINDINGS OF FACT AND CONCLUSIONS OF LAW CONTAINED IN THE ORDER, AND CONSENTS TO THE ENTRY OF THIS ORDER BY THE COMMISSIONER.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	03-061-S
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/10/2003





<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION THAT FOUND GOLDMAN SACHS TO HAVE FAILED TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING UNDER §4221A(A)(8) OF THE SECURITIES ACT.

#### Disclosure 240 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Appealed To and Date Appeal Filed:</b>	N/A
<b>Allegations:</b>	FAILURE TO ADEQUATELY SUPERVISE SALES AND BANKING STAFF, TO INSULATE ANALYSTS FROM PRESSURES AND INFLUENCE FROM COVERED COMPANIES AND INVESTMENT BANKING STAFF.
<b>Initiated By:</b>	IOWA
<b>Date Initiated:</b>	04/15/2002
<b>Docket/Case Number:</b>	C04-12-429
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Other Product Type(s):</b>	N/A
<b>Principal Sanction(s)/Relief Sought:</b>	Other



<b>Other Sanction(s)/Relief Sought:</b>	N/A
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	01/30/2004
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	RESPONDENT CONSENTED TO THE FINE AND CEASE AND DESIST ORDER WITHOUT ADMITTING OR DENYING ANY OF THE FINDINGS OF FACT OR CONCLUSIONS OF LAW.
<b>Sanction Details:</b>	ONE OF SEVERAL SETTLEMENTS WITH ANALYST TASK FORCE. SEVERAL UNDERTAKINGS ALSO.
<b>Regulator Statement</b>	N/A.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF IOWA SECURITIES BUREAU, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF IOWA SECURITIES BUREAU
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	C04-12-429
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	



<b>Resolution:</b>	Other
<b>Resolution Date:</b>	01/30/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE SECTION 502.304(1)(G) AND (J), CODE OF IOWA (2003) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE SECTION 502.304(1)(G) AND (J), CODE OF IOWA (2003) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE STATE OF IOWA SECURITIES BUREAU WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE IOWA SECURITIES BUREAU THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED SECTION 502.304(1)(G), CODE OF IOWA (2003) THAT PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND SECTION 502.304(1)(J), CODE OF IOWA (2003) THAT REQUIRES BROKER-DEALERS TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 241 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	THIS ACTION IS IN CONNECTION WITH THE GLOBAL ANALYST SETTLEMENT WHICH INCORPORATED THE FINAL JUDGMENT OF THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, CIVIL ACTION NO.3 CIV.2944(WHP) ENTERED ON OCTOBER 31, 2003.
<b>Initiated By:</b>	PA SECURITIES COMMISSION CONTACT: G. PHILIP RUTLEDGE (717) 787-8059
<b>Date Initiated:</b>	11/25/2003
<b>Docket/Case Number:</b>	2003-04-46
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	Other



**Other Product Type(s):** SECURITIES

**Principal Sanction(s)/Relief Sought:** Other

**Other Sanction(s)/Relief Sought:** RESPONDENT GOLDMAN, SACHS & CO., PAID A \$946,269.00 ADMINISTRATIVE ASSESSMENT.

**Resolution:** Settled

**Resolution Date:** 11/25/2003

**Sanctions Ordered:** Monetary/Fine \$946,269.00

**Other Sanctions Ordered:**

**Sanction Details:** RESPONDENT GOLDMAN, SACHS & CO. PAID A \$946,269.00 ADMINISTRATIVE ASSESSMENT.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE COMMONWEALTH OF PENNSYLVANIA/ PENNSYLVANIA SECURITIES COMMISSION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

**Initiated By:** COMMONWEALTH OF PENNSYLVANIA/ PENNSYLVANIA SECURITIES COMMISSION

**Date Initiated:** 04/12/2002

**Docket/Case Number:** 2003-04-46

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 11/25/2003

**Sanctions Ordered:** Monetary/Fine \$946,269.00

**Other Sanctions Ordered:** GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE 1972



ACT AND WILL COMPLY IN THE FUTURE WITH THE 1972 ACT IN CONNECTION WITH RESEARCH PRACTICES REFERENCED IN THE SEC COMPLAINT. GOLDMAN SACHS WILL ALSO COMPLY WITH STRUCTURAL REFORMS DESCRIBED IN ADDENDUM A.

**Sanction Details:**

THE \$946,269 PAYMENT TO THE COMMONWEALTH OF PENNSYLVANIA/ PENNSYLVANIA SECURITIES COMMISSION WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

**Firm Statement**

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE PENNSYLVANIA SECURITIES COMMISSION THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED PROCEEDINGS UNDER SECTION 305(A)(X) OF THE 1972 ACT, 70 P.S. § 1-305 (A)(IX) WHICH PROHIBITS THE USE OF DISHONEST OR UNETHICAL PRACTICES; AND THAT THERE WOULD BE A BASIS FOR THE COMMISSION TO SUSPEND, REVOKE OR CONDITION THE BROKER-DEALER REGISTRATION OF GOLDMAN SACHS IN THE COMMONWEALTH OF PENNSYLVANIA.

**Disclosure 242 of 325**

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	COMMISSION RULES 21 VAC 5-20-260 B AND 21 VAC 5-20-280 E 12 WERE VIOLATED. CONTACT THE UNDERSIGNED FOR FURTHER INFORMATION ABOUT THE CONCLUSIONS OF LAW.
<b>Initiated By:</b>	VIRGINIA - DIVISION OF SECURITIES
<b>Date Initiated:</b>	10/30/2003
<b>Docket/Case Number:</b>	SEC-2003-00016
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	CONTACT UNDERSIGNED FOR INFORMATION
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CONTACT UNDERSIGNED FOR INFORMATION
<b>Resolution:</b>	Settled



**Resolution Date:** 10/30/2003

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Monetary/Fine \$545,408.00

**Other Sanctions Ordered:** CONTACT UNDERSIGNED FOR INFORMATION

**Sanction Details:** CONTACT UNDERSIGNED FOR INFORMATION

**Regulator Statement** \$545,408.00 WAS RECEIVED AS PART OF THE SETTLEMENT AGREEMENT GOLDMAN, SACHS ENTERED INTO WITH ALL FIFTY STATES, THE DISTRICT OF COLUMBIA AND THE COMMONWEALTH OF PUERTO RICO, THROUGH A COMMITTEE OF THE NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION ("NASAA"). JURISDICTION REPORTING INCIDENT: VIRGINIA, STATE CORPORATION COMMISSION, DIVISION OF SECURITIES & RETAIL FRANCHISING. CONTACT KEVIN M. FURR AT 804-371-9081.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE COMMONWEALTH OF VIRGINIA/ STATE CORPORATION COMMISSION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY

**Initiated By:** COMMONWEALTH OF VIRGINIA/ STATE CORPORATION COMMISSION

**Date Initiated:** 04/12/2002

**Docket/Case Number:** SEC-2003-0016

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 10/20/2003



<b>Sanctions Ordered:</b>	Monetary/Fine \$545,408.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING SECURITIES RULES 21 VAC 5-20-280 E 12 AND 21 VAC 5-20-260 PURSUANT TO § 12.1-15. GOLDMAN SACHS WILL COMPLY WITH THE ACT AND THE REGULATIONS IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$545,408 PAYMENT TO THE COMMONWEALTH OF VIRGINIA/ STATE CORPORATION COMMISSION WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE COMMONWEALTH OF VIRGINIA/ STATE CORPORATION COMMISSION THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE ACT WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS UNDER SECURITIES VAC 5-20-280 E 12 AND 21 VAC 5-20-260 WHICH REQUIRES BROKER-DEALERS TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS. NASD CONDUCT RULE 2110 REQUIRES BROKER-DEALERS TO OBSERVE HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE.

#### Disclosure 243 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE RESPONDENT SETTLED ALLEGATIONS THAT UNDUE INFLUENCE BY INVESTMENT BANKING DIVISION ON SECURITIES RESEARCH AT FIRM RESULTED IN TAINTED RESEARCH.
<b>Initiated By:</b>	GEORGIA SECRETARY OF STATE-SECURITIES DIVISION.
<b>Date Initiated:</b>	09/08/2003
<b>Docket/Case Number:</b>	EN-19516
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	SEE #7
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist



**Other Sanction(s)/Relief Sought:** THE RESPONDENT SHALL PAY \$500,000.00 IN CIVIL PENALTIES TO GA, \$50,000.00 AS INVESTIGATIVE COSTS TO GA, AND \$80,775.00 TO THE INVESTOR PROTECTION TRUST FOR THE PROMOTION OF INVESTOR PROTECTION AND EDUCATION FOR THE BENEFIT OF GA INVESTORS AND CITIZENS.

**Resolution:** Consent

**Resolution Date:** 09/25/2003

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** Yes

**Sanctions Ordered:** Monetary/Fine \$630,775.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:** SEE #2

**Sanction Details:** FIRM AGREED TO PAY MONETARY PENALTIES, DISGORGEMENT, AND FUND INDEPENDENT RESEARCH AND INVESTOR EDUCATION. FIRM ALSO AGREED TO REFORM PRACTICES TO MINIMIZE POSSIBILITY OF FUTURE CONFLICTS OF INTEREST.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE STATE OF GEORGIA SECRETARY OF STATE COMMISSIONER OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

**Initiated By:** STATE OF GEORGIA SECRETARY OF STATE COMMISSIONER OF SECURITIES

**Date Initiated:** 04/12/2002

**Docket/Case Number:** EN-19516

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist




**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 09/25/2003

**Sanctions Ordered:** Monetary/Fine \$630,775.00

**Other Sanctions Ordered:** GOLDMAN SACHS SHALL CEASE AND DESIST FROM VIOLATING O.C.G.A. §§10-5-4(A)(8) AND (11) AND 10-5-12(A)(1) AND RULES 590-4-2-08 91) AND 590-4-2-.14 (1) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, SHALL COMPLY WITH THE ACT AND RULES IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, AND SHALL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.

**Sanction Details:** THE \$630,775 PAYMENT TO THE STATE OF GEORGIA SECRETARY OF STATE COMMISSIONER OF SECURITIES WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

**Firm Statement** WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF GEORGIA, SECRETARY OF STATE, COMMISSIONER OF SECURITIES THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED O.C.G.A. §§ 10-5-4 (A)(8) AND 10-5-12 (A)(1) AND RULE 590-4-2-.14(1) THAT STATES ANALYSTS WHO ISSUE RESEARCH BE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND IB. ADDITIONALLY, O.C.G.A. §§ 10-5-4 (A)(11) AND 10-5-12(A)(1) AND RULE 590-4-2-.08 (1) THAT STATES ANALYSTS WHO ISSUED RESEARCH WERE REASONABLY SUPERVISED.

**Disclosure 244 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** TIME PERIOD BEGINNING JULY 1, 1999, TO JUNE 30, 2001, TO WIT, GOLDMAN SACHS FAILED TO ENSURE THAT RESEARCH ANALYSTS WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING, AND GOLDMAN SACHS FAILED TO REASONABLY SUPERVISE ITS EMPLOYEES TO ENSURE THAT ITS RESEARCH ANALYSTS WERE ADEQUATELY INSULATED FROM SUCH PRESSURES AND INFLUENCES.

**Initiated By:** OKLAHOMA



**Date Initiated:** 05/02/2003  
**Docket/Case Number:** ODS 03-129  
**URL for Regulatory Action:**  
**Principal Product Type:** Other  
**Other Product Type(s):** ANALYST INDEPENDENCE (IPO)  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Consent  
**Resolution Date:** 09/02/2003  
**Sanctions Ordered:** Monetary/Fine \$265,877.00  
 Cease and Desist/Injunction  
**Other Sanctions Ordered:**  
**Sanction Details:** GOLDMAN SACHS ALOS AGREED TO COMPLY WITH ALL UNDERTAKINGS ESTABLISHED AS PART OF THE GLOBAL ANALYST SETTLEMENT IN CONNECTION WITH THE FIRM'S RESEARCH PRACTICES.

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**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE STATE OF OKLAHOMA DEPARTMENT OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.  
**Initiated By:** STATE OF OKLAHOMA DEPARTMENT OF SECURITIES  
**Date Initiated:** 04/12/2002  
**Docket/Case Number:** ODS FILE NO. 03-129  
**Principal Product Type:** Other  
**Other Product Type(s):** EQUITY RESEARCH  
**Principal Sanction(s)/Relief Sought:** Cease and Desist  
**Other Sanction(s)/Relief Sought:**



<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/03/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$265,877.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE OKLAHOMA SECURITIES ACT AND THE RULES. GOLDMAN SACHS WILL COMPLY WITH THE ACT AND RULES IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$265,877 PAYMENT TO THE STATE OF OKLAHOMA DEPARTMENT OF SECURITIES WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF OKLAHOMA DEPARTMENT OF SECURITIES THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE OKLAHOMA SECURITIES ACT AND THE RULES OF THE OKLAHOMA SECURITIES COMMISSION AND THE ADMINISTRATOR OF THE DEPARTMENT OF SECURITIES (THE "RULES") WHICH PROSCRIBE THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS PURSUANT TO PARAGRAPH (8) OF SUBSECTION (A) OF SECTION 204 OF THE ACT AND 660:10-5-42 OF THE RULES. PARAGRAPH (12) OF SUBSECTION (A) OF SECTION 204 OF THE ACT AND 660:10-5-42 OF THE RULES ALSO REQUIRES BROKER-DEALERS TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 245 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	RESPONDENT ENGAGED IN UNETHICAL AND DISHONEST PRACTICES IN CONNECTION WITH THE OFFER OR SALE OF SECURITIES. RESPONDENT ALSO FAILED REASONABLY TO SUPERVISE THEIR EMPLOYEES. ALL ALLEGATIONS RELATED TO PRACTICES OF THE RESEARCH AND INVESTMENT BANKING SECTIONS OF THE RESPONDENT'S FIRM.
<b>Initiated By:</b>	OREGON DIVISION OF FINANCE AND CORPORATE SECURITIES
<b>Date Initiated:</b>	07/24/2003



<b>Docket/Case Number:</b>	S-03-0036
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	STOCK
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	CEASE AND DESIST
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	09/30/2003
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	Yes
<b>Sanctions Ordered:</b>	Monetary/Fine \$263,622.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	NO PORTION OF PENALTY SUSPENDED
<b>Regulator Statement</b>	RESEARCH ANALYSTS AT THE FIRM WERE SUBJECTED TO PRESSURES FROM THE INVESTMENT BANKING SECTION OF THE FIRM TO RATE STOCKS FAVORABLY SO AS TO GAIN THE INVESTMENT BANKING BUSINESS OF THE FIRMS ISSUING THE STOCKS.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE OREGON/DEPARTMENT OF CONSUMER AND BUSINESS SERVICES/ DIVISION OF FINANCE AND CORPORATE SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	OREGON/ DEPARTMENT OF CONSUMER AND BUSINESS SERVICES/ DIVISION OF FINANCE AND CORPORATE SECURITIES
<b>Date Initiated:</b>	04/12/2002



<b>Docket/Case Number:</b>	S-03-0036
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	09/30/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$263,622.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING ORS CHAPTER 59 IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH ORS CHAPTER 59 IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$263,622 PAYMENT TO THE OREGON/ DEPARTMENT OF CONSUMER AND BUSINESS SERVICES/ DIVISION OF FINANCE AND CORPORATE SECURITIES WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE OREGON/ DEPARTMENT OF CONSUMER AND BUSINESS SERVICES/ DIVISION OF FINANCE AND CORPORATE SECURITIES THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED THE PROVISIONS OF ORS CHAPTER 59 UNDER ORS 59.205 (2) WHICH PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS; AND OAR DIVISION 441-205-210(1) IN WHICH BROKER-DEALERS ALSO ARE REQUIRED TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 246 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE FIRM ENGAGED IN UNETHICAL AND DISHONEST CONDUCT BY FAILING



TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES OF COVERED COMPANIES AND INVESTMENT BANKING. THE FIRM ALSO FAILED TO REASONABLY SUPERVISE ITS EMPLOYEES IN CONNECTION WITH THE ISSUANCE OF RESEARCH.

**Initiated By:** MAINE OFFICE OF SECURITIES

**Date Initiated:** 05/30/2003

**Docket/Case Number:** 03-103

**URL for Regulatory Action:**

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Order

**Resolution Date:** 08/27/2003

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Monetary/Fine \$250,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** PENALTY OF \$250,000.00 WAS PAID ON 8/27/2003.

**Regulator Statement** THE FIRM WAS ORDERED TO CEASE AND DESIST FROM VIOLATING THE RMSA IN CONNECTION WITH CERTAIN CONFLICTS OF INTEREST TO WHICH ITS RESEARCH ANALYSTS WERE SUBJECT AND TO IMPLEMENT CERTAIN CHANGES WITH RESPECT TO ITS RESEARCH AND BANKING PRACTICES. THE CONSENT ORDER WAS EXECUTED AS PART OF A GLOBAL SETTLEMENT OF COORDINATED INVESTIGATIONS ENTERED INTO BY FEDERAL AND STATE REGULATORS, AND SEVERAL LARGE BROKER-DEALERS WHO ENGAGED IN THE RESEARCH PRACTICES AT ISSUE.



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF MAINE DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION OFFICE OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF MAINE DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION OFFICE OF SECURITIES
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	03-103
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	08/27/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING SECTIONS 10313(1)(G) AND 10313(1)(J) OF THE REVISED MAINE SECURITIES ACT WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE STATE OF MAINE DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION OFFICE OF SECURITIES WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF MAINE OFFICE OF SECURITIES THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED 32 M.R.S.A. § 10313(1)(G) THAT PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND 32 M.R.S.A.



§10313(1)(J) THAT REQUIRES BROKER-DEALERS TO SUPERVISE  
REASONABLY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 247 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	FIRM FAILED TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING. THIS CONDUCT WAS A DISHONEST OR UNETHICAL PRACTICE UNDER SECTION 517.161(1)(A), FLORIDA STATUTES, AND 3E-600.013(1)(P)F.A.C. FIRM FAILED TO REASONABLY SUPERVISE ITS EMPLOYEES.
<b>Initiated By:</b>	FLORIDA
<b>Date Initiated:</b>	09/19/2003
<b>Docket/Case Number:</b>	0043-S-6/03
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	RESEARCH.
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	09/19/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,231,461.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	NA
<b>Regulator Statement</b>	FIRM FAILED TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING. THIS CONDUCT WAS A DISHONEST OR UNETHICAL PRACTICE UNDER SECTION 517.161(1)(A), FLORIDA STATUTES, AND 3E-600.013(1)(P)F.A.C. FIRM FAILED TO REASONABLY SUPERVISE ITS EMPLOYEES.





<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	STATE OF FLORIDA OFFICE OF FINANCIAL REGULATION
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	OFR NO. 0043-S-6/03
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/19/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,231,461.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING SECTION 517.161 (1)(A), FLA. STAT., AND RULE 3E-600.013 (1)(P)1., FLA. ADMIN. CODE, IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS AGREEMENT AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$1,231,461 PAYMENT TO THE STATE OF FLORIDA, OFFICE OF FINANCIAL REGULATION WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE STATE OF FLORIDA, OFFICE OF FINANCIAL REGULATION THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED SECTION 517.161 (1)(A), FLA. STAT., AND 3E-600.013 (1)(P)1., FLA. ADMIN. CODE THAT PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND THE REQUIREMENT THAT



## BROKER-DEALERS SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

### Disclosure 248 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD CONDUCT RULES 2110 AND 2860(B)(3) - RESPONDENT MEMBER EFFECTED TRANSACTIONS IN OTC EQUITY OPTIONS FOR CUSTOMERS ACCOUNTS THAT EXCEEDED THE APPLICABLE NASD EQUITY OPTION POSITION LIMIT.
<b>Initiated By:</b>	NASD
<b>Date Initiated:</b>	10/14/2003
<b>Docket/Case Number:</b>	CMS030239
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	10/14/2003
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT MEMBER CONSENTED TO THE FINDING OF THE ALLEGATIONS AND TO THE FOLLOWING SANCTIONS: CENSURE AND FINED \$10,000.00.



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT ON 18 OCCASIONS BETWEEN MARCH 1, 2002 AND JULY 17, 2002, GOLDMAN SACHS EFFECTED TRANSACTIONS IN OTC EQUITY OPTIONS FOR CUSTOMER ACCOUNTS THAT EXCEEDED NASD EQUITY OPTION POSITION LIMITS, AND THAT EACH TRANSACTION VIOLATED NASD CONDUCT RULES 2110 AND 2860(B)(3).

**Initiated By:** NASD

**Date Initiated:** 10/14/2003

**Docket/Case Number:** CMS030239

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:** CENSURE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/14/2003

**Sanctions Ordered:** Censure  
Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

**Sanction Details:** GOLDMAN SACHS PAID A TOTAL FINE OF \$10,000.

**Firm Statement** GOLDMAN SACHS ENTERED INTO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC") WITH NASD. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN SACHS AGREED TO A CENSURE BY NASD AND TO PAYMENT OF A \$10,000 FINE.

#### Disclosure 249 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** GOLDMAN SACHS & CO.'S ACTIVITIES IN CONNECTION WITH CERTAIN CONFLICTS OF INTEREST THAT RESEARCH ANALYSTS WERE SUBJECT TO DURING THE PERIOD OF JULY 1, 1999 THRU JUNE 30, 2001.

**Initiated By:** KANSAS SECURITIES COMMISSIONER



**Date Initiated:** 05/16/2003  
**Docket/Case Number:** 2003E045/KSC 2003-4738

**URL for Regulatory Action:**

**Principal Product Type:** Other  
**Other Product Type(s):** SECURITIES  
**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:**

**Resolution:** Stipulation and Consent

**Resolution Date:** 09/24/2003

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** Yes

**Sanctions Ordered:** Monetary/Fine \$250,000.00

**Other Sanctions Ordered:**

**Sanction Details:** GOLDMAN SACHS & CO. WILL CEASE AND DESIST FROM VIOLATING KSC 17-1254(M)(7) & (12) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THE ORDER, WILL COMPLY WITH KSA 17-1254 (M)(7) & (12) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THE ORDER, AND WILL COMPLY WITH THE UNDERTAKINGS.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE STATE OF KANSAS OFFICE OF THE SECURITIES COMMISSIONER, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

**Initiated By:** KANSAS OFFICE OF THE SECURITIES COMMISSIONER

**Date Initiated:** 04/12/2002

**Docket/Case Number:** 2003E045



<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/24/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING K.S.A. 17-1254(M)(7) & (12) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER AND WILL COMPLY WITH K.S.A. 17-1254(M)(7) & (12) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE STATE OF KANSAS OFFICE OF THE SECURITIES COMMISSIONER WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE KANSAS OFFICE OF THE SECURITIES COMMISSIONER THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED K.S.A. 17-1254(M)(7) THAT PROSCRIBES THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS AND K.S.A. 17-1254(M)(12) THAT REQUIRES BROKER-DEALERS TO SUPERVISE ADEQUATELY THE CONDUCT OF ITS EMPLOYEES AND AGENTS.

#### Disclosure 250 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	GOLDMAN SACHS FAILED REASONABLY TO SUPERVISE ITS EMPLOYEES TO ENSURE THAT ITS ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING AS REQUIRED BY SECTION 115.10 OF THE BOARD RULES.
<b>Initiated By:</b>	TEXAS



**Date Initiated:** 09/05/2003

**Docket/Case Number:** SSB DKT NO 03-37;ORDER NO CAF-1534

**URL for Regulatory Action:**

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:** FINE & UNDERTAKING

**Resolution:** Order

**Resolution Date:** 09/05/2003

**Sanctions Ordered:** Monetary/Fine \$1,606,657.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** ADMINISTRATIVE FINE WAS PAID ON 9/5/2003 OF \$1,606,657.00

**Regulator Statement** GOLDMAN SACHS & CO WAS ORDERED TO CEASE AND DESIST FROM VIOLATING THE TEXAS SECURITIES ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THE ORDER.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE TEXAS STATE SECURITIES BOARD, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

**Initiated By:** TEXAS STATE SECURITIES BOARD

**Date Initiated:** 04/12/2002

**Docket/Case Number:** ORDER NO. CAF-1534

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Cease and Desist



### Other Sanction(s)/Relief Sought:

<b>Resolution:</b>	Other
<b>Resolution Date:</b>	09/05/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,606,657.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING THE TEXAS SECURITIES ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, AND WILL COMPLY WITH THE ACT IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THIS ORDER, AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Sanction Details:</b>	THE \$1,606,657 PAYMENT TO THE TEXAS STATE SECURITIES BOARD WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED INTO A CONSENT ORDER WITH THE TEXAS STATE SECURITIES BOARD THAT FOUND GOLDMAN SACHS TO HAVE VIOLATED SECTION 14.A(3) OF THE TEXAS SECURITIES ACT WHICH IS TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING.

### Disclosure 251 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	DISHONEST OR UNETHICAL BUSINESS PRACTICES AND FAILURE TO SUPERVISE
<b>Initiated By:</b>	UTAH DIVISION OF SECURITIES
<b>Date Initiated:</b>	06/03/2002
<b>Docket/Case Number:</b>	SD-02-0166
<b>URL for Regulatory Action:</b>	
<b>Principal Product Type:</b>	No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Cease and Desist

**Other Sanction(s)/Relief Sought:** CIVIL MONETARY PENALTY

**Resolution:** Order

**Resolution Date:** 04/22/2003

**Sanctions Ordered:** Monetary/Fine \$250,000.00  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:** CEASE & DESIST FROM VIOLATING THE UTAH UNIFORM SECURITIES ACT; CIVIL MONETARY PENALTY OF \$250,000; TO VIEW THE ORDER IN ITS ENTIRETY, PLEASE VISIT THE DIVISION'S WEB SITE AT:  
[HTTP://WWW.SECURITIES.STATE.UT.US/ACTIONSEVENTS.ASP?DOCKET+NUMBER=SD%2D02%2D0166](http://www.securities.state.ut.us/actionsevents.asp?DOCKET+NUMBER=SD%2D02%2D0166)

**Regulator Statement**

GOLDMAN SACHS FAILED TO ENSURE THAT ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING. GOLDMAN SACHS FAILED TO REASONABLY SUPERVISE ITS EMPLOYEES TO ENSURE THAT ITS ANALYSTS WHO ISSUED RESEARCH WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING. FOR MORE INFORMATION, PLEASE VISIT THE DIVISION'S WEB SITE AT:

[HTTP://WWW.SECURITIES.STATE.UT.US/ACTIONSEVENTS.ASP?DOCKET+NUMBER=SD%2D02%2D0166](http://www.securities.state.ut.us/actionsevents.asp?DOCKET+NUMBER=SD%2D02%2D0166)

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** VARIOUS STATE REGULATORS, INCLUDING THE UTAH DIVISION OF SECURITIES, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.

**Initiated By:** STATE OF UTAH DIVISION OF SECURITIES OF THE DEPARTMENT OF COMMERCE.

**Date Initiated:** 04/12/2002

**Docket/Case Number:** SD-02-0166





<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	04/22/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WAS ORDERED TO CEASE & DESIST FROM VIOLATING THE UTAH UNIFORM SECURITIES ACT AS IT RELATES TO CERTAIN RESEARCH AND INVESTMENT BANKING PRACTICES AT GOLDMAN SACHS.
<b>Sanction Details:</b>	THE \$250,000 PAYMENT TO THE UTAH DIVISION OF SECURITIES WAS PART OF A GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT; \$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING LIABILITY, GS ENTERED INTO A CONSENT ORDER WITH THE UTAH DIVISION OF SECURITIES THAT FOUND GS TO HAVE VIOLATED UTAH CODE §61-1-6(1)(G), WHICH PROHIBITS DISHONEST OR UNETHICAL BUSINESS PRACTICES, BY FAILING TO ENSURE THAT ITS RESEARCH ANALYSTS WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING, AND UTAH CODE § 61-1-6(1)(J) BY FAILING REASONABLY TO SUPERVISE ITS EMPLOYEES TO ENSURE THAT ITS ANALYSTS WERE ADEQUATELY INSULATED FROM PRESSURES AND INFLUENCES FROM COVERED COMPANIES AND INVESTMENT BANKING. GS ALSO AGREED TO ADOPT A SET OF INDUSTRY-WIDE REFORMS OF ITS RESEARCH AND INVESTMENT BANKING BUSINESSES. GS HAS REACHED SIMILAR SETTLEMENT AGREEMENTS WITH MANY OTHER U.S. STATES AND TERRITORIES.

#### Disclosure 252 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	**04/21/2003** STIPULATION AND CONSENT TO PENALTY EXECUTED AND SENT TO HEARING BOARD WITH THE FOLLOWING FINDINGS: THE FIRM: (1) VIOLATED EXCHANGE RULE 476(A)(6) BY ENGAGING IN CONDUCT



INCONSISTENT WITH JUST AND EQUITABLE PRINCIPLES OF TRADE BY: A. ENGAGING IN ACTS AND PRACTICES THAT CREATED OR MAINTAINED INAPPROPRIATE INFLUENCE BY INVESTMENT BANKING OVER RESEARCH ANALYSTS, THEREFORE IMPOSING CONFLICTS OF INTEREST ON ITS RESEARCH ANALYSTS, AND FAILING TO MANAGE THESE CONFLICTS IN AN ADEQUATE OR APPROPRIATE MANNER; AND B. ISSUING RESEARCH REPORTS THAT WERE AFFECTED BY THE CONFLICTS OF INTEREST IMPOSED ON ITS RESEARCH ANALYSTS AS DESCRIBED ABOVE. (2) VIOLATED EXCHANGE RULE 401 BY FAILING TO ADHERE TO THE PRINCIPLES OF GOOD BUSINESS PRACTICE IN THE CONDUCT OF ITS BUSINESS AFFAIRS BY: A. ENGAGING IN ACTS AND PRACTICES THAT CREATED OR MAINTAINED INAPPROPRIATE INFLUENCE BY INVESTMENT BANKING OVER RESEARCH ANALYSTS, THEREFORE IMPOSING CONFLICTS OF INTEREST ON ITS RESEARCH ANALYSTS, AND FAILING TO MANAGE THESE CONFLICTS IN AN ADEQUATE OR APPROPRIATE MANNER; AND B. ISSUING RESEARCH REPORTS THAT WERE AFFECTED BY THE CONFLICTS OF INTEREST IMPOSED ON ITS RESEARCH ANALYSTS AS DESCRIBED ABOVE. (3) VIOLATED EXCHANGE RULE 472 RELATING TO COMMUNICATIONS WITH THE PUBLIC BY ISSUING RESEARCH REPORTS THAT CONTAINED RECOMMENDATIONS AND/OR RATINGS THAT WERE EXAGGERATED OR UNWARRANTED AND/OR CONTAINED OPINIONS FOR WHICH THERE WAS NO REASONABLE BASIS.

\*\*CONTINUED IN # 13\*\*

**Initiated By:** NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

**Date Initiated:** 04/21/2003

**Docket/Case Number:** HPD# 03-65

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 05/23/2003

**Sanctions Ordered:** Censure  
Monetary/Fine \$110,000,000.00

**Other Sanctions Ordered:**

**Sanction Details:** \*\*04/22/2003\*\* DECISION 03-65, ISSUED BY HEARING PANEL



DECISION: VIOLATED EXCHANGE RULES 476(A)(6) AND 401 BY ENGAGING IN ACTS AND PRACTICES THAT CREATED OR MAINTAINED INAPPROPRIATE INFLUENCE BY INVESTMENT BANKING OVER RESEARCH ANALYSTS, THEREFORE IMPOSING CONFLICTS OF INTEREST ON ITS RESEARCH ANALYSTS, BY FAILING TO MANAGE THESE CONFLICTS IN AN ADEQUATE OR APPROPRIATE MANNER, AND BY ISSUING RESEARCH REPORTS THAT WERE AFFECTED BY THE CONFLICTS OF INTEREST; VIOLATED EXCHANGE RULE 472 BY ISSUING RESEARCH REPORTS THAT CONTAINED RECOMMENDATIONS AND/OR RATINGS THAT WERE EXAGGERATED OR UNWARRANTED AND/OR CONTAINED OPINIONS FOR WHICH THERE WAS NO REASONABLE BASIS; AND VIOLATED EXCHANGE RULE 342 BY FAILING TO ESTABLISH AND MAINTAIN ADEQUATE POLICIES, SYSTEMS AND PROCEDURES FOR SUPERVISION AND CONTROL OF ITS RESEARCH AND INVESTMENT BANKING DIVISIONS &#8211; CONSENT TO CENSURE, A TOTAL PAYMENT OF \$110,000,000 AND AN UNDERTAKING.

#### Regulator Statement

(4)VIOLATED EXCHANGE RULE 342 BY FAILING TO ESTABLISH AND MAINTAIN ADEQUATE POLICIES, SYSTEMS, AND PROCEDURES FOR SUPERVISION AND CONTROL OF ITS RESEARCH AND INVESTMENT BANKING DIVISIONS REASONABLY DESIGNED TO DETECT AND PREVENT THE FOREGOING INVESTMENT BANKING INFLUENCES AND CONFLICTS OF INTEREST, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW TO ASSURE COMPLIANCE WITH APPLICABLE EXCHANGE RULES. THE FIRM CONSENTED TO THE PENALTY OF A CENSURE AND A TOTAL PAYMENT OF \$110,000,000 AS SPECIFIED IN THE FINAL JUDGMENT ENTERED INTO IN CONNECTION WITH A RELATED ACTION WITH THE FIRM AND THE SECURITIES AND EXCHANGE COMMISSION (&#8220;FINAL JUDGMENT&#8221;); THE PAYMENT PROVISIONS OF WHICH ARE INCORPORATED BY REFERENCE HEREIN: A)\$25,000,000, AS A PENALTY; B)\$25,000,000, AS DISGORGEMENT OF COMMISSIONS, FEES AND OTHER MONIES; C)\$50,000,000, TO BE USED FOR THE PROCUREMENT OF INDEPENDENT RESEARCH, AS DESCRIBED IN ADDENDUM A: UNDERTAKING TO THE FINAL JUDGMENT (&#8220;ADDENDUM A&#8221;), INCORPORATED BY REFERENCE HEREIN; AND D) \$10,000,000, TO BE USED FOR INVESTOR EDUCATION, AS DESCRIBED IN SECTION IX OF THE FINAL JUDGMENT. IN ADDITION, THE FIRM SHALL COMPLETE AN UNDERTAKING TO ENSURE COMPLIANCE WITH THE TERMS PROVIDED IN ADDENDUM A, INCLUDING AN UNDERTAKING TO INFORM THE EXCHANGE IN WRITING THAT IT HAS POLICIES, SYSTEMS, AND PROCEDURES REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THE PROVISIONS OF ADDENDUM A. \*\*05/23/2003\*\* THE DECISION IS NOW FINAL AND IS EFFECTIVE IMMEDIATELY. CONTACT: EVELYN PENA (212) 656-5211.

#### Reporting Source:

Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	THE NYSE, THE NASD AND THE SEC CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT ("NYSE")
<b>Date Initiated:</b>	04/29/2002
<b>Docket/Case Number:</b>	HPD# 03-65
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/22/2003
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$50,000,000.00 Disgorgement/Restitution
<b>Other Sanctions Ordered:</b>	\$10,000,000 FOR INVESTOR EDUCATION AND \$50,000,000 TO FUND INDEPENDENT THIRD-PARTY RESEARCH.
<b>Sanction Details:</b>	\$25,000,000 AS DISGORGEMENT, \$25,000,000 AS PENALTIES, \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH, \$10,000,000 FOR INVESTOR EDUCATION.
<b>Firm Statement</b>	ON APRIL 28, 2003, WITHOUT ADMITTING OR DENYING LIABILITY, TEN INVESTMENT BANKING FIRMS, INCLUDING GS, ENTERED INTO GLOBAL SETTLEMENTS WITH THE SEC, THE NYSE, THE NASD, THE NEW YORK ATTORNEY GENERAL AND OTHER STATES TO RESOLVE THE INVESTIGATIONS RELATING TO EQUITY RESEARCH ANALYST CONFLICTS OF INTEREST. GS WAS CHARGED WITH VIOLATING NYSE RULES 342, 401, 472 AND 476, AND NASD CONDUCT RULES 2110, 2210 AND 3010. GS ALSO AGREED TO CENSURE BY THE NYSE AND THE NASD AND TO PAY A TOTAL OF \$110,000,000. GS ALSO AGREED TO ADOPT A SET OF INDUSTRY-WIDE REFORMS OF ITS RESEARCH AND INVESTMENT BANKING BUSINESSES AND TO ADOPT CERTAIN RESTRICTIONS ON THE ALLOCATIONS OF "HOT" IPO SHARES. THE TERMS OF THE GLOBAL SETTLEMENT WERE ENTERED IN AN ORDER BY A FEDERAL COURT IN THE SOUTHERN DISTRICT OF NEW YORK ON OCTOBER 31, 2003 (CIVIL ACTION NUMBER 03CV2944).



## Disclosure 253 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD CONDUCT RULES 2110, 2210(D)(1), 2210(D)(2), AND 3010(A) - RESPONDENT MEMBER ENGAGED IN ACTS AND PRACTICES THAT CREATED AND/OR MAINTAINED INAPPROPRIATE INFLUENCE BY INVESTMENT BANKING OVER RESEARCH ANALYSTS AND THEREFORE IMPOSED CONFLICTS OF INTEREST ON ITS RESEARCH ANALYST; FAILED TO MANAGE THESE CONFLICTS IN AN ADEQUATE OR APPROPRIATE MANNER; ISSUED CERTAIN RESEARCH REPORTS FOR COMPANIES THAT WERE NOT BASED ON PRINCIPLES OF FAIR DEALING AND GOOD FAITH AND DID NOT PROVIDE A SOUND BASIS FOR EVALUATING FACTS, CONTAINED EXAGGERATE OR UNWARRANTED CLAIMS ABOUT THESE COMPANIES, AND/OR CONTAINED OPINION S FOR WHICH THERE WAS NO REASONABLE BASIS; FAILED TO ESTABLISH AND MAINTAIN ADEQUATE PROCEDURES REASONABLY DESIGNED TO PROTECT RESEARCH ANALYSTS FROM CONFLICT OF INTEREST; AND DESPITE KNOWLEDGE OF RESEARCH ANALYSTS' COMPLEX RESPONSIBILITIES AND CONFLICT OF INTERESTS, RESPONDENT MEMBER FAILED TO IMPLEMENT A SYSTEM TO DETECT AND INSULATE ITS RESEARCH ANALYSTS FROM IMPROPER INFLUENCE AND PRESSURE BY INVESTMENT BANKING PERSONNEL.
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	04/24/2003
<b>Docket/Case Number:</b>	CAF030024
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNKNOWN TYPE OF SECURITIES
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/24/2003
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$25,000,000.00 Disgorgement/Restitution
<b>Other Sanctions Ordered:</b>	\$50,000,000, TO BE USED FOR THE PROCUREMENT OF INDEPENDENT



RESEARCH UNDERTAKING TO THE FINAL JUDGMENT; AND \$10,000,000, TO BE USED FOR INVESTOR EDUCATION AS DESCRIBED IN THE FINAL JUDGMENT.

**Sanction Details:**

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND REQUIRED TO PAY \$110,000,000, AS SPECIFIED IN THE FINAL JUDGMENT ORDERED IN A RELATED ACTION FILED BY THE SEC AS FOLLOWS: (1) \$25,000,000, AS A FINE; (2) \$25,000,000, AS DISGORGEMENT OF COMMISSIONS, FEES AND OTHER MONIES; (3) \$50,000,000, TO BE USED FOR THE PROCUREMENT OF INDEPENDENT RESEARCH UNDERTAKING TO THE FINAL JUDGMENT; AND (4) \$10,000,000, TO BE USED FOR INVESTOR EDUCATION AS DESCRIBED IN THE FINAL JUDGMENT. THE MONETARY SANCTIONS IMPOSED SHALL BE REDUCED BY THE AMOUNTS PAID BY RESPONDENT MEMBER PURSUANT TO THE FINAL JUDGMENT.

**Regulator Statement**

RESPONDENT MEMBER AGREES THAT IT SHALL NOT SEEK OR ACCEPT, DIRECTLY OR INDIRECTLY, REIMBURSEMENT OR INDEMNIFICATION, INCLUDING BUT NOT LIMITED TO PAYMENT MADE PURSUANT TO ANY INSURANCE POLICY, WITH REGARD TO ANY FINE/PENALTY AMOUNTS THAT RESPONDENT SHALL PAY PURSUANT TO SECTION II OF THE FINAL JUDGMENT, REGARDLESS OF WHETHER SUCH FINE/PENALTY AMOUNTS OR ANY PART THEREOF ARE ADDED TO THE DISTRIBUTION FUND ACCOUNT OR OTHERWISE USED FOR THE BENEFIT OF INVESTORS. RESPONDENT FURTHER AGREES THAT IT SHALL NOT CLAIM, ASSET, OR APPLY FOR A TAX DEDUCTION OR TAX CREDIT WITH REGARD TO ANY FEDERAL, STATE, OR LOCAL TAX FOR ANY FINE/PENALTY AMOUNTS THAT RESPONDENT SHALL PAY PURSUANT TO SECTION II OF THE FINAL JUDGMENT, REGARDLESS OF WHETHER SUCH FINE/PENALTY AMOUNTS OR ANY PART THEREOF ARE ADDED TO THE DISTRIBUTION FUND ACCOUNT OR OTHERWISE USED FOR THE BENEFIT OF INVESTORS. RESPONDENT UNDERSTANDS AND ACKNOWLEDGES THAT THESE PROVISIONS ARE NOT INTENDED TO IMPLY THAT NASD WOULD AGREE THAT ANY OTHER AMOUNTS RESPONDENT SHALL PAY PURSUANT TO THE FINAL JUDGMENT MAY BE REIMBURSED OR INDEMNIFIED (WHETHER PURSUANT TO AN INSURANCE POLICY OR OTHERWISE) UNDER APPLICABLE LAW OR MAY BE THE BASIS FOR ANY TAX DEDUCTION OR TAX CREDIT WITH REGARD TO ANY FEDERAL, STATE, OR LOCAL TAX.

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

THE NYSE, THE NASD AND THE SEC CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY



RESEARCH ANALYSTS AND INVESTMENT BANKING.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD")

**Date Initiated:** 04/29/2002

**Docket/Case Number:** NASD CAF030024

**Principal Product Type:** Other

**Other Product Type(s):** EQUITY RESEARCH

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/24/2003

**Sanctions Ordered:** Censure  
Monetary/Fine \$50,000,000.00  
Disgorgement/Restitution

**Other Sanctions Ordered:** \$10,000,000 FOR INVESTOR EDUCATION AND \$50,000,000 TO FUND INDEPENDENT THIRD-PARTY RESEARCH.

**Sanction Details:** \$25,000,000 AS DISGORGEMENT, \$25,000,000 AS PENALTIES, \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH, \$10,000,000 FOR INVESTOR EDUCATION.

**Firm Statement** ON APRIL 28, 2003, WITHOUT ADMITTING OR DENYING LIABILITY, TEN INVESTMENT BANKING FIRMS, INCLUDING GS, ENTERED INTO GLOBAL SETTLEMENTS WITH THE SEC, THE NYSE, THE NASD, THE NEW YORK ATTORNEY GENERAL AND OTHER STATES TO RESOLVE THE INVESTIGATIONS RELATING TO EQUITY RESEARCH ANALYST CONFLICTS OF INTEREST. GS WAS CHARGED WITH VIOLATING NYSE RULES 342, 401, 472 AND 476, AND NASD CONDUCT RULES 2110, 2210 AND 3010. GS ALSO AGREED TO CENSURE BY THE NYSE AND THE NASD AND TO PAY A TOTAL OF \$110,000,000. GS ALSO AGREED TO ADOPT A SET OF INDUSTRY-WIDE REFORMS OF ITS RESEARCH AND INVESTMENT BANKING BUSINESSES AND TO ADOPT CERTAIN RESTRICTIONS ON THE ALLOCATIONS OF "HOT" IPO SHARES. THE TERMS OF THE GLOBAL SETTLEMENT WERE ENTERED IN AN ORDER BY A FEDERAL COURT IN THE SOUTHERN DISTRICT OF NEW YORK ON OCTOBER 31, 2003 (CIVIL ACTION NUMBER 03CV2944).

#### Disclosure 254 of 325

**Reporting Source:** Firm



<b>Current Status:</b>	Final
<b>Allegations:</b>	GOLDMAN, SACHS & CO.("GS")ALLEGEDLY VIOLATED CBOT REGULATIONS 444.03 AND 545.02 ON A SINGLE OCCASION BY NETTING DOWN U.S. TREASURY BOND FUTURES AND TO ACCURATELY REPORT TO THE CBOT. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS PAID A FINE OF \$15,000.00.
<b>Initiated By:</b>	CHICAGO BOARD OF TRADE ("CBOT")
<b>Date Initiated:</b>	08/19/2002
<b>Docket/Case Number:</b>	02-MSI-21
<b>Principal Product Type:</b>	Debt - Government
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	01/10/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$15,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS PAID A FINE OF \$15,000.00.
<b>Firm Statement</b>	ON 01/10/2003, GS SENT A CHECK IN THE AMOUNT OF \$15,000.00 TO THE CBOT.

#### Disclosure 255 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	<p><b>**11/12/2002**</b> STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY THE DIVISION OF ENFORCEMENT AND PENDING.</p> <p>CONSENTED FINDINGS: (1) VIOLATED EXCHANGE RULE 440 AND SECTION 17(A) OF THE SECURITIES AND EXCHANGE ACT OF 1934 AND SEC REGULATION 17A-4 BY FAILING TO PRESERVE FOR A PERIOD OF THREE YEARS, AND/OR PRESERVE IN AN ACCESSIBLE PLACE FOR TWO YEARS, ELECTRONIC COMMUNICATIONS RELATING TO THE BUSINESS OF THE FIRM. (2) VIOLATED EXCHANGE RULES 342 IN THAT IT FAILED TO</p>





REASONABLY SUPERVISE AND CONTROL THE ACTIVITIES OF ITS EMPLOYEES, INCLUDING A SEPARATE SYSTEM OF FOLLOW-UP AND REVIEW TO ASSURE COMPLIANCE WITH EXCHANGE RULES AND FEDERAL SECURITIES LAWS RELATING TO RETENTION OF ELECTRONIC COMMUNICATIONS. STIPULATED SANCTION: THE IMPOSITION BY THE EXCHANGE OF A CENSURE AND A FINE IN THE AMOUNT OF \$1,650,000, FOR TOTAL FINES OF \$8,250,000 FROM ALL RESPONDENTS. THE AMOUNT TO BE PAID TO THE NYSE BY EACH RESPONDENT SHALL BE REDUCED BY AMOUNTS PAID BY EACH RESPONDENT PURSUANT TO AGREEMENTS TO PAY A CIVIL MONETARY PENALTY OF \$550,000 TO THE U.S. TREASURY AND A FINE OF \$550,000 TO NASD IN RELATED PROCEEDINGS. IN ADDITION TO THE MONETARY FINE, RESPONDENTS SHALL COMPLETE AN APPROPRIATE UNDERTAKING TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS FOR COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATIONS AND THE RULES OF THE EXCHANGE AND NASD. WITHIN 90 DAYS OF THE EXECUTION OF THE STIPULATION AND CONSENT EACH RESPONDENT UNDERTAKES AND AGREES TO INFORM THE EXCHANGE IN WRITING THAT IT HAS COMPLETED ITS REVIEW AND THAT IT HAS SYSTEMS AND PROCEDURES IN PLACE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THOSE LAWS AND RULES CONCERNING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS. ENFORCEMENT SHALL HAVE THE DISCRETION, UPON A SHOWING OF GOOD CAUSE, TO EXTEND THE DEADLINE FOR COMPLIANCE WITH THE UNDERTAKING SET FORTH IN THIS PARAGRAPH.

<b>Initiated By:</b>	NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT
<b>Date Initiated:</b>	11/12/2002
<b>Docket/Case Number:</b>	HPD# 02-224
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	12/13/2002
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$1,650,000.00
<b>Other Sanctions Ordered:</b>	CONSENT TO CENSURE, \$1,650,000 FINE (REDUCED BY AMOUNTS PAID



PURSUANT TO AGREEMENTS TO PAY A CIVIL PENALTY OF \$550,000 TO THE U.S. TREASURY AND A FINE OF \$550,000 TO THE NASD) AND AN UNDERTAKING.

#### Sanction Details:

**\*\*11/15/2002\*\*** HPD# 02-224 ISSUED BY NYSE HEARING PANEL. DECISION: VIOLATED RULE 440 AND SEA 17(A) AND SEC REG. 17A-4 BY FAILING TO PRESERVE FOR A PERIOD OF THREE YEARS, AND/OR PRESERVE IN AN ACCESSIBLE PLACE FOR TWO YEARS, ELECTRONIC COMMUNICATIONS RELATING TO THE BUSINESS OF THE FIRM AND VIOLATED EXCHANGE RULES 342 BY FAILING TO REASONABLY SUPERVISE AND CONTROL THE ACTIVITIES OF ITS EMPLOYEES TO ASSURE COMPLIANCE WITH EXCHANGE RULES AND FEDERAL SECURITIES LAWS RELATING TO RETENTION OF ELECTRONIC COMMUNICATIONS. - CONSENT TO CENSURE, \$1,650,000 FINE (REDUCED BY AMOUNTS PAID PURSUANT TO AGREEMENTS TO PAY A CIVIL PENALTY OF \$550,000 TO THE U.S. TREASURY AND A FINE OF \$550,000 TO THE NASD) AND AN UNDERTAKING TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS FOR COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATIONS, AND THE RULES OF THE EXCHANGE AND NASD. WITHIN 90 DAYS OF THE EXECUTION OF THE STIPULATION AND CONSENT EACH RESPONDENT UNDERTAKES AND AGREES TO INFORM THE EXCHANGE IN WRITING THAT IT HAS COMPLETED ITS REVIEW AND THAT IT HAS SYSTEMS AND PROCEDURES IN PLACE REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH THOSE LAWS AND RULES CONCERNING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS. ENFORCEMENT SHALL HAVE THE DISCRETION, UPON A SHOWING OF GOOD CAUSE, TO EXTEND THE DEADLINE FOR COMPLIANCE WITH THE UNDERTAKING SET FORTH IN THIS PARAGRAPH.

#### Regulator Statement

**\*\*12/13/2002\*\***THE DECISION IS NOW FINAL AND EFFECTIVE IMMEDIATELY.CONTACT: PEGGY GERMINO (212) 656-8450.

#### Reporting Source:

Firm

#### Current Status:

Final

#### Allegations:

IN NOVEMBER 2002, THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), THE NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD") AND THE NEW YORK STOCK EXCHANGE, INC. ("NYSE") ALLEGED THAT FIVE BROKER DEALERS, INCLUDING GOLDMAN SACHS VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4 THEREUNDER, NYSE RULES 440 AND 342 AND NASD RULES 3010 AND 3110 BY ALLEGEDLY FAILING TO PRESERVE ELECTRONIC MAIL COMMUNICATIONS FOR THREE YEARS AND/OR TO PRESERVE ELECTRONIC MAIL COMMUNICATIONS FOR THE FIRST TWO YEARS IN AN ACCESSIBLE PLACE, AND BY ALLEGEDLY HAVING INADEQUATE SUPERVISORY SYSTEMS AND PROCEDURES IN



	RELATION TO THE RETENTION OF ELECTRONIC MAIL COMMUNICATIONS.
<b>Initiated By:</b>	NEW YORK STOCK EXCHANGE ("NYSE")
<b>Date Initiated:</b>	11/11/2002
<b>Docket/Case Number:</b>	EXCH HEARING PANEL DECISION 02-223
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	GOLDMAN, SACHS & CO.CONSENTED TO CENSURE BY THE SEC, NYSE AND NASD AND TO THE IMPOSITION OF A CEASE-AND-DESIST ORDER BY THE SEC. GOLDMAN SACHS ALSO UNDERTOOK TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS FOR COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATIONS AND THE RULES OF NYSE AND NASD, AND TO CONFIRM WITHIN A SPECIFIED PERIOD OF TIME THAT IT HAD ESTABLISHED SYSTEMS AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THOSE LAWS, REGS AND RULES.
<b>Resolution:</b>	Stipulation and Consent
<b>Resolution Date:</b>	12/13/2002
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$550,000.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS ALSO AGREED TO THE UNDERTAKING REFERENCED ABOVE IN ITEM 2.
<b>Sanction Details:</b>	GOLDMAN SACHS PAID A TOTAL FINE OF \$1,650,000.00 (\$550,000.00 EACH TO THE SEC, NYSE AND NASD)
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIVE BROKER DEALERS, INCLUDING GOLDMAN SACHS, CONSENTED TO CENSURE BY THE SEC, NASD AND NYSE AND TO THE IMPOSITION OF A CEASE-AND-DESIST ORDER BY THE SEC AND GOLDMAN SACHS PAID A TOTAL FINE OF \$1,650,000 (\$550,000 EACH TO THE SEC, NASD AND NYSE). GOLDMAN SACHS ALSO UNDERTOOK TO REVIEW ITS SYSTEMS AND PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS FOR COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATIONS AND THE RULES OF THE NASD AND NYSE, AND TO CONFIRM WITHIN A SPECIFIED PERIOD OF TIME THAT IT HAS ESTABLISHED PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THOSE LAWS, REGULATIONS AND RULES.



## Disclosure 256 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULE 3360 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT MEMBER CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO REPORT FULLY ITS SHORT INTEREST POSITIONS TO NASD IN 38 DIFFERENT SECURITIES.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 12/03/2002

**Docket/Case Number:** CMS020229

**Principal Product Type:** Other

**Other Product Type(s):** UNKNOWN TYPE OF SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/03/2002

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** A CENSURE AND A \$20,000 FINE.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** GOLDMAN, SACHS & CO. ALLEGEDLY VIOLATED NASD CONDUCT RULE 3360 BY FAILING TO REPORT FULLY ITS SHORT INTEREST POSITION IN CERTAIN SECURITIES FOR CERTAIN PERIODS. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN SACHS AGREED TO A CENSURE AND A \$20,000.00 FINE.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD")

**Date Initiated:** 09/12/2002



**Docket/Case Number:** CMS020229

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:** \$20,000.00 FINE

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/23/2002

**Sanctions Ordered:** Censure  
Monetary/Fine \$20,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN SACHS AGREED TO A CENSURE AND A \$20,000.00 FINE

**Firm Statement** AWC WAS ACCEPTED BY THE NASD ON 10/23/02.

#### Disclosure 257 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SEC ADMINISTRATIVE PROCEEDING RELEASE 34-46937, DECEMBER 3, 2002; THIS ACTION CONCERNS RESPONDENTS' VIOLATIONS OF THE RECORD-KEEPING REQUIREMENTS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4 THEREUNDER DURING THE PERIOD FROM 1999 TO AT LEAST 2001 (THE "RELEVANT PERIOD"). DURING ALL OR PART OF THE RELEVANT PERIOD, RESPONDENT FAILED TO PRESERVE FOR THREE YEARS, AND/OR TO PRESERVE IN AN ACCESSIBLE PLACE FOR TWO YEARS, ELECTRONIC MAIL COMMUNICATIONS (INCLUDING INTER-OFFICE MEMORANDA AND COMMUNICATIONS) RECEIVED AND SENT BY ITS AGENTS AND EMPLOYEES THAT RELATED TO ITS BUSINESS AS A MEMBER OF AN EXCHANGE, BROKER OR DEALER. RESPONDENT LACKED ADEQUATE SYSTEMS OR PROCEDURES FOR THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 12/03/2002

**Docket/Case Number:** FILE NO. 3-10957



<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	CIVIL PENALTIES, CENSURE, UNDERTAKING
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	12/03/2002
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$1,650,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	UNDERTAKING: TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS FOR COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATION, AND THE RULES OF NASD AND NEW YORK STOCK EXCHANGE.
<b>Sanction Details:</b>	RESPONDENT PURSUANT TO SECTION 21C OF THE EXCHANGE ACT, CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4 PROMULGATED THEREUNDER, CENSURED PURSUANT TO SECTION 15(B)(4) OF THE EXCHANGE ACT, AND SHALL, WITHIN TEN DAYS OF THE ENTRY OF THIS ORDER, PAY THE AMOUNT OF \$1,650,000.
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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	IN NOVEMBER 2002, THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), THE NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD") AND THE NEW YORK STOCK EXCHANGE, INC. ("NYSE") ALLEGED THAT FIVE BROKER DEALERS, INCLUDING GOLDMAN SACHS, VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4 THEREUNDER, NYSE RULES 440 AND 342 AND NASD RULES 3010 AND 3110 BY ALLEGEDLY FAILING TO PRESERVE ELECTRONIC MAIL COMMUNICATIONS FOR THREE YEARS AND/OR TO PRESERVE ELECTRONIC MAIL COMMUNICATIONS FOR THE FIRST TWO YEARS IN AN ACCESSIBLE PLACE, AND BY ALLEGEDLY HAVING INADEQUATE SUPERVISORY SYSTEMS AND PROCEDURES IN RELATION TO THE RETENTION OF ELECTRONIC MAIL COMMUNICATIONS.
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	11/11/2002



<b>Docket/Case Number:</b>	SEC ADM. PROCEEDING FILE NO. 3-10957
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	GOLDMAN, SACHS & CO.CONSENTED TO CENSURE BY THE SEC, NYSE AND NASD AND TO THE IMPOSITION OF A CEASE-AND-DESIST ORDER BY THE SEC. GOLDMAN SACHS ALSO UNDERTOOK TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS FOR COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATIONS AND THE RULES OF NYSE & NASD, AND TO CONFIRM WITHIN A SPECIFIED PERIOD OF TIME THAT IT HAD ESTABLISHED SYSTEMS & PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THOSE LAWS, REGULATIONS AND RULES
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	12/03/2002
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$550,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS ALSO AGREED TO THE UNDERTAKING REFERENCED ABOVE IN ITEM 2.
<b>Sanction Details:</b>	GOLDMAN SACHS PAID A TOTAL FINE OF \$1,650,000.00 (\$550,000.00 EACH TO THE SEC, NYSE AND NASD)
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIVE BROKER DEALERS, INCLUDING GOLDMAN SACHS, CONSENTED TO CENSURE BY THE SEC, NASD AND NYSE AND TO THE IMPOSITION OF A CEASE-AND-DESIST ORDER BY THE SEC AND GOLDMAN SACHS PAID A TOTAL FINE OF \$1,650,000 (\$550,000 EACH TO THE SEC, NASD AND NYSE). GOLDMAN SACHS ALSO UNDERTOOK TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS FOR COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATIONS AND THE RULES OF THE NASD AND NYSE, AND TO CONFIRM WITHIN A SPECIFIED PERIOD OF TIME THAT IT HAS ESTABLISHED SYSTEMS & PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THOSE LAWS, REGULATIONS AND RULES.

#### Disclosure 258 of 325

**Reporting Source:** Regulator



**Current Status:** Final

**Allegations:** SECTION 17(A) OF THE EXCHANGE ACT, RULE 17A-4 THEREUNDER, NASD RULES 3010 AND 3110 ? WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT MEMBER CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO KEEP ELECTRONIC MAIL COMMUNICATIONS FOR THREE YEARS AND/OR FAILED TO PRESERVE ELECTRONIC MAIL COMMUNICATIONS FOR THE FIRST TWO YEARS IN AN ACCESSIBLE PLACE; AND, HAD INADEQUATE SUPERVISORY SYSTEMS AND PROCEDURES THAT WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH SECTION 17(A) OF THE EXCHANGE ACT, RULE 17A-4 THEREUNDER AND NASD RULE 3110 REGARDING PRESERVATION OF BOOKS AND RECORDS.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 11/22/2002

**Docket/Case Number:** CAF020064

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 11/22/2002

**Sanctions Ordered:** Censure  
Monetary/Fine \$1,650,000.00

**Other Sanctions Ordered:** UNDERTAKING

**Sanction Details:** CENSURED, FINED \$1,650,000 WHICH SHALL BE REDUCED BY AMOUNTS PAID PURSUANT TO AGREEMENTS TO PAY A CIVIL MONETARY PENALTY OF \$550,000 TO THE U.S. TREASURY AND A FINE OF \$550,000 TO THE NYSE IN RELATED PROCEEDINGS. PAYMENTS TO NASD SHALL BE MADE WITHIN 10 DAYS OF NOTICE OF ACCEPTANCE OF THIS AWC AND AN UNDERTAKING TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS FOR COMPLIANCE WITH FEDERAL SECURITIES LAWS AND THE RULES OF NASD AND THE EXCHANGE. WITHIN 90 DAYS OF ISSUANCE OF THIS ORDER, UNLESS OTHERWISE EXTENDED BY NASD FOR GOOD CAUSE SHOWN, RESPONDENT UNDERTAKES AND AGREES TO INFORM NASD IN WRITING THAT IT HAS COMPLETED ITS REVIEW AND THAT IT HAS ESTABLISHED SYSTEMS AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THOSE LAWS,





## REGULATIONS, AND RULES CONCERNING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	IN NOVEMBER 2002, THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), THE NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD") AND THE NEW YORK STOCK EXCHANGE, INC. ("NYSE") ALLEGED THAT FIVE BROKER DEALERS, INCLUDING GOLDMAN, SACHS & CO. ("GOLDMAN SACHS"), VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-4 THEREUNDER, NYSE RULES 440 AND 342 AND NASD RULES 3010 AND 3110 BY ALLEGEDLY FAILING TO PRESERVE ELECTRONIC MAIL COMMUNICATIONS FOR THREE YEARS AND/OR TO PRESERVE ELECTRONIC MAIL COMMUNICATIONS FOR THE FIRST TWO YEARS IN AN ACCESSIBLE PLACE, AND BY ALLEGEDLY HAVING INADEQUATE SUPERVISORY SYSTEMS AND PROCEDURES IN RELATION TO THE RETENTION OF ELECTRONIC MAIL COMMUNICATIONS.
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD")
<b>Date Initiated:</b>	11/11/2002
<b>Docket/Case Number:</b>	AWC NO. CAF020064
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	GOLDMAN, SACHS & CO. CONSENTED TO CENSURE BY THE SEC, NYSE AND NASD AND TO THE IMPOSITION OF A CEASE-AND-DESIST ORDER BY THE SEC. GOLDMAN SACHS ALSO UNDERTOOK TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS FOR COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATIONS AND THE RULES OF NYSE & NASD, AND TO CONFIRM WITHIN A SPECIFIED PERIOD OF TIME THAT IT HAD ESTABLISHED SYSTEMS & PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THOSE LAWS, REGULATIONS AND RULES
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	11/22/2002
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$550,000.00



<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS ALSO AGREED TO THE UNDERTAKING REFERENCED ABOVE IN ITEM 2.
<b>Sanction Details:</b>	GOLDMAN SACHS PAID A TOTAL FINE OF \$1,650,000.00 (\$550,000.00 EACH TO THE SEC, NYSE AND NASD)
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FIVE BROKER DEALERS, INCLUDING GOLDMAN SACHS, CONSENTED TO CENSURE BY THE SEC, NASD AND NYSE AND TO THE IMPOSITION OF A CEASE-AND-DESIST ORDER BY THE SEC AND GOLDMAN SACHS PAID A TOTAL FINE OF \$1,650,000 (\$550,000 EACH TO THE SEC, NASD AND NYSE). GOLDMAN SACHS ALSO UNDERTOOK TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS FOR COMPLIANCE WITH THE FEDERAL SECURITIES LAWS AND REGULATIONS AND THE RULES OF THE NASD AND NYSE, AND TO CONFIRM WITHIN A SPECIFIED PERIOD OF TIME THAT IT HAS ESTABLISHED SYSTEMS& PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THOSE LAWS, REGULATIONS AND RULES.

#### Disclosure 259 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110, 2320, 6130(D), AND SEC RULE 11AC1-4 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT CONSENTED TO THE ENTRY OF FINDINGS THAT IT FAILED TO EXECUTE ORDERS PROMPTLY. IN ADDITION, RESPONDENT, IN TRANSACTIONS FOR OR WITH A CUSTOMER, FAILED TO USE REASONABLE DILIGENCE TO ASCERTAIN THE BEST INTER-DEALER MARKET AND FAILED TO BUY OR SELL IN SUCH MARKET SO THAT THE RESULTANT PRICE TO ITS CUSTOMER WAS AS FAVORABLE AS POSSIBLE UNDER PREVAILING MARKET CONDITIONS. RESPONDENT ALSO FAILED TO REPORT TO ACT THE CORRECT SYMBOL INDICATING WHETHER THE TRANSACTION WAS A BUY, SELL, SELL SHORT, SELL SHORT EXEMPT OR CROSS FOR TRANSACTIONS IN ELIGIBLE SECURITIES. FURTHER, THE RESPONDENT FAILED TO DISPLAY IMMEDIATELY THE CUSTOMER LIMIT ORDERS IN NASDAQ SECURITIES IN ITS PUBLIC QUOTATION, WHEN EACH SUCH ORDER WAS AT A PRICE THAT WOULD HAVE IMPROVED THE FIRM'S BID OR OFFER IN EACH SUCH SECURITY; OR WHEN THE ORDER WAS PRICED EQUAL TO THE FIRM'S BID OR OFFER AND THE NATIONAL BEST BID OR OFFER IN SUCH SECURITY, AND THE SIZE OF THE ORDER REPRESENTED MORE THAN A DE MINIMIS CHANGE IN RELATION TO THE SIZE ASSOCIATED WITH ITS BID OR OFFER IN EACH SUCH SECURITY.
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.



**Date Initiated:** 08/26/2002

**Docket/Case Number:** CMS020150

**Principal Product Type:** Other

**Other Product Type(s):** UNKNOWN TYPE OF SECURITIES.

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 08/26/2002

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500.00  
Disgorgement/Restitution

**Other Sanctions Ordered:**

**Sanction Details:** A CENSURE, A FINE OF \$7,500 (\$3,500 FOR BEST EXECUTION, \$1,000 FOR ACT REPORTING, AND \$3,000 FOR LIMIT ORDER DISPLAY) AND RESTITUTION BY RESPONDENT TO THE INVESTORS IN THE TOTAL AMOUNT OF \$1,056, PLUS INTEREST FROM THE DATE OF THE VIOLATIVE CONDUCT UNTIL THE DATE THIS AWC IS ACCEPTED BY THE NASD. SATISFACTORY PROOF OF PAYMENT OF THE RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION SHALL BE PROVIDED TO THE NASD NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THIS AWC. IF FOR ANY REASON RESPONDENT CANNOT LOCATE ANY CUSTOMER AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, OR SUCH ADDITIONAL PERIOD AGREED TO BY THE NASD, RESPONDENT SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER IS LAST KNOWN TO HAVE RESIDED.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** GOLDMAN, SACHS & CO.("GS") ALLEGEDLY VIOLATED NASD RULES 2110, 2320, 6130(D)AND SEC RULE 11AC1-4, RESPECTIVELY, IN CONNECTION WITH A DISCREET NUMBER OF TRANSACTIONS BY ALLEGEDLY FAILING TO EXECUTE ORDERS PROMPTLY, TO USE REASONABLE DILIGENCE TO



ASCERTAIN BEST INTER-DEALER MARKET FOR MOST FAVORABLE CUSTOMER PRICE, REPORT CORRECT TRANSACTION SYMBOLS AND TO IMMEDIATELY DISPLAY CUSTOMER LIMIT ORDERS IN ITS PUBLIC QUOTATION. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS CONSENTED TO THE ENTRY OF FINDINGS.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")

**Date Initiated:** 06/25/2002

**Docket/Case Number:** CMS020150 AWC

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:** A FINE OF \$7,500.00 AND RESTITUTION BY RESPONDENT TO INVESTORS IN THE TOTAL AMOUNT OF \$1,056.00 PLUS INTEREST FROM THE DATE OF THE VIOLATIVE CONDUCT UNTIL THE DATE THE AWC IS ACCEPTED.

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 08/24/2002

**Sanctions Ordered:** Censure  
Monetary/Fine \$7,500.00  
Disgorgement/Restitution

**Other Sanctions Ordered:**

**Sanction Details:** GOLDMAN SACHS & CO. SIGNED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT, WHICH WAS ACCEPTED BY THE NASD ON 8/24/2002 AND PAID A FINE OF \$7500.00. ON 9/28/2002.

#### Disclosure 260 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULE 4613(E) - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT CONSENTED TO THE ENTRY OF FINDINGS THAT IT, A MARKET MAKER IN SECURITIES, WITHOUT MAKING REASONABLE EFFORTS TO AVOID A LOCKED OR CROSSED MARKET BY EXECUTING TRANSACTIONS WITH ALL MARKET MAKERS WHOSE QUOTATIONS WOULD BE LOCKED OR CROSSED, ENTERED BID OR ASKED QUOTATIONS IN THE NASDAQ STOCK MARKET, WHICH CAUSED A LOCKED OR CROSSED MARKET CONDITION TO OCCUR IN EACH INSTANCE.



**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 06/28/2002

**Docket/Case Number:** CMS020112

**Principal Product Type:** Other

**Other Product Type(s):** UNKNOWN TYPE OF SECURITIES

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/28/2002

**Sanctions Ordered:** Censure  
Monetary/Fine \$17,500.00

**Other Sanctions Ordered:**

**Sanction Details:** A CENSURE AND A FINE OF \$17,500.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** GOLDMAN, SACHS & CO.("GS")ALLEGEDLY VIOLATED NASD RULE 4613(E) BY ALLEGEDLY FAILING TO MAKE REASONABLE EFFORTS TO AVOID A LOCKED OR CROSSED MARKET ON CERTAIN OCCASIONS. WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS CONSENTED TO THE ENTRY OF FINDINGS.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.("NASD")

**Date Initiated:** 05/23/2002

**Docket/Case Number:** CMS020112 AWC

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:** FINE OF \$17500.00



**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/28/2002

**Sanctions Ordered:** Censure  
Monetary/Fine \$17,500.00

**Other Sanctions Ordered:**

**Sanction Details:** GOLDMAN, SACHS & CO. SIGNED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT, WHICH WAS ACCEPTED BY THE NASD ON 6/28/02 AND PAID A FINE OF \$17500.00 ON 7/23/02.

#### Disclosure 261 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CBOE CHARGED THAT GS VIOLATED RULE 4.11, POSITION LIMITS.

**Initiated By:** CHICAGO BOARD OF OPTIONS EXCHANGE, INC. ("CBOE")

**Date Initiated:** 05/09/2001

**Docket/Case Number:** N/A

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 06/07/2001

**Sanctions Ordered:** Monetary/Fine \$2,758.00

**Other Sanctions Ordered:**

**Sanction Details:** GS PAID A FINE OF \$2,758.00

#### Disclosure 262 of 325

**Reporting Source:** Regulator

**Current Status:** Final



<b>Allegations:</b>	<p>IT IS ALLEGED THAT THE ACTS, PRACTICES AND CONDUCT CONSTITUTES A VIOLATION OF EXCHANGE RULES 4.1; 6.43; 6.74(B)(III) AND REGULATORY CIRCULAR RG97-113 BY GOLDMAN AND NEVINS, IN THAT NEVINS, ON BEHALF OF GOLDMAN, CROSSED 1,500 SPQ MAR 1050 CALL OPTION CONTRACTS AND 1500 SPT MAR 1150 CALL OPTION CONTRACTS, AND 2,000 SXY DEC 1325 CALL OPTION CONTRACTS AND 2,000 SZP DEC 125 CALL OPTION CONTRACTS OF ORIGINAL ORDER NO. 1 WITH SOLICITED ORDER NO. 1 WITHOUT OFFERING BELOW THE LOWEST OFFER IN THE MARKET, PRIOR TO GIVING ALL OTHER CROWD PARTICIPANTS AN OPPORTUNITY TO ACCEPT THE CUSTOMER BID AND WITHOUT PUBLIC OUTCRY.</p> <p>IT IS ALLEGED THAT THE ACTS, PRACTICES AND CONDUCT CONSTITUTE A VIOLATION OF EXCHANGE RULES 4.1 AND 6.9(D) BY GOLDMAN AND PIRASTEH, IN THAT PIRASTEH, THROUGH NEVINS AND ON BEHALF OF GOLDMAN, FAILED TO DISCLOSE TO MEMBERS OF THE SPX TRADING CROWD ALL OF THE TERMS AND CONDITIONS OF AN ORIGINAL CUSTOMER NET DEBIT SPREAD ORDER PRIOR TO CROSSING THE CUSTOMER ORDER WITH A SOLICITED GOLDMAN PROPRIETARY NET CREDIT SPREAD ORDER. IN FACT, PIRASTEH, THROUGH NEVINS AND ON BEHALF OF GOLDMAN, CAUSED THE SPX CROWD MEMBERS INTO BELIEVING THAT SOLICITED ORDER NO. 2 WAS IN FACT THE ORIGINAL ORDER WHEN, IN FACT, IT WAS NOT. AS A RESULT, GOLDMAN AND PIRASTEH FAILED TO PROVIDE MEMBERS OF THE SPX CROWD WITH AN OPPORTUNITY TO ASSERT THEIR PRIORITY OVER THE SOLICITED ORDER.</p>
<b>Initiated By:</b>	CHICAGO BOARD OPTIONS EXCHANGE
<b>Date Initiated:</b>	08/22/2000
<b>Docket/Case Number:</b>	00-0026
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	SEE SANCTION DETAIL
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	01/23/2001
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$15,000.00
<b>Other Sanctions Ordered:</b>	



**Sanction Details:** THE SANCTION TO BE IMPOSED SHALL CONSIST OF A FIFTEEN THOUSAND DOLLAR (\$15,000) FINE AND A CENSURE AS TO GOLDMAN SACHS, AND A CENSURE AS TO NEVINS.

**Regulator Statement** GOLDMAN, SACHS & CO., AN EXCHANGE MEMBER ORGANIZATION, AND CHRISTOPHER NEVINS, A NOMINEE OF GOLDMAN REGISTERED AS ITS FLOOR BROKER, WERE EACH CENSURED. IN ADDITION, GOLDMAN WAS FINED \$15,000 FOR THE FOLLOWING CONDUCT. ON OR ABOUT MARCH 11, 1999, AT APPROXIMATELY 10:25 A.M., GOLDMAN ENTERED A FOUR-WAY CUSTOMER NET DEBIT SPX SPREAD ORDER (?ORIGINAL ORDER NO. 1?) WITH GOLDMAN FLOOR BROKER NEVINS. AT APPROXIMATELY 10:25 A.M., NEVINS, ON BEHALF OF GOLDMAN, CROSSED A PORTION OF ORIGINAL ORDER NO. 1 WITH A GOLDMAN FIRM FACILITATION NET CREDIT SPREAD ORDER (?SOLICITED ORDER NO. 1?) WITHOUT OFFERING BELOW THE LOWEST OFFER IN THE MARKET, PRIOR TO GIVING ALL OTHER CROWD PARTICIPANTS AN OPPORTUNITY TO ACCEPT THE CUSTOMER BID AND WITHOUT PUBLIC OUTCRY. IN ADDITION, AT APPROXIMATELY 10:45 A.M., GOLDMAN ENTERED A FOUR-WAY FIRM FACILITATION NET CREDIT SPX SPREAD ORDER (?SOLICITED ORDER NO. 2?) WITH GOLDMAN FLOOR BROKER NEVINS. THIS ORDER WAS SUBSEQUENTLY REPRESENTED BY NEVINS IN THE SPX TRADING CROWD. AT APPROXIMATELY 10:45 A.M., GOLDMAN ENTERED A FOUR-WAY CUSTOMER NET DEBIT SPX SPREAD ORDER ("ORIGINAL ORDER NO. 2") WITH GOLDMAN FLOOR BROKER NEVINS. AT APPROXIMATELY 10:45 A.M., NEVINS CROSSED SOLICITED ORDER NO. 2 WITH ORIGINAL ORDER NO. 2. AT APPROXIMATELY 10:45 A.M., GOLDMAN FAILED TO DISCLOSE TO MEMBERS OF THE SPX TRADING CROWD ALL OF THE TERMS AND CONDITIONS OF AN ORIGINAL CUSTOMER NET DEBIT SPREAD ORDER PRIOR TO CROSSING THE CUSTOMER ORDER WITH A SOLICITED GOLDMAN PROPRIETARY NET CREDIT SPREAD ORDER, WHICH HAD THE EFFECT OF CAUSING THE SPX CROWD MEMBERS TO BELIEVE THAT SOLICITED ORDER NO. 2 WAS IN FACT THE ORIGINAL ORDER. AS A RESULT, GOLDMAN FAILED TO PROVIDE MEMBERS OF THE SPX CROWD WITH AN OPPORTUNITY TO ASSERT THEIR PRIORITY OVER THE SOLICITED ORDER. (CBOE RULES 4.1, 6.43, 6.24(A), 6.74, AND 6.9(D), AND REGULATORY CIRCULAR 97-113.)

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGATIONS OF VIOLATIONS OF CBOE RULE 4.1 (JUST AND EQUITABLE PRINCIPLES OF TRADE) AND RULES 6.43, 6.74(B)(III), 6.9(D) AND REGULATORY CIRCULAR RG97-113, HAVING TO DO WITH CONDUCT ON THE FLOOR RULES, IN CONNECTION WITH A SERIES OF TRADES ON ONE BUSINESS DAY.





**Initiated By:** CHICAGO BOARD OF OPTIONS EXCHANGE, INC ("CBOE")  
**Date Initiated:** 03/11/1999  
**Docket/Case Number:** FILE NO. 00-0026  
**Principal Product Type:** Options  
**Other Product Type(s):** N/A  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)  
**Other Sanction(s)/Relief Sought:** CENSURE AND \$15,000.00 FINE.  
**Resolution:** Decision & Order of Offer of Settlement  
**Resolution Date:** 01/23/2001  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$15,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** GS PAID A FINE OF \$15,000 ON 02/08/01.  
**Firm Statement** MATTER SETTLED WITHOUT ADMITTING OR DENYING THE VIOLATIONS ATTENDED.

#### Disclosure 263 of 325

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** NASD RULE 4613(E) - RESPONDENT MEMBER, A MARKET MAKER IN SECURITIES, WITHOUT MAKING REASONABLE EFFORTS TO AVOID A LOCKED OR CROSSED MARKET BY EXECUTING TRANSACTIONS WITH ALL MARKET MAKERS WHOSE QUOTATIONS WOULD BE LOCKED OR CROSSED, ENTERED BID OR ASK QUOTATIONS IN THE NASDAQ STOCK MARKET, INC. WHICH CAUSED A LOCKED OR CROSSED MARKET CONDITION TO OCCUR.  
**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS  
**Date Initiated:** 10/10/2000  
**Docket/Case Number:** CMS000202  
**Principal Product Type:** Equity - OTC  
**Other Product Type(s):**



**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/10/2000

**Sanctions Ordered:** Censure  
Monetary/Fine \$13,000.00

**Other Sanctions Ordered:**

**Sanction Details:** NONE

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGED FAILURE BY GS AS A MARKET MAKER TO MAKE REASONABLE EFFORTS TO AVOID A LOCKED OR CROSSED MARKET BY EXECUTING TRANSACTIONS WITH ALL MARKET MAKERS WHOSE QUOTATIONS WOULD BE LOCKED OR CROSSED, ENTERED A BID OR ASKED QUOTATION WHICH CAUSED A LOCKED OR CROSSED MARKET CONDITION TO OCCUR.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.,("NASD")

**Date Initiated:** 07/14/2000

**Docket/Case Number:** CMS000202 AWC

**Principal Product Type:** Equity Listed (Common & Preferred Stock)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/10/2000

**Sanctions Ordered:** Censure  
Monetary/Fine \$13,000.00

**Other Sanctions Ordered:**



<b>Sanction Details:</b>	ON JULY 14, 2000, GS CONSENTED TO A CENSURE AND FINE OF \$13,000 BY SIGNING A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WHICH WAS ACCEPTED ON OCTOBER 10, 2000.
<b>Firm Statement</b>	ON JULY 14, 2000, GS CONSENTED TO A CENSURE AND FINE OF \$13,000 BY SIGNING A LETTER OF ACCEPTANCE, WAIVER AND CONSENT WHICH WAS ACCEPTED ON OCTOBER 10, 2000.

#### Disclosure 264 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	VARIOUS STATE REGULATORS, INCLUDING THE ALABAMA SECURITIES COMMISSION AND OFFICE OF THE ATTORNEY GENERAL, STATE OF ALABAMA, CONDUCTED AN INDUSTRY-WIDE, JOINT INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING.
<b>Initiated By:</b>	ALABAMA DEPARTMENT OF COMMISSION AND OFFICE OF THE STATE OF THE ATTORNEY GENERAL, STATE OF ALABAMA
<b>Date Initiated:</b>	04/12/2002
<b>Docket/Case Number:</b>	CO-2003-0031
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	EQUITY RESEARCH
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING 8-6-3(J)(7) AND 8-6-3(J)(10) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THE ORDER AND WILL COMPLY WITH 8-6-3(J)(7) AND 8-6-3(J)(10) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THE ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	10/06/2003
<b>Sanctions Ordered:</b>	Monetary/Fine \$342,654.00
<b>Other Sanctions Ordered:</b>	GOLDMAN SACHS WILL CEASE AND DESIST FROM VIOLATING 8-6-3(J)(7) AND 8-6-3(J)(10) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED IN THE ORDER AND WILL COMPLY WITH 8-6-3(J)(7) AND 8-6-3(J)(10) IN CONNECTION WITH THE RESEARCH PRACTICES REFERENCED



IN THE ORDER AND WILL COMPLY WITH THE UNDERTAKINGS OF  
ADDENDUM A, INCORPORATED HEREIN BY REFERENCE.

**Sanction Details:**

THE \$342,654 PAYMENT TO THE ALABAMA SECURITIES COMMISSION AND  
OFFICE OF THE ATTORNEY GENERAL, STATE OF ALABAMA WAS PART OF A  
GLOBAL SETTLEMENT WITH THE SEC, NYSE, NASD AND VARIOUS STATE  
REGULATORS, THAT INCLUDED: \$25,000,000 AS DISGORGEMENT;  
\$25,000,000 AS PENALTIES; \$50,000,000 TO FUND INDEPENDENT, THIRD-  
PARTY RESEARCH; \$10,000,000 FOR INVESTOR EDUCATION.

**Firm Statement**

WITHOUT ADMITTING OR DENYING LIABILITY, GOLDMAN SACHS ENTERED  
INTO A CONSENT ORDER WITH THE ALABAMA SECURITIES COMMISSION  
AND OFFICE OF THE ATTORNEY GENERAL THAT FOUND GOLDMAN SACHS  
TO HAVE VIOLATED CODE OF ALABAMA 1975 8-6-3(J)(7) WHICH PROHIBITS  
THE USE OF DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES  
BUSINESS AND CODE OF ALABAMA 1975 8-6-3(J)(10) WHICH STATES  
BROKER-DEALERS ARE REQUIRED TO SUPERVISE ADEQUATELY THE  
CONDUCT OF ITS EMPLOYEES AND AGENTS.

**Disclosure 265 of 325**

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEE SUMMARY
<b>Initiated By:</b>	CHICAGO BOARD OF OPTIONS EXCHANGE, INC.
<b>Date Initiated:</b>	04/17/2000
<b>Docket/Case Number:</b>	00-0015
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	A \$10,000 JOINT AND SEVERAL FINE AND A CENSURE.
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	05/31/2000
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	NONE



<b>Sanction Details:</b>	A \$10,000 JOINT AND SEVERAL FINE AND A CENSURE.
<b>Regulator Statement</b>	<p>GOLDMAN, SACHS &amp; CO, AN EXCHANGE MEMBER ORGANIZATION AND PETER VAN DOOIJEWERT, A FORMER TRADER ON GOLDMAN, SACHS' OPTIONS DESK IN NEW YORK CITY, WERE EACH CENSURED AND JOINTLY AND SEVERALLY FINED \$10,000 FOR THE FOLLOWING CONDUCT. ON OR ABOUT NOVEMBER 19, 1998, VAN DOOIJEWERT, WHILE EMPLOYED BY GOLDMAN, SACHS RECEIVED A CUSTOMER ORDER TO PURCHASE 1,000 PROVIDIAN ("PVN") NOV 80 CALL OPTION CONTRACTS ("ORIGINAL ORDER"). ON OR ABOUT NOVEMBER 19, 1998, VAN DOOIJEWERT, ENTERED FOUR ORDERS FROM 1:09 P.M. THROUGH 1:23 P.M. TO PURCHASE A TOTAL OF 13,000 SHARES OF PVN COMMON STOCK TO HEDGE GOLDMAN, SACHS' ANTICIPATED FACILITATION OF A PORTION OF THE ORIGINAL ORDER PRIOR TO THE DISCLOSURE OF THE ORIGINAL ORDER TO THE PVN TRADING CROWD. VAN DOOIJEWERT ENTERED THE ORIGINAL ORDER AT 1:24 P.M. AND A MATCHING FIRM FACILITATION ORDER AT 1:25 P.M. THROUGH ITS FLOOR BROKER AGENT ON THE EXCHANGE TRADING FLOOR. SUBSEQUENTLY, GOLDMAN, SACHS FACILITATED 855 OF THE 1,000 CONTRACTS OF THE ORIGINAL ORDER. IN ACCEPTING THE OFFER OF SETTLEMENT, THE COMMITTEE CONSIDERED THE FACT THAT THE TRANSACTION DESCRIBED ABOVE EXPOSED GOLDMAN SACHS TO SUBSTANTIAL MARKET RISK; AND GOLDMAN'S FACILITATION OF THE ORIGINAL ORDER PROVIDED PRICE IMPROVEMENT TO THE CUSTOMER INVOLVED HEREIN.</p> <p>(CBOE RULE 4.1.)</p>

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	CBOE CHARGED THAT GS ALLEGEDLY VIOLATED EXCHANGE RULE 4.1 BY ENTERING AN ORDER PRIOR TO DISCLOSING THE TERMS AND CONDITIONS OF THE ORIGINAL ORDER TO THE RELEVANT TRADING CROWD, AS REQUIRED BY EXCHANGE RULE 6.9(E)
<b>Initiated By:</b>	CHICAGO BOARD OF OPTIONS EXCHANGE, INC. ("CBOE")
<b>Date Initiated:</b>	04/17/2000
<b>Docket/Case Number:</b>	00-0015
<b>Principal Product Type:</b>	Options
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)


**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 06/14/2000

**Sanctions Ordered:** Censure  
Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS PAID A FINE OF \$10,000.00.

**Disclosure 266 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** THE SEC'S ORDERS ALLEGE AS FOLLOWS: FROM 1990 THROUGH 1994, EACH OF THE TEN BROKERAGE FIRMS CHARGED ISSUERS OF MUNICIPAL REFUNDING BONDS EXCESSIVE, UNDISCLOSED MARKUPS ON TREASURY SECURITIES. THE FIRMS ALSO CERTIFIED THAT THE PRICES THEY CHARGED DID NOT EXCEED THE SECURITIES' FAIR MARKET VALUE UNDER THE FEDERAL TAX LAWS, EVEN THOUGH THEY KNEW OR SHOULD HAVE KNOWN THAT THEY WERE CHARGING PRICES ABOVE FAIR MARKET VALUE. THE FALSE REPRESENTATIONS BY THE FIRMS ABOUT THE FAIR MARKET VALUE OF THE SECURITIES WERE CRITICAL TO ESTABLISHING THE TAX-EXEMPT STATUS OF THE ASSOCIATED MUNICIPAL REFUNDING BONDS. THAT TAX-EXEMPT STATUS WAS THE BONDS' ESSENTIAL INVESTMENT FEATURE. IN SOME CASES, A BROKERAGE FIRM'S OVERCHARGING DIVERTED MONEY FROM THE U.S. TREASURY TO THE FIRM. IN THE REMAINING CASES, OVERCHARGING BY THE BROKERAGE FIRM TOOK MONEY AWAY FROM THE MUNICIPALITY BY REDUCING, DOLLAR FOR DOLLAR, THE SAVINGS THAT THE MUNICIPALITY RECEIVED FROM THE REFUNDING. THEREFORE, EACH OF THE FIRMS VIOLATED THE FEDERAL SECURITIES LAWS BY SELLING SECURITIES TO MUNICIPALITIES AT INFLATED PRICES AND JEOPARDIZING THE TAX-EXEMPT STATUS OF THE MUNICIPALITIES' REFUNDING BONDS.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 04/06/2000

**Docket/Case Number:** RELS. 33-7832; 34-42636; FILE #3-10178

**Principal Product Type:** Other



<b>Other Product Type(s):</b>	MUNICIPAL BONDS - "YIELD BURNING"
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	(1) CENSURE AND (2) DISGORGEMENT
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	04/06/2000
<b>Sanctions Ordered:</b>	Censure Disgorgement/Restitution Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	(1) A CENSURE; (2) A CEASE AND DESIST ORDER PROHIBITING FROM FUTURE VIOLATIONS OF THE SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT OF 1933; AND (3) DISGORGEMENT OF \$5.2 MILLION (\$5.1 MILLION TO THE TREASURY AND \$100,000 TO MUNICIPAL ISSUERS).
<b>Regulator Statement</b>	+04/09/2000+ SEC NEWS DIGEST, ISSUE NO. 2000-65, DATED 04/06/2000, ENFORCEMENT PROCEEDINGS DISCLOSES: THE SEC TODAY BROUGHT AND SETTLED CIVIL ADMINISTRATIVE FRAUD CHARGES AGAINST TEN WALL STREET AND REGIONAL BROKERAGE FIRMS FOR OVERCHARGING MUNICIPALITIES FOR GOVERNMENT SECURITIES IN A PRACTICE COMMONLY KNOWN AS "YIELD BURNING." THE SETTLEMENTS ANNOUNCED TODAY ARE PART OF A GLOBAL RESOLUTION OF ALL YIELD BURNING CLAIMS WITH A TOTAL OF SEVENTEEN BROKERAGE FIRMS BY THE SEC, NASD REGULATION, INC., THE U.S. ATTORNEY FOR THE SOUTHERN DISTRICT OF NEW YORK, AND THE DEPARTMENT OF THE TREASURY. THIS GLOBAL RESOLUTION REQUIRES THE FIRMS TO PAY A TOTAL OF MORE THAN \$139 MILLION. INCLUDING THE ACTIONS ANNOUNCED TODAY, MORE THAN \$172 MILLION WILL HAVE BEEN PAID BY 21 FIRMS TO RESOLVE CHARGES OF YIELD BURNING AND RELATED CLAIMS. YIELD BURNING INVOLVES OVERCHARGES BY BROKERAGE FIRMS ON TREASURY SECURITIES PURCHASED WITH PROCEEDS FROM THE SALE OF MUNICIPAL BONDS. YIELD BURNING BY BROKERAGE FIRMS JEOPARDIZED THE TAX-EXEMPT STATUS OF INTEREST PAID TO HOLDERS OF THOSE BONDS. WITHOUT ADMITTING OR DENYING THE FINDINGS, EACH FIRM INCLUDING GOLDMAN, SACHS & CO. CONSENTED TO A CENSURE, A CEASE AND DESIST ORDER PROHIBITING FUTURE VIOLATIONS, AND AGREED TO DISGORGE THE ILL-GOTTEN GAINS IT RECEIVED FROM THE OVERCHARGING. (RELS. 33-7832; 34-42636; FILE NO. 3-10178)



<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	AS PART OF AN INDUSTRY-WIDE INVESTIGATION RELATING TO THE PRICING OF GOVERNMENT SECURITIES IN ADVANCED REFUNDING TRANSACTIONS, GS JOINED IN A GLOBAL SETTLEMENT PURSUANT TO WHICH GS, WITHOUT ADMITTING OR DENYING THE FINDINGS, CONSENTED TO AN SEC ADMINISTRATIVE ORDER WHICH FOUND, INTER ALIA, THAT GS VIOLATED SECTIONS 17(A)(2)AND(3)OF THE SECURITIES EXCHANGE ACT OF 1933.
<b>Initiated By:</b>	SECURITIES & EXCHANGE COMMISSION ("SEC")
<b>Date Initiated:</b>	04/06/2000
<b>Docket/Case Number:</b>	RELS. NO. 33-7832,34-42636 FILE#3-10178
<b>Principal Product Type:</b>	Debt - Government
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	IN CONNECTION WITH THE GLOBAL SETTLEMENT OF AN INDUSTRY-WIDE INVESTIGATION RELATING TO THE PRICING OF GOVERNMENT SECURITIES IN ADVANCE REFUNDINGS, GOLDMAN, SACHS & CO.("GS") WAS ORDERED TO MAKE PAYMENTS TOTALING APPROXIMATELY \$5.1 MILLION TO THE U.S. TREASURY AND \$104,000 TO TWO MUNICIPALITIES. (SEE SEA REL. NO. 42640)
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	04/06/2000
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$5,204,000.00 Disgorgement/Restitution Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	IN CONNECTION WITH THE GLOBAL SETTLEMENT OF AN INDUSTRY-WIDE INVESTIGATION RELATING TO THE PRICING OF GOVERNMENT SECURITIES IN ADVANCE REFUNDINGS, GOLDMAN, SACHS & CO.("GS") WAS ORDERED TO MAKE PAYMENTS TOTALING APPROXIMATELY \$5.1 MILLION TO THE U.S. TREASURY AND \$104,000 TO TWO MUNICIPALITIES. (SEE SEA REL. NO. 42640)
<b>Firm Statement</b>	ON APRIL 6, 2000, GS JOINED IN A GLOBAL SETTLEMENT RESOLVING (I) AN INDUSTRY-WIDE INVESTIGATION BY THE SEC RELATING TO THE PRICING





OF GOVERNMENT SECURITIES IN ADVANCE REFUNDING TRANSACTIONS, AND (II) A RELATED QUI TAM LAWSUIT PURPORTEDLY BROUGHT ON BEHALF OF THE U.S. ENTITLED UNITED STATES EX REL. LISSACK V. GOLDMAN, SACHS & CO., ET AL., 95 CIV. 1363 (S.D.N.Y.)(BSJ).

#### Disclosure 267 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD RULES 2110, 3010 AND 6620 - RESPONDENT MEMBER UNTIMELY FILED TRANSACTIONS IN OTC EQUITY SECURITIES OF FORM TS WITH THE NASD; AND, FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE RULES OF THE NASD.
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	02/11/2000
<b>Docket/Case Number:</b>	CMS000016
<b>Principal Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Censure
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	02/11/2000
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$17,500.00
<b>Other Sanctions Ordered:</b>	NONE
<b>Sanction Details:</b>	CENSURED AND FINED \$17,500.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE NASD ALLEGED THAT GS VIOLATED NASD MARKETPLACE RULE 6620 AND NASD CONDUCT RULES 2110 AND 3010. THE NASD ALLEGED THAT GS UNTIMELY FILED CERTAIN TRANSACTIONS IN OTC EQUITY SECURITIES ON



FORMS T WITH THE NASD AND GS FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")

**Date Initiated:** 07/28/1999

**Docket/Case Number:** CMS000016

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:** GS AGREED TO PAY A \$17,500.00 FINE.

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 02/14/2000

**Sanctions Ordered:** Censure  
Monetary/Fine \$17,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS CONSENTED TO A CENSURE AND A \$17,500 FINE (COMPOSED OF A \$10,000 FINE FOR THE FORM T VIOLATIONS, A \$5,000 FINE FOR THE WRITTEN SUPERVISORY PROCEDURES VIOLATIONS RELATING TO THE REPORTING OF TRANSACTIONS VIA FORM T, AND A \$2,500 FINE FOR THE BEST EXECUTION VIOLATIONS).

#### Disclosure 268 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** NASD RULE 3360 - RESPONDENT MEMBER FAILED TO REPORT ITS SHORT INTEREST POSITION OF SHARES OF STOCK.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 01/24/2000

**Docket/Case Number:** CMS990177

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**



**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 01/24/2000

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FINED \$1,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASDR FINED GS FOR ALLEGED VIOLATIONS OF NASD CONDUCT RULE 3360. GS ALLEGEDLY FAILED TO REPORT ITS SHORT INTEREST POSITION IN ONE SECURITY.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")

**Date Initiated:** 09/15/1999

**Docket/Case Number:** CMS990177

**Principal Product Type:** Equity - OTC

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 01/24/2000

**Sanctions Ordered:** Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS CONSENTED TO A \$1,000 FINE BY SIGNING AN AWC ON JANUARY 24, 2000.

**Disclosure 269 of 325**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGED VIOLATION OF CBOE RULES 4.1, 4.6, 6.1, 6.43, 24.4

**Initiated By:** CHICAGO BOARD OPTIONS EXCHANGE

**Date Initiated:** 04/21/1986

**Docket/Case Number:** 88-0007

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 04/21/1986

**Sanctions Ordered:** Censure  
Monetary/Fine \$3,000.00

**Other Sanctions Ordered:**

**Sanction Details:** SETTLEMENT OFFER, PAID \$3000.00 AND AGREED TO BE CENSURED

**Firm Statement** SETTLEMENT OFFER, PAID \$3000.00 AND AGREED TO BE CENSURED

**Disclosure 270 of 325**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CBOE ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED CBOE POSITION LIMIT RULES.

**Initiated By:** CHICAGO BOARD OF OPTIONS EXCHANGE ("CBOE")



**Date Initiated:** 02/21/1992  
**Docket/Case Number:** NONE  
**Principal Product Type:** Options  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Settled  
**Resolution Date:** 02/21/1992  
**Sanctions Ordered:** Monetary/Fine \$1,325.00  
**Other Sanctions Ordered:**  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$ 1,325.  
**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$ 1,325.

#### Disclosure 271 of 325

**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** THE SEC ALLEGED THAT GOLDMAN, SACHS & CO., ALONG WITH SEVERAL OTHER PARTIES, VIOLATED SECTIONS 7(C), 10(B) AND 14D-4 OF THE SECURITIES AND EXCHANGE ACT OF 1934.  
**Initiated By:** SECURITIES AND EXCHANGE COMMISSION ("SEC")  
**Date Initiated:** 10/06/1969  
**Docket/Case Number:** (COURT #69 CIV. 4364)  
**Principal Product Type:** Other  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)  
**Other Sanction(s)/Relief Sought:**



<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	04/29/1970
<b>Sanctions Ordered:</b>	Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	INJUNCTION ENTERED 4/29/70 ENJOINED GOLDMAN, SACHS & CO. AND THE OTHER DEFENDANTS FROM FURTHER VIOLATIONS OF SECTIONS 7(C), 10(B), 13(D)(1) AND 14(D)(4). THE CONSENT EXPRESSLY PROVIDED THAT THERE WAS NO ADMISSION OF ANY WRONGDOING ON THE PART OF GOLDMAN, SACHS & CO.
<b>Sanction Details:</b>	INJUNCTION ENTERED 4/29/70 ENJOINED GOLDMAN, SACHS & CO. AND THE OTHER DEFENDANTS FROM FURTHER VIOLATIONS OF SECTIONS 7(C), 10(B), 13(D)(1) AND 14(D)(4). THE CONSENT EXPRESSLY PROVIDED THAT THERE WAS NO ADMISSION OF ANY WRONGDOING ON THE PART OF GOLDMAN, SACHS & CO.
<b>Firm Statement</b>	INJUNCTION ENTERED 4/29/70 ENJOINED GOLDMAN, SACHS & CO. AND THE OTHER DEFENDANTS FROM FURTHER VIOLATIONS OF SECTIONS 7(C), 10(B), 13(D)(1) AND 14(D)(4). THE CONSENT EXPRESSLY PROVIDED THAT THERE WAS NO ADMISSION OF ANY WRONGDOING ON THE PART OF GOLDMAN, SACHS & CO.

#### Disclosure 272 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED THE NASD'S VOLUME REPORTING REQUIREMENTS.
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")
<b>Date Initiated:</b>	03/25/1991
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	03/25/1991



<b>Sanctions Ordered:</b>	Monetary/Fine \$500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$500.00.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$500.00.

#### Disclosure 273 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ISE ALLEGED THAT GOLDMAN SACHS EQUITY SECURITIES (U.K.) LTD., ("GSES"), A SUBSIDIARY OF GOLDMAN, SACHS & CO., VIOLATED LSE RULE RELATING TO AGENCY CROSS TRANSACTIONS.
<b>Initiated By:</b>	LONDON STOCK EXCHANGE ("LSE")
<b>Date Initiated:</b>	04/29/1992
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	04/29/1992
<b>Sanctions Ordered:</b>	
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING ALLEGATIONS, GSES PAID A FINE OF 2000 POUNDS.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING ALLEGATIONS, GSES PAID A FINE OF 2000 POUNDS.

#### Disclosure 274 of 325



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE ISE ALLEGED THAT GOLDMAN SACHS EQUITY SECURITIES (U.K.) ("GSES"), A SUBSIDIARY OF GOLDMAN, SACHS & CO., VIOLATED ISE RULES BY FAILING TO REPORT A SINGLE TRANSACTION IN AN ISE SECURITY.

**Initiated By:** INTERNATIONAL STOCK EXCHANGE IN LONDON ("ISE")

**Date Initiated:** 02/01/1990

**Docket/Case Number:** NONE

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 02/01/1990

**Sanctions Ordered:** Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GSES PAID A FINE OF 1000 POUNDS.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GSES PAID A FINE OF 1000 POUNDS.

#### Disclosure 275 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CBT ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED THE FOLLOWING CBT RULES; REGULATIONS 332.08, 403.07, 545.02, CAPITAL RULES 211, 212, 213, AND 250 B(7).

**Initiated By:** CHICAGO BOARD OF TRADE ("CBT")

**Date Initiated:** 01/09/1992

**Docket/Case Number:** FILE #91-EX-21





<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	01/09/1992
<b>Sanctions Ordered:</b>	Monetary/Fine \$2,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$2000.00.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$2000.00.

#### Disclosure 276 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	CBT ALLEGED THAT GOLDMAN, SACHS& CO. VIOLATED 332.08.
<b>Initiated By:</b>	BOARD OF TRADE OF THE CITY OF CHICAGO ("CBT")
<b>Date Initiated:</b>	12/10/1991
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	12/10/1991
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$1000.00.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$1000.00.

**Disclosure 277 of 325**

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CBOE ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED CBOE'S POSITION LIMIT RULE.

**Initiated By:** CHICAGO BOARD OF OPTIONS EXCHANGE ("CBOE")

**Date Initiated:** 10/28/1991

**Docket/Case Number:** NONE

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 10/28/1991

**Sanctions Ordered:** Monetary/Fine \$6,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$6500.00. T

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$6500.00.

**Disclosure 278 of 325**

**Reporting Source:** Firm

**Current Status:** Final



<b>Allegations:</b>	CBT ALLEGED THAT GOLDMAN, SACHS & CO. HAD VIOLATED CBT REGULATION 332.02.
<b>Initiated By:</b>	BOARD OF TRADE OF THE CITY OF CHICAGO ("CBT")
<b>Date Initiated:</b>	01/07/1991
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	02/06/1991
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$1000.00.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$1000.00.

#### Disclosure 279 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED NASD'S VOLUME REPORTING REQUIREMENTS.
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")
<b>Date Initiated:</b>	10/31/1990
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)


**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled  
**Resolution Date:** 10/31/1990  
**Sanctions Ordered:** Monetary/Fine \$250.00  
**Other Sanctions Ordered:**  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$250.00.  
**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$250.00.

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**Disclosure 280 of 325**

**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** CBOE ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED CBOE'S POSITION LIMIT RULE.  
**Initiated By:** CHICAGO BOARD OF OPTIONS EXCHANGE ("CBOE")  
**Date Initiated:** 10/09/1990  
**Docket/Case Number:**  
**Principal Product Type:** Money Market Fund(s)  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Other  
**Resolution Date:** 10/19/1990  
**Sanctions Ordered:** Monetary/Fine \$1,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$1000.00.  
**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS



& CO. PAID A FINE OF \$1000.00.

#### Disclosure 281 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	CBOE ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED CBOE'S POSITION LIMIT RULE.
<b>Initiated By:</b>	CHICAGO BOARD OF OPTIONS EXCHANGE, INC. ("CBOE").
<b>Date Initiated:</b>	08/16/1990
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	08/16/1990
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$1000.00.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$1000.00.

#### Disclosure 282 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	CME ALLEGED THAT GSA CLEARING CORPORATION, A SUBSIDIARY OF GOLDMAN, SACHS & CO., VIOLATED CME RULES 536 E, 931 C, 935, RULE 433B.
<b>Initiated By:</b>	CHICAGO MERCANTILE EXCHANGE ("CME")



**Date Initiated:** 10/24/1989

**Docket/Case Number:** NONE

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 10/24/1989

**Sanctions Ordered:** Monetary/Fine \$25,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING ALLEGATIONS, GSA CLEARING CORP. PAID A FINE OF \$25,000.00.

**Firm Statement** WITHOUT ADMITTING OR DENYING ALLEGATIONS, GSA CLEARING CORP. PAID A FINE OF \$25,000.00.

#### Disclosure 283 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CBT ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED CBT RULES 545.02.

**Initiated By:** BOARD OF TRADE OF THE CITY OF CHICAGO ("CBT")

**Date Initiated:** 05/17/1989

**Docket/Case Number:** NONE

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled



<b>Resolution Date:</b>	05/17/1989
<b>Sanctions Ordered:</b>	Monetary/Fine \$500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$500.00.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$500.00.

#### Disclosure 284 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	CBT ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED CBT RULES 403.07 AND CAPITAL RULES 211 AND 212.
<b>Initiated By:</b>	BOARD OF TRADE OF THE CITY OF CHICAGO ("CBT")
<b>Date Initiated:</b>	02/13/1989
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	02/13/1989
<b>Sanctions Ordered:</b>	Monetary/Fine \$500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$500.00.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$500.00.

#### Disclosure 285 of 325



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NEW YORK MERCANTILE EXCHANGE ALLEGED THAT GSA CLEARING CORPORATION, AN AFFILIATE OF GOLDMAN, SACHS & CO., VIOLATED EXCHANGE RULE 190.15.

**Initiated By:** NEW YORK MERCANTILE EXCHANGE

**Date Initiated:** 07/10/1987

**Docket/Case Number:** NONE

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 07/10/1987

**Sanctions Ordered:** Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GSA CLEARING CORPORATION PAID A \$10,000.00 PENALTY.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GSA CLEARING CORPORATION PAID A \$10,000.00 PENALTY.

#### Disclosure 286 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT GOLDMAN, SACHS & CO. FAILED TO ENTER VOLUME REPORTS FOR ONE SECURITY ON FOUR NON-CONSECUTIVE TRADE DATES.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")

**Date Initiated:** 04/03/1986

**Docket/Case Number:** NONE





<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	04/03/1986
<b>Sanctions Ordered:</b>	Monetary/Fine \$250.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A \$250.00.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A \$250.00.

#### Disclosure 287 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	CBOE ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED A POSITION LIMIT OF THE CBOE (RULE 411).
<b>Initiated By:</b>	CHICAGO BOARD OF OPTIONS EXCHANGE, INC. ("CBOE")
<b>Date Initiated:</b>	01/01/1984
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	01/01/1984
<b>Sanctions Ordered:</b>	Monetary/Fine \$500.00

**Other Sanctions Ordered:**

<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING ALLEGATIONS, GOLDMAN, SACHS & CO. PAID \$500.00 FINE.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING ALLEGATIONS, GOLDMAN, SACHS & CO. PAID \$500.00 FINE.

**Disclosure 288 of 325**

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD ALLEGED THAT GOLDMAN, SACHS & CO. FAILED TO ENTER VOLUME REPORTS FOR CERTAIN OVER-THE-COUNTER SECURITIES FOR ONE TRADE DATE.
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	01/01/1983
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	01/01/1983
<b>Sanctions Ordered:</b>	Monetary/Fine \$750.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS GOLDMAN, SACHS & CO. PAID A \$750.00 FINE.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS GOLDMAN, SACHS & CO. PAID A \$750.00 FINE.

**Disclosure 289 of 325**

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final



<b>Allegations:</b>	ALLEGED VIOLATION OF NEW YORK MERCANTILE EXCHANGE RULE 54-02.
<b>Initiated By:</b>	NEW YORK MERCANTILE EXCHANGE
<b>Date Initiated:</b>	03/17/1983
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Money Market Fund(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	12/11/1984
<b>Sanctions Ordered:</b>	Monetary/Fine \$10,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. SUBMITTED AN OFFER OF SETTLEMENT AND PAYMENT OF \$10,000.00.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. SUBMITTED AN OFFER OF SETTLEMENT AND PAYMENT OF \$10,000.00.

#### Disclosure 290 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ALLEGED VIOLATION OF SECTION 17(A) OF THE SECURITIES ACT OF 1933 IN CONNECTION WITH THE OFFER AND SALE OF COMMERCIAL PAPER OF PENN CENTRAL TRANSPORTATION CO. DURING THE PERIOD AUGUST 1968 - MAY 1970.
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	05/02/1974
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Money Market Fund(s)



<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	05/02/1974
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. CONSENTED TO FINDING OF VIOLATION BY THE SEC GRANTING THE SEC AN INJUNCTION.

#### Disclosure 291 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE COMMONWEALTH OF MASSACHUSETTS STATE ETHICS COMMISSION ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED THE STATE'S CONFLICT OF INTEREST LAW, G.L. 268A, SECTION 3(A) IN RESPECT OF CERTAIN MODEST GIFTS AND ENTERTAINMENT BY FIRM PERSONNEL.
<b>Initiated By:</b>	MASSACHUSETTS STATE ETHICS COMMISSION
<b>Date Initiated:</b>	04/11/1995
<b>Docket/Case Number:</b>	COMMISSION ADJUDICATORY DOCKET #564
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	06/19/1997
<b>Sanctions Ordered:</b>	Monetary/Fine \$3,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GOLDMAN, SACHS & CO. WAS ASSESSED A \$3500.00 FINE.



**Firm Statement** GOLDMAN, SACHS & CO. WAS ASSESSED A \$3500.00 FINE.

#### Disclosure 292 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** CBT ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED CBT RULES AND REGULATIONS WITH RESPECT TO SEGREGATED AND SECURED ACCOUNTS MAINTAINED WITH THIRD PARTY BANKS FOR THE CUSTODY OF CUSTOMER FUTURES MARGIN.

**Initiated By:** THE CHICAGO BOARD OF TRADE ("CBT")

**Date Initiated:** 06/17/1996

**Docket/Case Number:** FILE NO. 95-EX-24

**Principal Product Type:** Futures - Commodity

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 07/31/1996

**Sanctions Ordered:** Monetary/Fine \$10,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING ANY VIOLATIONS, GOLDMAN, SACHS & CO. CONSENTED TO PAY A \$10,000.00 FINE.

**Firm Statement** WITHOUT ADMITTING OR DENYING ANY VIOLATIONS, GOLDMAN, SACHS & CO. CONSENTED TO PAY A \$10,000.00 FINE.

#### Disclosure 293 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** DISCIPLINARY PANEL WAS CONVENED BY LIFFE TO HEAR CHARGES BROUGHT AGAINST GOLDMAN SACHS FUTURES ("GSF") AND TWO OF ITS REGISTERED TRADERS. THE CHARGES AROSE OUT OF AN ALLEGED



BREACH OF THE TRADE CROSSING AND SYSTEM ACCESS PROCEDURES ASSOCIATED WITH LIFFE'S ELECTRONIC TRADING SYSTEM. THE CHARGES WERE NOT OPPOSED.

**Initiated By:** THE LONDON INTERNATIONAL FINANCIAL FUTURES & OPTIONS EXCHANGE

**Date Initiated:** 06/09/1994

**Docket/Case Number:** NONE

**Principal Product Type:** Futures - Commodity

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 06/09/1994

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:** GSF WAS FINED A TOTAL OF 5,000 POUNDS AND EACH OF THE REGISTERED TRADERS 1,000 POUNDS.

**Sanction Details:** GS FUTURES PAID A FINE OF 5,000 POUNDS AND EACH OF THE REGISTERED TRADERS 1,000 POUNDS.

**Firm Statement** GSF WAS FINED A TOTAL OF 5,000 POUNDS AND EACH OF THE REGISTERED TRADERS 1,000 POUNDS.

#### Disclosure 294 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** GOLDMAN, SACHS & CO. ("GS") WAS FINED \$1000 FOR ALLEGEDLY FAILING FOR TWO DAYS TO ADJUST GS & CO.'S NASDAQ QUOTATION TO REASONABLY RELATE TO THE PREVAILING MARKET PRICE ON OCTOBER 5 AND 6, 1993.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD")

**Date Initiated:** 11/02/1993

**Docket/Case Number:** CASE #CM5930073MRV



**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 11/10/1993

**Sanctions Ordered:** Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:** GOLDMAN SACHS CONSENTED TO PAY A FINE OF \$1000.00.

**Firm Statement** GOLDMAN, SACHS & CO. CONSENTED TO A \$1000 FINE.

#### Disclosure 295 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ON MARCH 30, 1993 THE APPLICANT EXCEEDED THE APPLICABLE HEDGED POSITION LIMIT BY 2,234 CONTRACTS IN ORYX ENERGY OPTIONS.

**Initiated By:** THE PHILADELPHIA STOCK EXCHANGE

**Date Initiated:** 04/12/1993

**Docket/Case Number:** INV.#093-0330-2 BCC#093-02 ENF.#93-05

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 05/19/1993

**Sanctions Ordered:** Monetary/Fine \$2,000.00

**Other Sanctions Ordered:**



**Sanction Details:** THE BUSINESS CONDUCT COMMITTEE ACCEPTED GOLDMAN, SACHS & CO.'S OFFER OF SETTLEMENT AND GOLDMAN, SACHS & CO. PAID A FINE OF \$2,000 TO THE PHILADELPHIA STOCK EXCHANGE.

**Firm Statement** THE BUSINESS CONDUCT COMMITTEE ACCEPTED GOLDMAN, SACHS & CO.'S OFFER OF SETTLEMENT AND GOLDMAN, SACHS & CO. PAID A FINE OF \$2,000 TO THE PHILADELPHIA STOCK EXCHANGE.

## Disclosure 296 of 325

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THAT IN CONNECTION WITH THREE PORTFOLIO TRANSACTIONS, GOLDMAN SACHS EQUITY SECURITIES (U.K.) BREACHED CERTAIN SFA RULES RELATING TO FINANCIAL REPORTING, REGULATORY CAPITAL ADEQUACY AND INTERNAL ORGANIZATION, RECORDKEEPING AND SUPERVISION BY STAFF IN 1990 AND 1991; SFA FOUND THAT THERE HAD BEEN NO INJURY TO THE INVESTING PUBLIC OR TO ANY CUSTOMER OR COUNTERPARTY ARISING FROM THE RULE BREACHES.

**Initiated By:** THE SECURITIES AND FUTURES AUTHORITY (UNITED KINGDOM).

**Date Initiated:** 03/31/1993

**Docket/Case Number:** NONE

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 06/15/1993

**Sanctions Ordered:** Monetary/Fine \$160,000.00

**Other Sanctions Ordered:**

**Sanction Details:** GOLDMAN SACHS EQUITY SECURITIES (U.K.) WAS FINED 160,000 POUNDS AND AGREED TO PAY SFA'S COSTS.

**Firm Statement** GOLDMAN SACHS EQUITY SECURITIES (U.K.) WAS FINED 160,000 POUNDS AND AGREED TO PAY SFA'S COSTS.





### Disclosure 297 of 325

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	GSA CLEARING CORP. VIOLATED EXCHANGE RULE 220.14 ON BEHALF OF ITS CUSTOMER AGAINST TENDER OF THE NOVEMBER 1991 NATURAL GAS CONTRACT.
<b>Initiated By:</b>	THE NEW YORK MERCANTILE EXCHANGE
<b>Date Initiated:</b>	12/09/1992
<b>Docket/Case Number:</b>	91-13
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	12/10/1992
<b>Sanctions Ordered:</b>	Monetary/Fine \$4,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GSA HAS PAID A \$4,500 FINE AND SUBMITTED AN OFFER OF SETTLEMENT.
<b>Firm Statement</b>	GSA HAS PAID A \$4,500 FINE AND SUBMITTED AN OFFER OF SETTLEMENT.

### Disclosure 298 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	12-15-99, DECEMBER 16, 1999, DEPARTMENT OF ENFORCEMENT ACCEPTED THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT SUBMITTED BY GOLDMAN, SACHS & CO. WHEREBY THE FIRM FAILED TO REPORT MUNICIPAL SECURITIES TRADES ON A TIMELY AND ACCURATE BASIS DURING THE PERIOD JANUARY THROUGH JUNE 1999 IN VIOLATION OF MUNICIPAL SECURITIES RULEMAKING BOARD RULES G-12 AND G-14.



**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS,INC.  
**Date Initiated:** 12/16/1999  
**Docket/Case Number:** CAF990036  
**Principal Product Type:** Other  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)  
**Resolution Date:** 12/16/1999  
**Sanctions Ordered:** Monetary/Fine \$1,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** FINED \$1,000

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**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** GS ALLEGEDLY VIOLATED MUNICIPAL SECURITIES RULEMAKING BOARD RULES G-12 AND G-14. THE NASDR ALLEGED THAT GS FAILED TO PROVIDE ACCURATE AND/OR TIMELY INFORMATION REGARDING MUNICIPAL SECURITIES TRADES TO THE NATIONAL SECURITIES CLEARING CORPORATION.  
**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS,INC.("NASD")  
**Date Initiated:** 11/08/1999  
**Docket/Case Number:** CAF990036  
**Principal Product Type:** Debt - Municipal  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Acceptance, Waiver & Consent(AWC)



**Resolution Date:** 12/16/1999

**Sanctions Ordered:** Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGED VIOLATIONS, GS SIGNED AN AWC AND CONSENTED TO A MAXIMUM OF A \$1000 FINE.

#### Disclosure 299 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 05/03/1974

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 05/03/1974

**Regulator Statement** ND 74-87 05/03/74  
LR-6349  
COMPLAINT FILED SEEKING TO ENJOIN REGISTRANT FROM VIOLATIONS OF ANTIFRAUD PROVISIONS IN THE SALE OF COMMERCIAL PAPER. REGISTRANT SUBSEQUENTLY CONSENTED TO A RESTRAINING ORDER WITHOUT ADMITTING OR DENYING THE ALLEGATIONS AND HAS UNDERTAKEN TO IMPLEMENT CERTAIN PROCEDURES TO OBTAIN AND DISSEMINATE TO PURCHASERS OF COMMERCIAL PAPER INFORMATION ABOUT THE ISSUERS OF COMMERCIAL PAPER.

**Reporting Source:** Firm

**Current Status:** Final



**Allegations:** THE CONSENT DECREE REFERRED TO IN THE RESPONSE TO QUESTION 7.C.(2) OF SCHEDULE D OF FORM BD RELATING TO PENN CENTRAL TRANSPORTATION CO. WAS VACATED BY THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK.

**Initiated By:** SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 05/02/1974

**Docket/Case Number:** 74 CIV. 1916 HRT

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 08/31/1995

**Firm Statement** THE CONSENT DECREE REFERRED TO IN THE RESPONSE TO QUESTION 7.C.(2) OF SCHEDULE D OF FORM BD RELATING TO PENN CENTRAL TRANSPORTATION CO. WAS VACATED BY THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK.

#### Disclosure 300 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** (MSRB RULE G-36 - RESPONDENT MEMBER SERVED AS SOLE OR MANAGING UNDERWRITER IN A SUBSTANTIAL NUMBER OF PRIMARY OFFERINGS OF MUNICIPAL SECURITIES AND FAILED TO SUBMIT REQUIRED ADVANCE REFUNDING DOCUMENTATION TO THE MSRB; AND, FAILED TO TIMELY SUBMIT OFFICIAL STATEMENTS AND/OR OTHER DOCUMENTS TO THE MSRB).

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 12/15/1997

**Docket/Case Number:** C10970188

**Principal Product Type:** No Product

**Other Product Type(s):**



**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/15/1997

**Sanctions Ordered:** Censure  
Monetary/Fine \$25,000.00

**Other Sanctions Ordered:**

**Sanction Details:** ON DECEMBER 15, 1997, DISTRICT NO. 10 NOTIFIED RESPONDENT GOLDMAN, SACHS & CO. THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. C10970188 WAS ACCEPTED; THEREFORE, THE FIRM IS CENSURED AND FINED \$25,000 -

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** GOLDMAN, SACHS & CO. AND NUMEROUS OTHER MUNICIPAL DEALERS ALLEGEDLY VIOLATED MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB") RULE G-36 BY FAILING TO SUBMIT REQUIRED ADVANCED REFUNDING DOCUMENTATION TO THE MSRB AND FAILING TO TIMELY SUBMIT OFFICIAL STATEMENTS AND/OR OTHER DOCUMENTS TO THE MSRB DURING THE APPROXIMATE PERIOD 9/95-9/96.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD")

**Date Initiated:** 11/15/1997

**Docket/Case Number:** C10970188

**Principal Product Type:** Debt - Municipal

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Censure

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 12/15/1997



<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$25,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING ANY VIOLATIONS, GOLDMAN, SACHS & CO. CONSENTED TO A \$25,000.00 FINE AND A CENSURE.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING ANY VIOLATIONS, GOLDMAN, SACHS & CO. CONSENTED TO A \$25,000.00 FINE AND A CENSURE.

#### Disclosure 301 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE AWC ALLEGES THAT GSCO VIOLATED NASD CONDUCT RULE 2110 AND IM-2110-2, AND SEC RULE 10B-10(A)(2) FOR THE FOLLOWING ACTIVITY: GSCO FAILED TO CONTEMPORANEOUSLY EXECUTE A CUSTOMER LIMIT ORDER AFTER IT SOLD SHARES IN A NASDAQ-LISTED COMPANY FOR ITS OWN MARKET-MAKING ACCOUNT. IN ADDITION, ON 14 OCCASIONS, GSCO FAILED TO PROVIDE WRITTEN NOTIFICATION TO ITS CUSTOMER THAT IT WAS THE MARKET MAKER IN EACH SECURITY TRANSACTED.
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	09/11/1997
<b>Docket/Case Number:</b>	CMS970031
<b>Principal Product Type:</b>	No Product
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	09/11/1997
<b>Sanctions Ordered:</b>	Monetary/Fine \$2,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	LETTER OF ACCEPTANCE, WAIVER & CONSENT NO. CMS970031 AWC. ON SEPTEMBER 11, 1997, GOLDMAN, SACHS & COMPANY (GSCO) WAS NOTIFIED THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT



(AWC) IT SUBMITTED WAS ACCEPTED BY THE MARKET REGULATION AND THE NATIONAL BUSINESS CONDUCT COMMITTEES. GSCO WAS FINED \$2,000.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") VIOLATED NASD CONDUCT RULE 2110 AND IM-2110-2 AND SEC RULE 10B - 10(A)(2).

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")

**Date Initiated:** 09/11/1997

**Docket/Case Number:** CMS970031 AWC

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/07/1997

**Sanctions Ordered:** Monetary/Fine \$2,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$2000.00.

**Firm Statement** WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$2000.00.

#### Disclosure 302 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 07/03/1997



**Docket/Case Number:** CMS970010

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision

**Resolution Date:** 03/31/1998

**Sanctions Ordered:** Censure  
Monetary/Fine \$6,250.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement**

COMPLAINT NO. CMS970010 WAS ISSUED BY THE MARKET REGULATION COMMITTEE ON JULY 3, 1997. THE COMPLAINT CONTAINED ONE CAUSE. CAUSE ONE ALLEGES A VIOLATION OF RULE 11AC1-1(C) OF THE SECURITIES AND EXCHANGE ACT OF 1934, MARKETPLACE RULE 4613(B) AND CONDUCT RULES 2110 AND 3320.

ON MARCH 31, 1998, THE DECISION AND ORDER OF ACCEPTANCE OF OFFER OF SETTLEMENT SUBMITTED BY RESPONDENT MEMBER WAS ISSUED; THEREFORE, RESPONDENT MEMBER IS CENSURED AND FINED \$6,250.00.

\*\*\$6,250.00 PAID ON 5/19/98, INVOICE # 98-MS-354\*\*

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASDR ALLEGED THAT GS VIOLATED RULE 11AC1-1(C) OF THE SECURITIES AND EXCHANGE ACT OF 1934, NASD MARKETPLACE RULE 4613(B) AND NASD CONDUCT RULES 2110 AND 3320. THE NASDR ALLEGED THAT GS FAILED TO EXECUTE CERTAIN ORDERS AT GS PUBLISHED BID OR OFFER.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD")

**Date Initiated:** 07/03/1997

**Docket/Case Number:** CMS 970010





**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 04/01/1998

**Sanctions Ordered:** Censure  
Monetary/Fine \$6,250.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS AGREED TO A CENSURE AND A \$6,250.00 FINE.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS AGREED TO A CENSURE AND A \$6,250.00 FINE.

#### Disclosure 303 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 06/13/1997

**Docket/Case Number:** CMS960123AWC

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/13/1997

**Sanctions Ordered:** Monetary/Fine \$4,000.00

**Other Sanctions Ordered:****Sanction Details:****Regulator Statement**

LETTER OF ACCEPTANCE, WAIVER & CONSENT NO. CMS960123 AWC.

ON JUNE 13, 1997, GOLDMAN, SACHS & CO. (GSCO) WAS NOTIFIED THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) IT SUBMITTED WAS ACCEPTED BY THE MARKET REGULATION AND THE NATIONAL BUSINESS CONDUCT COMMITTEES. THE AWC ALLEGES THAT GSCO VIOLATED MARKETPLACE RULE 4613(d) FOR ENTERING QUOTATIONS INTO THE NASDAQ SYSTEM THAT EXCEEDED THE PARAMETERS FOR MAXIMUM ALLOWABLE SPREADS IN TWO SECURITIES ON TEN DAYS.

GSCO WAS FINED \$4,000.

\*\*\$4,000.00 PAID ON 08/11/97, INVOICE #97-MS-544\*\*

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

NASDR ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") VIOLATED NASD MARKETPLACE RULE 4613(D). THE NASDR ALLEGED THAT GS ENTERED QUOTATIONS FOR TWO SECURITIES INTO THE NASDAQ SYSTEM THAT EXCEEDED THE MAXIMUM ALLOWABLE SPREADS.

**Initiated By:**

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")

**Date Initiated:**

07/30/1996

**Docket/Case Number:**

CMS 960123

**Principal Product Type:**

Other

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:**

Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:****Resolution:**

Settled

**Resolution Date:**

06/13/1997

**Sanctions Ordered:**

Monetary/Fine \$4,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS AGREED TO A \$4000.00 FINE.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS AGREED TO A \$4000.00 FINE.

**Disclosure 304 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 04/23/1997

**Docket/Case Number:** CMS960204 AWC

**Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/23/1997

**Sanctions Ordered:** Monetary/Fine \$2,000.00

**Other Sanctions Ordered:****Sanction Details:**

**Regulator Statement** LETTER OF ACCEPTANCE, WAIVER & CONSENT NO. CMS960204 AWC.

ON APRIL 23, 1997, GOLDMAN, SACHS & COMPANY (GSCO) WAS NOTIFIED THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) IT SUBMITTED WAS ACCEPTED BY THE MARKET REGULATION AND THE NATIONAL BUSINESS CONDUCT COMMITTEES. THE AWC ALLEGES THAT GSCO VIOLATED MARKETPLACE RULE 4613(e) IN THAT THE FIRM ENTERED OR MAINTAINED QUOTATIONS IN THE NASDAQ STOCK MARKET, DURING NORMAL



BUSINESS HOURS, WHICH CAUSED A LOCKED MARKET CONDITION TO OCCUR IN THREE SECURITIES.

GSCO WAS FINED \$2,000.

\*\*\*\$2,000.00 PAID ON 6/11/97, INVOICE #97-MS-435\*\*\*

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") VIOLATED MARKETPLACE RULE 4613(E).
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")
<b>Date Initiated:</b>	04/23/1997
<b>Docket/Case Number:</b>	CMS960204 AWC
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	04/23/1997
<b>Sanctions Ordered:</b>	Monetary/Fine \$2,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$2000.00.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$2000.00.

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#### Disclosure 305 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final

**Allegations:****Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**Date Initiated:** 04/23/1997**Docket/Case Number:** CMS960195 AWC**Principal Product Type:****Other Product Type(s):****Principal Sanction(s)/Relief Sought:****Other Sanction(s)/Relief Sought:****Resolution:** Acceptance, Waiver & Consent(AWC)**Resolution Date:** 04/23/1997**Sanctions Ordered:** Monetary/Fine \$1,000.00**Other Sanctions Ordered:****Sanction Details:****Regulator Statement** LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. CMS960195 AWC.

ON APRIL 23, 1997, GOLDMAN, SACHS & COMPANY (GSCO) WAS NOTIFIED THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) IT SUBMITTED WAS ACCEPTED BY THE MARKET REGULATION AND THE NATIONAL BUSINESS CONDUCT COMMITTEES. THE AWC ALLEGES THAT GSCO, A PASSIVE MARKET MAKER IN THE COMMON STOCK OF OXHP, VIOLATED SEC RULE 10b-6A IN THAT THE FIRM ENTERED A BID FOR OXHP WHICH EXCEEDED THE HIGHEST INDEPENDENT BID FOR THAT SECURITY. GSCO WAS FINED \$1,000.

\*\*\*\$1,000.00 PAID ON 6/11/97, INVOICE #97-MS-427\*\*\*

**Reporting Source:** Firm**Current Status:** Final**Allegations:** NASD ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") VIOLATED SEC RULE 10B-6A**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")**Date Initiated:** 04/23/1997



**Docket/Case Number:** CMS960195 AWC

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 06/11/1997

**Sanctions Ordered:** Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$1000.00.

**Firm Statement** WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$1000.00.

#### Disclosure 306 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 04/23/1997

**Docket/Case Number:** CMS960110 AWC

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/23/1997



**Sanctions Ordered:** Censure  
Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement** LETTER OF ACCEPTANCE, WAIVER & CONSENT NO. CMS960110 AWC.

ON APRIL 23, 1997, GOLDMAN, SACHS & COMPANY (GSCO) WAS NOTIFIED THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) IT SUBMITTED WAS ACCEPTED BY THE MARKET REGULATION AND THE NATIONAL BUSINESS CONDUCT COMMITTEES. THE AWC ALLEGES THAT GSCO VIOLATED MARKETPLACE RULE 6240(a)(2)(A) AND CONDUCT RULE 2110 FOR FAILING TO REPORT TEN MANDATORY FIPS TRANSACTIONS WITHIN FIVE MINUTES OF EXECUTION. GSCO ALSO FAILED TO REPORT 1,572 TRANSACTIONS TO FIPS AS REQUIRED BY FIPS RULES. GSCO WAS CENSURED AND FINED \$5,000.

\*\*\*\$5,000.00 PAID ON 5/27/97, INVOICE #97-MS-402\*\*\*

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** GOLDMAN, SACHS & CO. ALLEGEDLY VIOLATED MARKETPLACE RULE 6240 AND CONDUCT RULE NO. 2110 IN CONNECTION WITH ITS OBLIGATION TO REPORT FIPS TRANSACTIONS DURING THE PERIOD 5/1/95 - 4/18/96.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.("NASD")

**Date Initiated:** 08/05/1996

**Docket/Case Number:** CMS 960110

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 04/23/1997



<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. AGREED TO A CENSURE AND A \$5000.00 FINE.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. AGREED TO A CENSURE AND A \$5000.00 FINE.

#### Disclosure 307 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	07/15/1996
<b>Docket/Case Number:</b>	CMS960029
<b>Principal Product Type:</b>	
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	07/15/1996
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	
<b>Regulator Statement</b>	LETTER OF ACCEPTANCE, WAIVER AND CONSENT NO. CMS960029 AWC  ON JULY 15, 1996, GOLDMAN, SACHS & CO. (GSCO) WAS NOTIFIED THAT THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) IT SUBMITTED WAS ACCEPTED BY THE MARKET SURVEILLANCE AND THE NATIONAL BUSINESS CONDUCT COMMITTEES. UNDER THE AWC, GSCO IS ALLEGEDLY





IN VIOLATION OF ARTICLE III, SECTIONS 1 AND 42 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE FOR EXECUTING A SALE IN A THIRD MARKET SECURITY WHILE SUCH SECURITY WAS THE SUBJECT OF A TRADING HALT.

GSCO IS HEREBY FINED \$1,000. THE AWC BECAME FINAL ON JULY 15, 1996.

\*\*\*\$1,000.00 PAID ON 08/12/96, INVOICE #96-MS-554\*\*\*

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") VIOLATED ARTICLE III, SECTION 1 AND 42 OF THE NASD RULES OF FAIR PRACTICE.
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")
<b>Date Initiated:</b>	07/15/1996
<b>Docket/Case Number:</b>	CMS960029AWC
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	08/12/1996
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$ 1,000.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$ 1,000.

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**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 10/04/1995

**Docket/Case Number:** CMS 950125 AWC

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 03/15/1996

**Sanctions Ordered:** Censure  
Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement** MARKET SURVEILLANCE COMMITTEE COMPLAINT NO. CMS950125 AWC

LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED ON OCTOBER 4, 1995 AGAINST GOLDMAN, SACHS & COMPANY (GSCO) ALLEGING VIOLATION OF ARTICLE III, SECTION 1 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE (BOARD OF GOVERNORS' INTERPRETATION FOR "PROMPT RECEIPT AND DELIVERY OF SECURITIES") (SHORT SALE). GSCO WAS NOTIFIED ON MARCH 15, 1996 THAT THE AWC WAS ACCEPTED BY THE MARKET SURVEILLANCE AND THE NATIONAL BUSINESS CONDUCT COMMITTEES. AS SANCTIONS, GSCO WAS CENSURED AND FINED \$1,000.

THE AWC BECAME FINAL ON MARCH 15, 1996.

\*\*\*\$1,000.00 PAID ON 04/19/96, INVOICE #96-MS-247\*\*\*

**Reporting Source:** Firm



**Current Status:** Final

**Allegations:** NASD ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") VIOLATED ARTICLE III, SECTION 1 OF THE NASD RULES OF FAIR PRACTICE.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")

**Date Initiated:** 03/15/1996

**Docket/Case Number:** CMS950125 AWC

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 04/19/1996

**Sanctions Ordered:** Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$1000.00.

**Firm Statement** WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$1000.00.

#### Disclosure 309 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 02/03/1994

**Docket/Case Number:**

**Principal Product Type:**

**Other Product Type(s):**



**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 02/03/1994

**Sanctions Ordered:** Censure  
Cease and Desist/Injunction

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement**

2/8/94: SEC NEWS DIGEST, ISSUE 94-22, DATED FEBRUARY 3, 1994 ENFORCEMENT PROCEEDING DISCLOSES; "GOLDMAN, SACH & CO. SANCTIONED" THE COMMISSION HAS ISSUED AN ORDER INSTITUTING PROCEEDING PURSUANT TO SECTION 15(b) AND 21(c) OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, IMPOSING REMEDIAL SANCTIONS, AND CEASE AND DESIST ORDER AGAINST GOLDMAN, SACH & CO. THE COMMISSION SIMULTANEOUSLY ACCEPTED AN OFFER OF SETTLEMENT FROM GOLDMAN, SACHS & CO. IN WHICH IT CONSENTED TO THE ORDER WITHOUT ADMITTING OR DENYING THE COMMISSION'S FINDINGS.

THE COMMISSION FOUND THAT IN 1985 AND 1986, GOLDMAN VIOLATED SECTION 17(a) OF THE EXCHANGE ACT AND RULE 17a-3 AND 17a-4 THEREUNDER BY FAILING TO RECORD PROPERLY ON ITS BOOKS AND RECORDS CERTAIN PREARRANGED PURCHASE AND SALES OF U.S. TREASURY SECURITIES DONE FOR ITS OWN TAX DEFERRAL PURPOSES AND TO ACCOMMODATE SALOMON BROTHERS INC. THE COMMISSION ALSO FOUND THAT GOLDMAN FAILED REASONABLY TO SUPERVISE ITS PERSONNEL WITH VIEW TO PREVENTING THE FOREGOING VIOLATIONS. IN ADDITION, THE COMMISSION FOUND THAT GOLDMAN FAILED TO MAKE AND KEEP CERTAIN REQUIRED RECORDS OF CUSTOMER ORDERS FOR THE PURCHASE OR SALE OF U.S. TREASURY SECURITIES UNTIL AS RECENTLY AS AUGUST 1991.

PURSUANT TO THE ORDER, GOLDMAN WAS CENSURED AND ORDERED TO CEASE AND DESIST FROM VIOLATING SECTION 17(a) OF THE EXCHANGE



ACT AND RULES 17a-3 AND 17a-4 THEREUNDER. GOLDMAN ALSO WAS ORDERED TO ADOPT, IMPLEMENT AND MAINTAIN INTERNAL PROCEDURES, POLICIES AND CONTROLS WHICH ARE REASONABLY DESIGNED TO ASSURE COMPLIANCE WITH THES PROVISIONS, AND TO PAY A CIVIL PENALTY OF \$250,000 PURSUANT TO THE SECURITIES ENFORCEMENT REMEDIES AND PENNY STOCK REFORM ACT OF 1990 BASED ON ITS FAILURE TO MAKE AND KEEP CERTAIN REQUIRED RECORDS OF CUSTOMER ORDERS.  
(REL-34-33576)

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE SEC ALLEGED THAT THE FIRM HAD FAILED TO MAINTAIN CERTAIN RECORDS REQUIRED PURSUANT TO SECTION 17(A) OF THE EXCHANGE ACT AND HAD ALSO FAILED TO SUPERVISE ACTIVITIES RELATING TO THE AFOREMENTIONED TRADES IN VIOLATION OF SECTION 15(B)(4)(E) OF THE EXCHANGE ACT.
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION ("SEC")
<b>Date Initiated:</b>	02/03/1994
<b>Docket/Case Number:</b>	FILE #3-8282
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	02/03/1994
<b>Sanctions Ordered:</b>	Monetary/Fine \$250,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	GOLDMAN, SACHS & CO. CONSENTED TO ENTRY BY THE COMMISSION OF A CEASE AND DESIST ORDER BARRING FUTURE VIOLATIONS OF THE BOOKS AND RECORDS REQUIREMENTS AND A CIVIL PENALTY OF \$250,000.
<b>Firm Statement</b>	GOLDMAN, SACHS & CO. CONSENTED TO ENTRY BY THE COMMISSION OF



A CEASE AND DESIST ORDER BARRING FUTURE VIOLATIONS OF THE  
BOOKS AND RECORDS REQUIREMENTS AND A CIVIL PENALTY OF \$250,000.

### Disclosure 310 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	02/02/1984
<b>Docket/Case Number:</b>	
<b>Principal Product Type:</b>	
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	02/02/1984
<b>Sanctions Ordered:</b>	Monetary/Fine \$2,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	
<b>Regulator Statement</b>	ON FEBRUARY 2, 1984, THE NASD, INC. IMPOSED A FINE OF \$2,500.00 IN CONNECTION WITH THE FAILURE OF GOLDMAN, SACHS & CO TO ENTER VOLUME REPORTS FOR CERTAIN SECURITIES FOR THREE NON-CONSECUTIVE TRADE DATES.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD ALLEGED THAT GOLDMAN, SACHS & CO. FAILED TO ENTER VOLUME REPORTS FOR CERTAIN SECURITIES FOR THREE NON-CONSECUTIVE TRADE DATES.



**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")

**Date Initiated:** 02/02/1984

**Docket/Case Number:** NONE

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 02/02/1984

**Sanctions Ordered:** Monetary/Fine \$2,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A \$2500.00 FINE.

**Firm Statement** WITHOUT ADMITTING OR DENYING ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A \$2500.00 FINE.

#### Disclosure 311 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 04/03/1986

**Docket/Case Number:** MS-282-AWC

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**



**Resolution:** Consent

**Resolution Date:** 06/24/1986

**Sanctions Ordered:** Monetary/Fine \$250.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement** 7/3/86: MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-282-AWC: LETTER OF ACCEPTANCE, WAIVER AND CONSENT ISSUED ON APRIL 3, 1986, ALLEGING VIOLATIONS OF PART I, SECTION C.3.(c) OF SCHEDULE D OF THE ASSOCIATION'S BY-LAWS IN THAT RESPONDENT FAILED TO REPORT ITS NASDAQ VOLUME IN ONE SECURITY ON 12/13/85, 12/20/85, 12/31/85 AND 1/10/86. AWC WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON 5/20/86 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON 6/24/86. \$250 FINE RECEIVED 5/13/86  
\*\*\*5/16/86, NFC# 96, PAID IN FULL.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE NASD ALLEGED THAT GOLDMAN, SACHS & CO. FAILED TO DISPLAY A QUOTATION ON AN OVER-THE-COUNTER SECURITY WHICH WAS "REASONABLY RELATED TO THE PREVAILING MARKET."

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 01/01/1984

**Docket/Case Number:** NONE

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 01/01/1984

**Sanctions Ordered:** Monetary/Fine \$250.00

**Other Sanctions Ordered:**





<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A \$250.00.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A \$250.00.

#### Disclosure 312 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	12/06/1978
<b>Docket/Case Number:</b>	
<b>Principal Product Type:</b>	
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	12/06/1978
<b>Sanctions Ordered:</b>	Censure
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	
<b>Regulator Statement</b>	ND 78-235 12/06/78 REL 34-15359 CENSURED AND ORDERED TO SEND A LETTER TO CERTAIN CUSTOMERS, PURSUANT TO OFFER OF SETTLEMENT WITHOUT ADMITTING OR DENYING ALLEGATIONS.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	ALLEGED VIOLATION OF SECTIONS 10(B) AND 17(A) OF THE EXCHANGE



	ACT RULE 10B-5 AND 17A-3 THEREUNDER.
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	11/28/1978
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	11/28/1978
<b>Sanctions Ordered:</b>	Censure
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. CONSENTED TO FINDING OF VIOLATION BY THE SEC AND CENSURE BY THE SEC.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. CONSENTED TO FINDING OF VIOLATION BY THE SEC AND CENSURE BY THE SEC.

#### Disclosure 313 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	09/25/1995
<b>Docket/Case Number:</b>	CMS950026 AWC
<b>Principal Product Type:</b>	
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	


**Other Sanction(s)/Relief Sought:**
**Resolution:** Consent

**Resolution Date:** 09/25/1995

**Sanctions Ordered:** Monetary/Fine \$2,500.00

**Other Sanctions Ordered:**
**Sanction Details:**
**Regulator Statement** MARKET SURVEILLANCE COMMITTEE COMPLAINT NO. CMS950026 AWC

LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) FILED BY THE MSC AGAINST GOLDMAN, SACHS & CO. (GSCO) ALLEGING VIOLATION OF RULE 11Ac1-1(c) OF THE SECURITIES AND EXCHANGE ACT OF 1934, PART V, SECTION 2(B) OF SCHEDULE D TO THE ASSOCIATION'S BY-LAWS AND ARTICLE III, SECTIONS 1 AND 6 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE FOR FAILING TO HONOR THE QUOTATIONS IT CAUSED TO BE DISSEMINATED THROUGH THE NASDAQ SYSTEM (BACKING AWAY).

THE NATIONAL BUSINESS CONDUCT COMMITTEE ACCEPTED THE AWC ON SEPTEMBER 25, 1995. GSCO WAS FINED \$2,500. THE AWC BECAME FINAL ON SEPTEMBER 25, 1995.

\*\*\$2,500.00 PAID ON 10/31/95, INVOICE # 95-MS.658\*\*

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") VIOLATED RULE 11 AC1-1(C) OF THE SECURITIES AND EXCHANGE ACT OF 1934, PART V, SECTION 2(B) OF SCHEDULE D AND ARTICLE III, SECTION 1 AND 6 OF NASD RULES.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")

**Date Initiated:** 09/25/1995

**Docket/Case Number:** CMS950026AWC

**Principal Product Type:** Other

**Other Product Type(s):**



<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	10/31/1995
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	NASD ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") VIOLATED RULE 11 AC1-1(C) OF THE SECURITIES AND EXCHANGE ACT OF 1934, PART V, SECTION 2(B) OF SCHEDULE D AND ARTICLE III, SECTION 1 AND 6 OF NASD RULES. WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$2500.00.
<b>Firm Statement</b>	NASD ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") VIOLATED RULE 11 AC1-1(C) OF THE SECURITIES AND EXCHANGE ACT OF 1934, PART V, SECTION 2(B) OF SCHEDULE D AND ARTICLE III, SECTION 1 AND 6 OF NASD RULES. WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$2500.00.

#### Disclosure 314 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	09/25/1995
<b>Docket/Case Number:</b>	CMS940130 AWC
<b>Principal Product Type:</b>	
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent



**Resolution Date:** 09/29/1995

**Sanctions Ordered:** Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement** MARKET SURVEILLANCE COMMITTEE COMPLAINT NO. CMS940130 AWC

LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) FILED BY THE MSC AGAINST GOLDMAN, SACHS & CO. (GSCO) ALLEGING VIOLATION OF RULE 11Ac1-1(c) OF THE SECURITIES AND EXCHANGE ACT OF 1934, PART V, SECTION 2(B) OF SCHEDULE D TO THE ASSOCIATION'S BY-LAWS AND ARTICLE III, SECTIONS 1 AND 6 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE FOR FAILING TO HONOR THE QUOTATIONS IT CAUSED TO BE DISSEMINATED THROUGH THE NASDAQ SYSTEM (BACKING AWAY).

THE NATIONAL BUSINESS CONDUCT COMMITTEE ACCEPTED THE AWC ON SEPTEMBER 25, 1995. GSCO WAS FINED \$1,000. THE AWC BECAME FINAL ON SEPTEMBER 25, 1995.

\*\*\$1,000.00 PAID ON 10/31/95, INVOICE # 95-MS.657\*\*

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") VIOLATED RULE 11 AC1-1(C) OF THE SECURITIES EXCHANGE ACT OF 1934, PART V, SECTION 2(B) OF SCHEDULE D AND ARTICLE III, SECTIONS 1 AND 6 OF NASD RULES.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")

**Date Initiated:** 09/25/1995

**Docket/Case Number:** CMS940130AWC

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)



<b>Resolution Date:</b>	10/31/1995
<b>Sanctions Ordered:</b>	Monetary/Fine \$2,500.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$1000.00.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$1000.00.

#### Disclosure 315 of 325

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Date Initiated:</b>	03/22/1995
<b>Docket/Case Number:</b>	CMS940061 (A) AWC
<b>Principal Product Type:</b>	
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Consent
<b>Resolution Date:</b>	03/31/1995
<b>Sanctions Ordered:</b>	Monetary/Fine \$5,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	
<b>Regulator Statement</b>	MARKET SURVEILLANCE COMMITTEE COMPLAINT #CMS940061(A) AWC.  LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) ALLEGE VIOLATIONS OF ARTICLE III, SECTIONS 1 AND 33 OF THE RULES OF FAIR PRACTICE (RFP) IN THAT RESPONDENTS EXCEEDED THE OPTION POSITION LIMITS SET FORTH IN APPENDIX E TO ARTICLE III, SECTION 33 OF THE RFP. THE COMPLAINT WAS FILED ON MARCH 22, 1995



ACCEPTED BY THE NBCC ON MARCH 31, 1995 AND GOLDMAN SACHS & CO.  
WAS FINED \$5,000.

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\*\*\*\$5,000.00 PAID ON 4/25/95 INVOICE NO. 95-MS-250\*\*\*

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGATION THAT GS&CO. VIOLATED NASD OPTION POSITION LIMIT RULE.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 10/12/1994

**Docket/Case Number:** CMS 940061 (A) AWC

**Principal Product Type:** Options

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 03/31/1995

**Sanctions Ordered:** Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** ON MARCH 3, 1995, GOLDMAN, SACHS & CO. CONSENTED TO A FINDING OF A VIOLATION OF THE NASD OPTION POSITION LIMIT RULE AND PAID A \$5000 FINE.

**Firm Statement** ON MARCH 3, 1995, GOLDMAN, SACHS & CO. CONSENTED TO A FINDING OF A VIOLATION OF THE NASD OPTION POSITION LIMIT RULE AND PAID A \$5000 FINE.

#### Disclosure 316 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** Not Provided



**Initiated By:** Not Provided  
**Date Initiated:** 12/19/1994  
**Docket/Case Number:** HPD 94-167  
**Principal Product Type:**  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Consent  
**Resolution Date:** 02/17/1995  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$250,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:** Not Provided  
**Regulator Statement** \*\*2/17/95\*\* THE DECISION IS NOW FINAL AND  
 EFFECTIVE IMMEDIATELY CONTACT: PEGGY L. GERMINO (212) 656-8450

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**Reporting Source:** Firm  
**Current Status:** Final  
**Allegations:** THE NYSE FOUND THAT GOLDMAN, SACHS & CO. VIOLATED NYSE RULE 342(A) AND (B) AND SECTIONS 17(A)(3) AND (4) OF THE SECURITIES EXCHANGE ACT OF 1934, RULES 17A-3 AND 17A-4 AND NYSE RULES 410 AND 440.  
**Initiated By:** THE NEW YORK STOCK EXCHANGE ("NYSE").  
**Date Initiated:** 12/19/1994  
**Docket/Case Number:** 94-167  
**Principal Product Type:** Equity Listed (Common & Preferred Stock)  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)




**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 02/17/1995

**Sanctions Ordered:** Censure  
Monetary/Fine \$250,000.00

**Other Sanctions Ordered:**

**Sanction Details:** GOLDMAN, SACHS & CO. CONSENTED TO A CENSURE AND A \$250,000.00 FINE.

**Firm Statement** ON DEC. 19, 1994, AN NYSE HEARING PANEL ACCEPTED A STIPULATION OF FACTS AND CONSENT TO PENALTY WHEREBY GOLDMAN, SACHS & CO. CONSENTED TO A CENSURE, \$250,000 FINE AND AN UNDERTAKING AND FINDING THAT THE FIRM VIOLATED NYSE RULE 342(A) AND (B) IN CONNECTION WITH THE SUPERVISION OF THE FIRM'S DEPARTMENTS ENGAGED IN TRADING EQUITIES FOR INSTITUTIONAL CUSTOMERS; AND VIOLATED SECTIONS 17(A)(3) AND (4) OF THE SECURITIES EXCHANGE ACT OF 1934, RULES 17A-3 AND 17A-4, AND NYSE RULES 410 AND 440 WITH RESPECT TO THE PREPARATION AND MAINTENANCE OF APPROPRIATE RECORDS.

**Disclosure 317 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 03/10/1994

**Docket/Case Number:** CMS930096

**Principal Product Type:**
**Other Product Type(s):**
**Principal Sanction(s)/Relief Sought:**
**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent



**Resolution Date:** 03/10/1994

**Sanctions Ordered:** Censure  
Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement** 3/11/94: CMS930096 AWC (A) LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED MARCH 10, 1994 AGAINST RESPONDENT MEMBER GOLDMAN SACHS & CO. ALLEGING VIOLATIONS OF ARTICLE III, SECTION 1 AND 41 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE RELATIVE TO LATE FILING OF FORM NS-1 (SHORT INTERESTS POSITIONS).

GSCO CONSENTED TO THE FOLLOWING SANCTIONS:

A). A CENSURED;

B). A \$5,000 FINE; AND

C). AN UNDERTAKING TO ENGAGE AN INDEPENDENT CONSULTANT TO REVIEW ITS PROCEDURES FOR COMPLYING WITH ARTICLE III, SECTION 41 OF THE ASSOCIATION'S RULES OF FAIR PRACTICE. THE CONSULTANT'S WRITTEN REPORT SHALL BE REVIEWED BY GSCO AND THE ASSOCIATION WITHIN THREE MONTHS OF THE DATE OF ACCEPTANCE OF THE AWC AND ALL RECOMMENDATIONS IMPLEMENTED BY GSCO WITHIN THREE MONTHS OF THE DATE OF THE REPORT. GSCO MUST NOTIFY THE ASSOCIATION WHEN THE RECOMMENDATIONS ARE FULLY IMPLEMENTED.

**\*\*\$5,000 PAID ON 3/20/94, INVOICE #94-MS-199.**

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** AN ALLEGED VIOLATION OF ARTICLE III, SECTION 1 & 41 OF THE NASD'S RULES OF FAIR PRACTICE FOR LATE NS-1 REPORTING.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD").

**Date Initiated:** 03/14/1994

**Docket/Case Number:** CMS #930096

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 03/18/1994

**Sanctions Ordered:** Censure  
Monetary/Fine \$5,000.00

**Other Sanctions Ordered:**

**Sanction Details:** GOLDMAN, SACHS & CO. PAID A FINE OF \$5000.00 AND CONSENTED TO THE NASD IMPOSING A CENSURE AND AN UNDERTAKING TO ENGAGE AN INDEPENDENT CONSULTANT, NOT UNACCEPTABLE TO THE ASSOCIATION TO REVIEW ITS PROCEDURES FOR COMPLYING WITH ARTICLE III, SECTION 41.

**Firm Statement** GOLDMAN, SACHS & CO. PAID A FINE OF \$5000.00 AND CONSENTED TO THE NASD IMPOSING A CENSURE AND AN UNDERTAKING TO ENGAGE AN INDEPENDENT CONSULTANT, NOT UNACCEPTABLE TO THE ASSOCIATION TO REVIEW ITS PROCEDURES FOR COMPLYING WITH ARTICLE III, SECTION 41.

**Disclosure 318 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** VIOLATIONS OF RECORD-KEEPING PROVISIONS OF THE SECURITIES EXCHANGE ACT OF 1934 (1934 ACT) WHEN THE RESPONDENTS' PARTICIPATED IN CERTAIN PRIMARY DISTRIBUTIONS OF UNSECURED DEBT SECURITIES ISSUED BY GOVERNMENT SPONSORED ENTITIES.

**Initiated By:** SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 01/16/1992

**Docket/Case Number:**

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**



## Other Sanction(s)/Relief Sought:

**Resolution:** Order

**Resolution Date:** 01/16/1992

**Sanctions Ordered:** Monetary/Fine \$100,000.00  
Cease and Desist/Injunction

## Other Sanctions Ordered:

**Sanction Details:** ORDERED THAT GOLDMAN, SACHS (GS) TODAY PAY A CIVIL PENALTY OF \$100,000.00 TO UST, AND CONTINUE TO MAINTAIN OR, WITHIN 60 DAYS OF THIS ORDER, DEVELOP, IMPLEMENT AND, THEREAFTER, MAINTAIN POLICIES AND PROCEDURES REASONABLY DESIGNED TO ENSURE GS'S FUTURE COMPLIANCE WITH SECTION 17(A) OF THE '34 ACT AND 17 C.F.R. §§240.17A-3 AND 240.17A-4 (THE LAW) IN ANY DISTRIBUTION OF GSE-DEBT. SUCH POLICIES/PROCEDURES SHALL BE AVAILABLE FOR INSPECTION UPON REQUEST BY SEC. GS SHALL COMPLY WITH ALL POLICIES/PROCEDURES IMPLEMENTED OR MAINTAINED PURSUANT TO THIS PARAGRAPH. GS MAY MODIFY SUCH POLICIES/PROCEDURES, PROVIDED SUCH MODIFICATIONS ARE REASONABLY DESIGNED TO ENSURE GS'S COMPLIANCE WITH THE LAW.

## Regulator Statement

[TOP] +3/12/92+ SEC NEWS DIGEST, ISSUE 92-11, 01/16/1992 ADMINISTRATIVE PROCEEDINGS DISCLOSES; SEC TODAY ANNOUNCED ADMINISTRATIVE PROCEEDINGS INSTITUTED JOINTLY BY THE COMMISSION, THE OFFICE OF THE COMPTROLLER OF THE CURRENCY (OCC) AND THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (FRB) AGAINST 98 REGISTERED BROKER-DEALERS, REGISTERED GOVERNMENT SECURITIES BROKERS AND/OR AND BANKS (RESPONDENTS); THE ISSUANCE OF COMMISSION, OCC AND FRB ORDERS IMPOSING SANCTIONS, WHICH INCLUDE PROVISIONS DIRECTING THE RESPONDENTS TO CEASE AND DESIST FROM COMMITTING FUTURE VIOLATIONS AND REQUIRING THE PAYMENT OF CIVIL MONEY PENALTIES TO THE US TREASURY (UST) IN THE TOTAL AMOUNT OF \$5,165,000; AND SEC'S ISSUANCE OF A REPORT PURSUANT TO SECTION 21(A) OF THE SECURITIES EXCHANGE ACT OF 1934 REGARDING THE DISTRIBUTION OF CERTAIN DEBT SECURITIES ISSUED BY GOVERNMENT-SPONSORED ENTERPRISES (GSES). THE ADMINISTRATIVE PROCEEDINGS RESULT FROM THE RESPONDENTS' ALLEGED VIOLATIONS OF RECORD-KEEPING PROVISIONS OF THE SECURITIES EXCHANGE ACT OF 1934 ('34 ACT) WHEN THE RESPONDENTS' PARTICIPATED IN CERTAIN PRIMARY DISTRIBUTIONS OF GSES UNSECURED DEBT SECURITIES (GSE-DEBT). +3/18/92+ SEC DOCKET 50 NO. 12, 01/28/1992 ADMINISTRATIVE PROCEEDING FILE NO. 3-7646 PAGE 1223 & 1224 DISCLOSES IT IS ORDERED THAT GOLDMAN, SACHS (GS) TODAY PAY A CIVIL PENALTY OF



\$100,000.00 TO UST, AND CONTINUE TO MAINTAIN OR, WITHIN 60 DAYS OF THIS ORDER, DEVELOP, IMPLEMENT AND, THEREAFTER, MAINTAIN POLICIES AND PROCEDURES REASONABLY DESIGNED TO ENSURE GS'S FUTURE COMPLIANCE WITH SECTION 17(A) OF THE '34 ACT AND 17 C.F.R. §§240.17A-3 AND 240.17A-4 (THE LAW) IN ANY DISTRIBUTION OF GSE-DEBT. SUCH POLICIES/PROCEDURES SHALL BE AVAILABLE FOR INSPECTION UPON REQUEST BY SEC. GS SHALL COMPLY WITH ALL POLICIES/PROCEDURES IMPLEMENTED OR MAINTAINED PURSUANT TO THIS PARAGRAPH. GS MAY MODIFY SUCH POLICIES/PROCEDURES, PROVIDED SUCH MODIFICATIONS ARE REASONABLY DESIGNED TO ENSURE GS'S COMPLIANCE WITH THE LAW.

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	IN CONNECTION WITH ITS DISTRIBUTION OF UNSECURED DEBT SECURITIES, GOLDMAN, SACHS & CO. VIOLATED SECTION 17(A) OF THE EXCHANGE ACT AND 17 C.F.R. SECTION 240.17 A-3 AND 240 A-4, WAS ORDERED TO PAY \$ 100,000 TO THE U.S. TREASURY.
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION
<b>Date Initiated:</b>	01/16/1992
<b>Docket/Case Number:</b>	#3-7646, S.E.C. DOCKET 50 # 12
<b>Principal Product Type:</b>	Debt - Government
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	03/18/1992
<b>Sanctions Ordered:</b>	Monetary/Fine \$100,000.00 Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	VIOLATION OF S.E.C. REGULATIONS RESULTED IN A CIVIL MONEY PENALTY OF \$ 100,000 TO THE U.S. TREASURY AND ORDERED THE APPLICANT TO DEVELOP, MAINTAIN AND COMPLY WITH POLICIES AND PROCEDURES DESIGNED TO ENSURE COMPLIANCE WITH VIOLATED RULES.

**Firm Statement**

VIOLATION OF S.E.C. REGULATIONS RESULTED IN A CIVIL MONEY PENALTY OF \$ 100,000 TO THE U.S. TREASURY AND ORDERED THE APPLICANT TO DEVELOP, MAINTAIN AND COMPLY WITH POLICIES AND PROCEDURES DESIGNED TO ENSURE COMPLIANCE WITH VIOLATED RULES.

**Disclosure 319 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 05/31/1991

**Docket/Case Number:** MS-1101-AWC

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 08/08/1991

**Sanctions Ordered:** Monetary/Fine \$500.00

**Other Sanctions Ordered:**

**Sanction Details:****Regulator Statement**

MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-1101-AWC (A) LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED MAY 31, 1991 AGAINST RESPONDENT MEMBER GOLDMAN, SACHS & CO. ALLEGING VIOLATIONS OF PART VI, SECTION 5(a) OF SCHEDULE D IN THAT RESPONDENTS FAILED TO REPORT THEIR NASDAQ VOLUME.

THE LETTER OF ACCEPTANCE, WAVIER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON JULY 1, 1991 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON 8/8/91. \$500 FINE.

\*\*\*\$500.00 PAID ON 9/10/91 INVOICE #91-MS-991\*\*\*



**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") VIOLATED PART VI, SECTION 5(A) OF SCHEDULE D OF NASD RULES.

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 05/31/1991

**Docket/Case Number:** MS-1101-AWC

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 09/10/1991

**Sanctions Ordered:** Monetary/Fine \$500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$500.00

**Firm Statement** WITHOUT ADMITTING OR DENYING ALLEGATIONS, GS SIGNED THE AWC AND PAID A FINE OF \$500.00

#### Disclosure 320 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 07/19/1977

**Docket/Case Number:**

**Principal Product Type:**



**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 07/19/1977

**Regulator Statement** ND 77-138 07/19/77  
REL 34-13770, 13769  
PUBLIC ADMINISTRATIVE PROCEEDINGS ORDERED.  
FIRM CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO FINDINGS THAT IT VIOLATED THE BOOKS AND RECORDS PROVISIONS OF THE SECURITIES EXCHANGE ACT OF 1934 AND HAS BEEN ORDERED BY THE COMMISSION TO INSTITUTE CERTAIN RECORDKEEPING PROCEDURES TO AVOID A REPETITION OF THIS TYPE OF SITUATION.

ND 77-224 11/21/77  
PUBLIC ADMINISTRATIVE PROCEEDINGS ORDERED.

ND 78-235 12/06/78  
REL 34-15359  
CENSURED AND ORDERED TO SEND A LETTER TO CERTAIN CUSTOMERS, PURSUANT TO OFFER OF SETTLEMENT WITHOUT ADMITTING OR DENYING ALLEGATIONS.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** ALLEGED VIOLATION OF SECTION 17(A) OF THE EXCHANGE ACT AND RULE 17A-3 THEREUNDER.

**Initiated By:** SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 07/19/1977

**Docket/Case Number:** NONE

**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)




**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 07/19/1977

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. CONSENTED TO FINDING OF VIOLATION BY THE SEC.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. CONSENTED TO FINDING OF VIOLATION BY THE SEC.

**Disclosure 321 of 325**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 02/22/1991

**Docket/Case Number:** MS-1047-AWC

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 05/01/1991

**Sanctions Ordered:** Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement** MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-1047-AWC (A) LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED FEBRUARY 22, 1991



AGAINST RESPONDENT MEMBER GOLDMAN, SACHS & CO. ALLEGE VIOLATIONS OF PART VI, SECTION 5(a) OF SCHEDULE D IN THAT RESPONDENTS FAILED TO REPORT THEIR NASDAQ VOLUME.

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON APRIL 5, 1991 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON MAY 1, 1991.

\*\*\*\$1,000.00 FINE\*\*\*

\*\*\*\$1,000.00 PAID ON 6/6/91 INVOICE #91-MS-605\*\*\*

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	NASD ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED THE NASD VOLUME REPORTING REQUIREMENTS.
<b>Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")
<b>Date Initiated:</b>	02/22/1991
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	02/22/1991
<b>Sanctions Ordered:</b>	Monetary/Fine \$1,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$1000.00.
<b>Firm Statement</b>	WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$1000.00.

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#### Disclosure 322 of 325

**Reporting Source:** Regulator



**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 07/17/1990

**Docket/Case Number:** MS-948-AWC

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 10/15/1990

**Sanctions Ordered:** Monetary/Fine \$250.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement**

MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-948-AWC (A): LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED JULY 17, 1990 AGAINST RESPONDENT MEMBER GOLDMAN, SACHS & CO. ALLEGING VIOLATIONS OF PART VI, SECTION 5(a) OF SCHEDULE D IN THAT RESPONDENTS FAILED TO REPORT THEIR NASDAQ VOLUME.

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY THE MARKET SURVEILLANCE COMMITTEE ON AUGUST 20, 1990 AND BY THE NATIONAL BUSINESS CONDUCT COMMITTEE ON OCTOBER 15, 1990. \$250.00 FINE.

\*\*\*\$250.00 PAID ON 12/4/90 INVOICE #90-MS-1243\*\*\*

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** NASD ALLEGED THAT GOLDMAN, SACHS & CO. FAILED TO REPORT NASDAQ VOLUME IN THREE SECURITIES ON ONE DAY.



**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")  
**Date Initiated:** 07/17/1990  
**Docket/Case Number:** NONE  
**Principal Product Type:** Other  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)  
**Other Sanction(s)/Relief Sought:**  
**Resolution:** Other  
**Resolution Date:** 07/17/1990  
**Sanctions Ordered:** Monetary/Fine \$250.00  
**Other Sanctions Ordered:**  
**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$250.00.  
**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$250.00.

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#### Disclosure 323 of 325

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:**  
**Initiated By:** PHILADELPHIA STOCK EXCHANGE  
**Date Initiated:** 01/18/1989  
**Docket/Case Number:** 89-78  
**Principal Product Type:**  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:**  
**Other Sanction(s)/Relief Sought:**



**Resolution:** Consent

**Resolution Date:** 02/22/1989

**Sanctions Ordered:** Monetary/Fine \$1,500.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement**

FORMBD WITH JDS 10036-09589 DISCLOSED ON JANUARY 18, 1989, THE PHILADELPHIA STOCK EXCHANGE ISSUED A STATEMENT OF CHARGES CONCERNING AN ALLEGED VIOLATION BY GOLDMAN, SACHS & CO. OF THE POSITION LIMIT RULES. IN FEBRUARY 1989, WITHOUT ADMITTING OR DENYING THE CHARGES, GOLDMAN SACHS AGREED TO SETTLE THE MATTER BY PAYMENT OF A \$1,500.00 FINE.

\*\*\* 5/30/89-PHILADELPHIA STOCK EXCHANGE WEEKLY BULLETIN, DATED MARCH 29, 1989 DISCLOSES: THE BUSINESS CONDUCT COMMITTEE ISSUED A DECISION DATED FEBRUARY 22, 1989, WHICH, FOR VIOLATIONS BY GOLDMAN SACHS & CO. MEMBER ORGANIZATION OF EXCHANGE RULE 1001 FINED THE FIRM \$1,500. IN RESPONSE TO THE STATEMENT OF CHARGES IN THIS ACTION, THE RESPONDENT MADE AN OFFER OF SETTLEMENT, STIPULATION OF FACTS AND CONSENT TO SANCTIONS BY WHICH, SOLELY TO SETTLE THIS PROCEEDING AND WITHOUT EITHER ADMITTING OR DENYING THE CHARGES, RESPONDENT CONSENTED TO THE FINDINGS THAT IT VIOLATED SAID RULES IN THAT ON OR ABOUT AUGUST 24, 1988, RESPONDENT CONTROLLED A NET AGGREGATE POSITION ON THE SAME SIDE OF THE MARKET IN FHP OPTIONS OF AS MANY AS 95 CONTRACTS ABOVE THE POSITION LIMIT. [PHLX NO. 89-78; ENFORCEMENT NO. 88-49].

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** PSE ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED POSITION LIMIT RULES.

**Initiated By:** PHILADELPHIA STOCK EXCHANGE ("PSE")

**Date Initiated:** 01/18/1989

**Docket/Case Number:** NONE



**Principal Product Type:** Other

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 02/01/1989

**Sanctions Ordered:** Monetary/Fine \$1,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$1500.00.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$1500.00.

#### Disclosure 324 of 325

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:**

**Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Date Initiated:** 07/08/1988

**Docket/Case Number:** MS-725-AWC

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 10/03/1988

**Sanctions Ordered:** Monetary/Fine \$500.00

**Other Sanctions Ordered:****Sanction Details:****Regulator Statement**

MARKET SURVEILLANCE COMMITTEE COMPLAINT #MS-725-AWC:

LETTER OF ACCEPTANCE, WAIVER AND CONSENT FILED JULY 8, 1988  
AGAINST RESPONDENT GOLDMAN, SACHS & CO. ALLEGING VIOLATIONS  
OF  
PART VI, SECTION 2(d) OF SCHEDULE D FOR ENTERING NASDAQ  
QUOTATIONS CONTAINING EXCESS SPREADS.

THE LETTER OF ACCEPTANCE, WAIVER AND CONSENT WAS ACCEPTED BY  
THE MARKET SURVEILLANCE COMMITTEE ON SEPTEMBER 2, 1988 AND BY  
THE NATIONAL BUSINESS CONDUCT COMMITTEE ON OCTOBER 3, 1988.  
\$500 FINE

\$500 FINE PAID 8/24/88

**Reporting Source:**

Firm

**Current Status:**

Final

**Allegations:**

NASD ALLEGED THAT GOLDMAN, SACHS & CO. ENTERED QUOTATIONS  
INTO THE NASDAQ SYSTEM ON TWO OCCASIONS WHICH WERE NOT  
REASONABLY RELATED TO THE PREVAILING MARKET.

**Initiated By:**

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ("NASD")

**Date Initiated:**

07/08/1988

**Docket/Case Number:**

NONE

**Principal Product Type:**

Other

**Other Product Type(s):****Principal Sanction(s)/Relief Sought:**

Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s)/Relief Sought:****Resolution:**

Other

**Resolution Date:**

07/08/1988

**Sanctions Ordered:**

Monetary/Fine \$500.00

**Other Sanctions Ordered:**



**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$500.00.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, GOLDMAN, SACHS & CO. PAID A FINE OF \$500.00.

#### Disclosure 325 of 325

**Reporting Source:** Regulator

**Current Status:** Final

#### **Allegations:**

**Initiated By:** CHICAGO BOARD OF OPTION EXCHANGE

**Date Initiated:** 03/25/1987

**Docket/Case Number:** 87-0004

**Principal Product Type:**

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Consent

**Resolution Date:** 03/25/1987

**Sanctions Ordered:** Monetary/Fine \$1,500.00

**Other Sanctions Ordered:**

#### **Sanction Details:**

**Regulator Statement** 7/9/87-CBOE DECISION ACCEPTING OFFER OF SETTLEMENT IN THE MATTER OF: GOLDMAN, SACHS & CO. RESPONDENT; FILE NO. 87-0004. THIS PROCEEDING WAS INSTITUTED BY THE BUSINESS CONDUCT COMMITTEE OF THE CBOE AS A RESULT OF AN INVESTIGATION BY THE STAFF OF THE EXCHANGE, WHICH INDICATED THAT THERE WAS PROBABLE CAUSE FOR FINDING A VIOLATION WITHIN THE DISCIPLINARY JURISDICTION OF THE EXCHANGE. IN SUBMITTING THIS OFFER OF SETTLEMENT, THE RESPONDENT NEITHER ADMITS NOR DENIES THE VIOLATIONS ALLEGED IN THE STATEMENT OF CHARGES. ON THE BASIS OF THE STATEMENT OF CHARGES AND OFFER OF SETTLEMENT, THE COMMITTEE





HAS DETERMINED TO ACCEPT THE RESPONDENT'S OFFER OF SETTLEMENT  
 BASED UPON ITS FINDING OF THE FOLLOWING FACTS: DURING ALL RELEVANT PERIODS HEREIN, THE STANDARD & POOR'S 100 STOCK INDEX ("OEX") APPLICABLE POSITION LIMIT WAS 15,000 CONTRACTS ON THE SAME SIDE OF THE MARKET. ON AUGUST 1, 1986, GOLDMAN SACHS CONTROLLED IN ONE OF ITS PUBLIC CUSTOMER ACCOUNTS, A LONG CALL POSITION OF 16,689 OEX OPTION CONTRATS. ON AUGUST 4, 1986, GOLDMAN SACHS CONTROLLED IN THE PUBLIC CUSTOMER ACCOUNT REFERRED TO ABOVE, A LONG CALL POSITION OF 16,689 OEX OPTION CONTRACTS. ON AUGUST 5, 1986, GOLDMAN SACHS CONTROLLED IN THE PUBLIC CUSTOMER ACCOUNT REFERRED TO ABOVE, A LONG CALL POSITION OF 16,539 OEX OPTION CONTRACTS. THE COMMITTEE HAS DETERMINED TO ACCEPT THE RESPONDENT'S OFFER OF SETTLEMENT BASED UPON ITS MAKING THE FOLLOWING CONCLUSIONS: THE ACTS, PRACTICES AND CONDUCT DESCRIBED ABOVE CONSTITUTE VIOLATIONS OF EXCHAGNE RULES 4.11 AND 24.4(a) BY GOLDMAN SACHS. WITH DUE REGARD FOR THE PARTICULAR FACTS OF THIS MATTER, THE COMMITTEE BELIEVES IT APPROPRIATE TO ACCEPT THE RESPONDENT'S OFFER OF SETTLEMENT WHEREIN IT CONSENTS TO A \$1,500 FINE FOR THE CONDUCT DESCRIBED ABOVE. ACCORDINGLY IT IS ORDERED, THAT THE RESPONDENT, GOLDMAN, SACHS & CO., SHALL BE AND HEREBY IS FINED IN THE AMOUNT OF \$1,500. ORDER DATED MARCH 25, 1987.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	CBOE ALLEGED THAT GOLDMAN, SACHS & CO. VIOLATED CBOE RULES 4.11 AND 244.4.
<b>Initiated By:</b>	CHICAGO BOARD OF OPTIONS EXCHANGE, INC. ("CBOE")
<b>Date Initiated:</b>	03/25/1987
<b>Docket/Case Number:</b>	NONE
<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)



**Other Sanction(s)/Relief Sought:**

**Resolution:** Settled

**Resolution Date:** 03/25/1987

**Sanctions Ordered:** Monetary/Fine \$1,500.00

**Other Sanctions Ordered:**

**Sanction Details:** WITHOUT ADMITTING OR DENYING THE ALLEGATION, GOLDMAN, SACHS & CO. PAID A FINE OF \$1500.00.

**Firm Statement** WITHOUT ADMITTING OR DENYING THE ALLEGATION, GOLDMAN, SACHS & CO. PAID A FINE OF \$1500.00.



## Regulatory - Pending

This type of disclosure event may include a pending formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory agency such as the Securities and Exchange Commission, foreign financial regulatory body) for alleged violations of investment-related rules or regulations.

### Disclosure 1 of 2

<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Pending
<b>Allegations:</b>	ON MARCH 31, 2020, THE CME GROUP MARKET REGULATION DEPARTMENT NOTIFIED GOLDMAN SACHS & CO. LLC ("GSCO") THAT IT HAD COMPLETED ITS INVESTIGATION INTO ALLEGATIONS THAT GSCO VIOLATED EXCHANGE RULE 562. GSCO HELD A PRO-RATA SHARE OF MELLON INVESTMENT CORPORATION'S POSITION EXCESS FOR THREE BUSINESS DAYS ON SEPTEMBER 11, 2019, SEPTEMBER 12, 2019, AND SEPTEMBER 13, 2019, BEFORE IT WAS LIQUIDATED ON SEPTEMBER 16, 2019. THE CME GROUP MARKET REGULATION DEPARTMENT ALLEGES THAT GSCO FAILED TO LIQUIDATE ITS PRO-RATA SHARE IN EXCESS OF LIMITS OR OTHERWISE FAILED TO ENSURE THAT ITS CUSTOMER WAS IN COMPLIANCE WITH LIMITS WITHIN A REASONABLE PERIOD OF TIME. THE ABOVE MATTER HAS NOW BEEN REFERRED TO THE CME GROUP MARKET REGULATION'S ENFORCEMENT DIVISION.
<b>Initiated By:</b>	CME GROUP INC.
<b>Date Initiated:</b>	03/31/2020
<b>Docket/Case Number:</b>	CBOT 19-1192
<b>Principal Product Type:</b>	Futures - Commodity
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Firm Statement</b>	ON MARCH 31, 2020, THE CME GROUP MARKET REGULATION DEPARTMENT NOTIFIED GSCO THAT IT HAD COMPLETED ITS INVESTIGATION INTO ALLEGATIONS THAT GSCO VIOLATED EXCHANGE RULE 562. THE ABOVE MATTER HAS NOW BEEN REFERRED TO THE CME GROUP MARKET REGULATION'S ENFORCEMENT DIVISION.

### Disclosure 2 of 2

<b>Reporting Source:</b>	Firm
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<b>Current Status:</b>	Pending
<b>Allegations:</b>	ON APRIL 1, 2020, THE SWEDISH FINANCIAL SUPERVISORY AUTHORITY (FINANSINSPEKTIONEN - "SFSA") IMPOSED A FINE ON GOLDMAN SACHS & CO. LLC ("GSCO") IN THE AMOUNT OF 315,000 SWEDISH KRONA (SEK) (APPROXIMATELY USD 31,500). SFSA ALLEGES A VIOLATION OF CHAPTER 4 OF THE FINANCIAL INSTRUMENTS TRADING ACT (SFS 1991:1980), IN RELATION TO A LATE DISCLOSURE OF CHANGES IN MAJOR HOLDINGS OF SHARES IN MICRONIC AB BETWEEN JUNE AND SEPTEMBER OF 2017.
<b>Initiated By:</b>	SWEDISH FINANCIAL SUPERVISORY AUTHORITY (FINANSINSPEKTIONEN - SFSA)
<b>Date Initiated:</b>	04/01/2020
<b>Docket/Case Number:</b>	FI DNR 17-17349
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Civil and Administrative Penalt(ies) /Fine(s)
<b>Other Sanction(s)/Relief Sought:</b>	
<b>Firm Statement</b>	THE SFSA IMPOSED A FINE ON GSCO IN THE AMOUNT OF 315,000 KRONA. THE FINE HAS NOT YET BEEN PAID, BUT IS EXPECTED TO BE PAID BY WIRE UPON RECEIPT OF SAID INVOICE.



## Civil - Final

This type of disclosure event involves (1) an injunction issued by a foreign or domestic court within the last 10 years in connection with investment-related activity, (2) a finding by a court of a violation of any investment-related statute or regulation, or (3) an action dismissed by a court pursuant to a settlement agreement.

### Disclosure 1 of 3

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** SEC LITIGATION RELEASE 21489 / APRIL 16, 2010: THE SECURITIES AND EXCHANGE COMMISSION FILED SECURITIES FRAUD CHARGES AGAINST GOLDMAN, SACHS & CO. ("GS&CO") AND A GS&CO EMPLOYEE, FOR MAKING MATERIAL MISSTATEMENTS AND OMISSIONS IN CONNECTION WITH A SYNTHETIC COLLATERALIZED DEBT OBLIGATION ("CDO") GS&CO STRUCTURED AND MARKETING TO INVESTORS. THIS SYNTHETIC CDO WAS TIED TO THE PERFORMANCE OF SUBPRIME RESIDENTIAL MORTGAGE-BACKED SECURITIES ("RMBS") AND WAS STRUCTURED AND MARKETING IN EARLY 2007 WHEN THE UNITED STATES HOUSING MARKET AND THE SECURITIES REFERENCING IT WERE BEGINNING TO SHOW SIGNS OF DISTRESS. SYNTHETIC CDOs CONTRIBUTED TO THE RECENT FINANCIAL CRISIS BY MAGNIFYING LOSSES ASSOCIATED WITH THE DOWNTURN IN THE UNITED STATES HOUSING MARKET. ACCORDING TO THE COMMISSION'S COMPLAINT, THE MARKETING MATERIALS, INCLUDING THE TERM SHEET, FLIP BOOK AND OFFERING MEMORANDUM FOR THE CDO, ALL REPRESENTED THAT THE REFERENCE PORTFOLIO OF RMBS UNDERLYING THE CDO WAS SELECTED BY A THIRD PARTY WITH EXPERTISE IN ANALYZING CREDIT RISK IN RMBS. UNDISCLOSED IN THE MARKETING MATERIALS AND UNBEKNOWNST TO INVESTORS, A LARGE HEDGE FUND WITH ECONOMIC INTERESTS DIRECTLY ADVERSE TO INVESTORS IN THE CDO, PLAYED A SIGNIFICANT ROLE IN THE PORTFOLIO SELECTION PROCESS. AFTER PARTICIPATING IN THE SELECTION OF THE REFERENCE PORTFOLIO, THE HEDGE FUND EFFECTIVELY SHORTED THE RMBS PORTFOLIO IT HELPED SELECT BY ENTERING INTO CREDIT DEFAULT SWAPS ("CDS") WITH GS&CO TO BUY PROTECTION ON SPECIFIC LAYERS OF THE CDO'S CAPITAL STRUCTURE. GIVEN ITS FINANCIAL SHORT INTEREST, THE HEDGE FUND HAD AN ECONOMIC INCENTIVE TO CHOOSE RMBS THAT IT EXPECTED TO EXPERIENCE CREDIT EVENTS IN THE NEAR FUTURE. GS&CO DID NOT DISCLOSE THE HEDGE FUND'S ADVERSE ECONOMIC INTEREST OR ITS ROLE IN THE PORTFOLIO SELECTION PROCESS IN THE TERM SHEET, FLIP BOOK, OFFERING MEMORANDUM OR OTHER MARKETING MATERIALS. THE DEAL CLOSED ON APRIL 26, 2007. THE HEDGE FUND PAID GS&CO APPROXIMATELY \$15 MILLION FOR STRUCTURING AND MARKETING THE CDO. BY OCTOBER 24, 2007, 83% OF THE RMBS IN THE THE CDO PORTFOLIO HAD BEEN DOWNGRADED AND 17% WAS ON NEGATIVE WATCH. BY JANUARY 29, 2008, 99% OF THE



PORTFOLIO HAD ALLEGEDLY BEEN DOWNGRADED. INVESTORS IN THE LIABILITIES OF THE CDO ARE ALLEGED TO HAVE LOST OVER \$1 BILLION. THE HEDGE FUND'S OPPOSITE CDS POSITIONS YIELDED A PROFIT OF APPROXIMATELY \$1 BILLION. THE COMMISSION'S COMPLAINT, WHICH WAS FILED IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, CHARGES GS&CO WITH VIOLATIONS OF SECTION 17(A) OF THE SECURITIES ACT OF 1933, SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934, AND EXCHANGE ACT RULE 10B-5.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Court Details:** UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK-10 CIV. 3229 (BJ)

**Date Court Action Filed:** 04/16/2010

**Principal Product Type:** Other

**Other Product Types:** COLLATERALIZED DEBT OBLIGATION (CDO), SUB-PRIME RESIDENTIAL MORTGAGE-BACKED SECURITIES (RMBS), CREDIT DEFAULT SWAPS (CDS)

**Relief Sought:** Injunction

**Other Relief Sought:** DISGORGEMENT, PREJUDGMENT INTEREST, CIVIL PENALTIES

**Resolution:** Judgment Rendered

**Resolution Date:** 07/20/2010

**Sanctions Ordered or Relief Granted:** Monetary/Fine \$535,000,000.00  
Disgorgement/Restitution  
Cease and Desist/Injunction

**Other Sanctions:** UNDERTAKINGS: (A) PRODUCT REVIEW AND APPROVAL- DEFENDANT SHALL EXPAND THE ROLE OF ITS FIRM-WIDE CAPITAL COMMITTEE (OR ANY SUCCESSOR COMMITTEE, THE "FCC") IN THE VETTING AND APPROVAL PROCESS FOR OFFERINGS OF RESIDENTIAL MORTGAGE-RELATED SECURITIES. (B) ROLE OF INTERNAL LEGAL AND COMPLIANCE- ALL WRITTEN MARKETING MATERIALS USED IN CONNECTION WITH MORTGAGE SECURITIES OFFERINGS MUST BE REVIEWED BY REPRESENTATIVES OF DEFENDANT'S LEGAL DEPARTMENT OR COMPLIANCE DEPARTMENT. ON AT LEAST AN ANNUAL BASIS, DEFENDANT'S INTERNAL AUDIT FUNCTION SHALL CONDUCT A REVIEW TO DETERMINE REQUIREMENTS ARE BEING COMPLIED WITH. (C) ROLE OF OUTSIDE COUNSEL- IN OFFERINGS OF MORTGAGE SECURITIES WHERE DEFENDANT IS THE LEAD UNDERWRITER AND RETAINS OUTSIDE COUNSEL TO ADVISE ON THE OFFERING, SUCH COUNSEL WILL BE ASKED TO REVIEW THE TERM SHEETS, IF ANY, THE OFFERING CIRCULAR OR PROSPECTUS, AND THE FORM OF ANY OTHER MARKETING MATERIALS USED IN CONNECTION WITH THE OFFERING. (D) EDUCATION AND



TRAINING - WITHIN SIXTY (60) DAYS FOLLOWING THE HIRING BY, OR TRANSFER TO, DEFENDANT'S MORTGAGE DEPARTMENT OF NEW INDIVIDUALS, EACH SUCH PERSON SHALL PARTICIPATE IN A TRAINING PROGRAM THAT INCLUDES INSTRUCTION ON THE DISCLOSURE REQUIREMENTS UNDER THE FEDERAL SECURITIES LAWS AND THAT SPECIFICALLY ADDRESSES THE APPLICATION OF THOSE REQUIREMENTS TO OFFERINGS OF MORTGAGE SECURITIES. DEFENDANT SHALL PROVIDE FOR APPROPRIATE RECORD KEEPING TO TRACK COMPLIANCE WITH THESE REQUIREMENTS. (E) CERTIFICATION OF COMPLIANCE BY DEFENDANT - THE GENERAL COUNSELOR THE GLOBAL HEAD OF COMPLIANCE OF DEFENDANT SHALL CERTIFY ANNUALLY (ONE YEAR, TWO YEARS, AND THREE YEARS, RESPECTIVELY, AFTER THE DATE OF ENTRY OF THIS FINAL JUDGMENT), IN WRITING, COMPLIANCE IN ALL MATERIAL RESPECTS WITH THE UNDERTAKINGS SET FORTH ABOVE.

#### **Sanction Details:**

SEC FINAL JUDGMENT RENDERED JULY 20, 2010: THE SECURITIES AND EXCHANGE COMMISSION HAVING FILED A COMPLAINT AND DEFENDANT GOLDMAN, SACHS & CO. HAVING ENTERED A GENERAL APPEARANCE; CONSENTED TO THE COURT'S JURISDICTION OVER DEFENDANT AND THE SUBJECT MATTER OF THIS ACTION; CONSENTING TO THE ENTRY OF A FINAL JUDGMENT WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OF THE COMPLAINT, WAIVED FINDINGS OF FACT AND CONCLUSIONS OF LAW; AND WAIVED ANY RIGHT TO APPEAL FROM THIS FINAL JUDGMENT. IT IS HEREBY ORDERED THAT THE DEFENDANT AND DEFENDANT'S AGENTS, SERVANTS, EMPLOYEES, ATTORNEYS, AND ALL PERSONS IN ACTIVE CONCERT OR PARTICIPATION WITH THEM WHO RECEIVE ACTUAL NOTICE OF THE FINAL JUDGMENT ARE PERMANENTLY RESTRAINED AND ENJOINED FROM VIOLATIONS OF SECTION 17(A) OF THE SECURITIES ACT OF 1933. THAT DEFENDANT IS LIABLE FOR DISGORGEMENT OF \$15,000,000 AND A CIVIL PENALTY IN THE AMOUNT OF \$535,000,000. DEFENDANT SHALL SATISFY THIS OBLIGATION BY DISBURSING THE DISGORGEMENT AND CIVIL PENALTY PURSUANT TO THE FAIR FUND PROVISIONS. THAT DEFENDANT SHALL COMPLY WITH UNDERTAKINGS, WHICH SHALL EXPIRE THREE YEARS FROM THE ENTRY OF THE FINAL JUDGMENT.

#### **Regulator Statement**

LITIGATION RELEASE 21592, JULY 15, 2010: GOLDMAN AGREED TO SETTLE THE SEC'S CHARGES WITHOUT ADMITTING OR DENYING THE ALLEGATIONS BY CONSENTING TO THE ENTRY OF A FINAL JUDGMENT THAT PROVIDES FOR A PERMANENT INJUNCTION FROM VIOLATIONS OF SECTION 17(A) OF THE SECURITIES ACT OF 1933. OF THE \$550 MILLION TO BE PAID BY GOLDMAN IN THE SETTLEMENT, \$250 MILLION WOULD BE RETURNED TO HARMED INVESTORS THROUGH A FAIR FUND DISTRIBUTION AND \$300 MILLION WOULD BE PAID TO THE U.S. TREASURY.

THE SECURITIES AND EXCHANGE COMMISSION ANNOUNCED THAT GOLDMAN, SACHS & CO. WILL PAY \$550 MILLION AND REFORM ITS



BUSINESS PRACTICES TO SETTLE SEC CHARGES THAT GOLDMAN MISLED INVESTORS IN A SUBPRIME MORTGAGE PRODUCT JUST AS THE U.S. HOUSING MARKET WAS STARTING TO COLLAPSE. IN AGREEING TO THE SEC'S LARGEST-EVER PENALTY PAID BY A WALL STREET FIRM, GOLDMAN ALSO ACKNOWLEDGED THAT ITS MARKETING MATERIALS FOR THE SUBPRIME PRODUCT CONTAINED INCOMPLETE INFORMATION. THE SETTLEMENT ALSO REQUIRES REMEDIAL ACTION BY GOLDMAN IN ITS REVIEW AND APPROVAL OF OFFERINGS OF CERTAIN MORTGAGE SECURITIES. THIS INCLUDES THE ROLE AND RESPONSIBILITIES OF INTERNAL LEGAL COUNSEL, COMPLIANCE PERSONNEL, AND OUTSIDE COUNSEL IN THE REVIEW OF WRITTEN MARKETING MATERIALS FOR SUCH OFFERINGS. THE SETTLEMENT ALSO REQUIRES ADDITIONAL EDUCATION AND TRAINING OF GOLDMAN EMPLOYEES IN THIS AREA OF THE FIRM'S BUSINESS. IN THE SETTLEMENT, GOLDMAN ACKNOWLEDGED THAT IT IS PRESENTLY CONDUCTING A COMPREHENSIVE, FIRM-WIDE REVIEW OF ITS BUSINESS STANDARDS, WHICH THE SEC HAS TAKEN INTO ACCOUNT IN CONNECTION WITH THE SETTLEMENT OF THIS MATTER. THE SETTLEMENT IS SUBJECT TO APPROVAL BY THE HONORABLE BARBARA S. JONES, UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK. TODAY'S SETTLEMENT, IF APPROVED BY JUDGE JONES, RESOLVES THE SEC'S ENFORCEMENT ACTION AGAINST GOLDMAN RELATED TO THE ABACUS 2007-AC1 CDO. IT DOES NOT SETTLE ANY OTHER PAST, CURRENT OR FUTURE SEC INVESTIGATIONS AGAINST THE FIRM.

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE CONDUCT OF THE APPLICANT ALLEGED IN THE SEC COMPLAINT INVOLVED AN OFFERING OF A SYNTHETIC COLLATERALIZED DEBT OBLIGATION, WHICH REFERENCED A PORTFOLIO OF SYNTHETIC RESIDENTIAL MORTGAGE-BACKED SECURITIES, TO QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE ON THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 PROVIDED BY RULE 144A THEREUNDER AND TO NON-U.S. PERSONS IN RELIANCE ON THE SAFE HARBOR FROM REGISTRATION PROVIDED BY REGULATION S THEREUNDER. SPECIFICALLY, THE COMPLAINT ALLEGED THAT THE OFFERING MATERIALS, IN DESCRIBING THE PORTFOLIO SELECTION AGENT FOR THE PORTFOLIO OF SYNTHETIC RESIDENTIAL MORTGAGE-BACKED SECURITIES, SHOULD HAVE DISCLOSED THAT THE HEDGE FUND ASSUMING THE SHORT SIDE OF THE TRANSACTION HAD PLAYED A ROLE IN THE SELECTION PROCESS. IN ITS CONSENT TO THE COURT JUDGMENT, THE APPLICANT ACKNOWLEDGED THAT IT WAS A MISTAKE NOT TO DISCLOSE THE ROLE OF THE HEDGE FUND.





**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Court Details:** U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, CIVIL ACTION NO. 10 CIV. 3229

**Date Court Action Filed:** 04/16/2010

**Principal Product Type:** Other

**Other Product Types:** SYNTHETIC COLLATERALIZED DEBT OBLIGATIONS, WHICH REFERENCED A PORTFOLIO OF SYNTHETIC RESIDENTIAL MORTGAGE-BACKED SECURITIES

**Relief Sought:** Injunction

**Other Relief Sought:** DISGORGEMENT; CIVIL PENALTIES

**Resolution:** Judgment Rendered

**Resolution Date:** 07/20/2010

**Sanctions Ordered or Relief Granted:** Monetary/Fine \$535,000,000.00  
Disgorgement/Restitution  
Cease and Desist/Injunction

**Other Sanctions:** THE COURT JUDGMENT REQUIRES THE APPLICANT TO COMPLY WITH CERTAIN UNDERTAKINGS RELATING TO (I) THE VETTING AND APPROVAL PROCESS FOR OFFERINGS OF RESIDENTIAL MORTGAGE-RELATED SECURITIES, (II) REVIEW OF MARKETING MATERIALS USED IN CONNECTION WITH RESIDENTIAL MORTGAGE-RELATED SECURITIES OFFERINGS BY THE APPLICANT'S LEGAL DEPARTMENT AND COMPLIANCE DEPARTMENT, (III) ANNUAL INTERNAL AUDITS OF THE REVIEW OF SUCH MARKETING MATERIALS, (IV) WHERE THE FIRM IS THE LEAD UNDERWRITER OF AN OFFERING OF RESIDENTIAL MORTGAGE-RELATED SECURITIES AND RETAINS OUTSIDE COUNSEL TO ADVISE ON THE OFFERING, REVIEW OF THE RELATED OFFERING MATERIALS BY OUTSIDE COUNSEL AND (V) EDUCATION AND TRAINING OF PERSONS INVOLVED IN THE STRUCTURING OR MARKETING OF RESIDENTIAL MORTGAGE-RELATED SECURITIES OFFERINGS. THE JUDGMENT FURTHER REQUIRES RECORD-KEEPING TO TRACK COMPLIANCE AND CERTIFICATION OF COMPLIANCE WITH THESE REQUIREMENTS BY THE APPLICANT'S GENERAL COUNSEL OR GLOBAL HEAD OF COMPLIANCE ONE, TWO AND THREE YEARS AFTER THE DATE OF ENTRY OF THE JUDGMENT.

**Sanction Details:** PERMANENT INJUNCTION FROM VIOLATION OF SECTION 17(A) OF THE SECURITIES ACT OF 1933, CIVIL PENALTIES OF \$535,000,000 TO BE PAID WITHIN 30 DAYS OF ENTRY OF JUDGMENT AND DISGORGEMENT OF \$15,000,000 TO BE PAID WITHIN 30 DAYS OF ENTRY OF JUDGMENT. THE CIVIL PENALTIES AND DISGORGEMENT WERE PAID ON AUGUST 18, 2010. THE COURT JUDGMENT ALSO REQUIRES THE APPLICANT TO COMPLY



WITH CERTAIN UNDERTAKINGS RELATING TO (I) THE VETTING AND APPROVAL PROCESS FOR OFFERINGS OF RESIDENTIAL MORTGAGE-RELATED SECURITIES, (II) REVIEW OF MARKETING MATERIALS USED IN CONNECTION WITH RESIDENTIAL MORTGAGE-RELATED SECURITIES OFFERINGS BY THE APPLICANT'S LEGAL DEPARTMENT AND COMPLIANCE DEPARTMENT, (III) ANNUAL INTERNAL AUDITS OF THE REVIEW OF SUCH MARKETING MATERIALS, (IV) WHERE THE FIRM IS THE LEAD UNDERWRITER OF AN OFFERING OF RESIDENTIAL MORTGAGE-RELATED SECURITIES AND RETAINS OUTSIDE COUNSEL TO ADVISE ON THE OFFERING, REVIEW OF THE RELATED OFFERING MATERIALS BY OUTSIDE COUNSEL AND (V) EDUCATION AND TRAINING OF PERSONS INVOLVED IN THE STRUCTURING OR MARKETING OF RESIDENTIAL MORTGAGE-RELATED SECURITIES OFFERINGS. THE JUDGMENT FURTHER REQUIRES RECORD-KEEPING TO TRACK COMPLIANCE AND CERTIFICATION OF COMPLIANCE WITH THESE REQUIREMENTS BY THE APPLICANT'S GENERAL COUNSEL OR GLOBAL HEAD OF COMPLIANCE ONE, TWO AND THREE YEARS AFTER THE DATE OF ENTRY OF THE JUDGMENT.

#### Firm Statement

THE COURT'S JUDGMENT WAS ENTERED AS A RESULT OF A SETTLEMENT BETWEEN THE APPLICANT AND THE SEC IN CONNECTION WITH AN ACTION BROUGHT AGAINST THE APPLICANT AND AN INDIVIDUAL DEFENDANT. THE ALLEGED CONDUCT OF THE APPLICANT IS DESCRIBED IN THE RESPONSE TO ITEM 7.

#### Disclosure 2 of 3

##### Reporting Source:

Regulator

##### Current Status:

Final

##### Allegations:

LITIGATION RELEASE 19051, JANUARY 25, 2005; THE SECURITIES AND EXCHANGE COMMISSION CHARGED GOLDMAN SACHS & CO. WITH VIOLATING THE SECURITIES LAW IN ITS ALLOCATION OF SHARES IN INITIAL PUBLIC OFFERINGS (IPOS) IN 1999 AND 2000, BY INDUCING OR ATTEMPTING TO INDUCE CERTAIN CUSTOMERS TO PURCHASE SHARES IN THE AFTERMARKET. GOLDMAN SACHS VIOLATED RULE 101 OF REGULATION M UNDER THE SECURITIES EXCHANGE ACT OF 1934 BY UNLAWFULLY ATTEMPTING TO INDUCE, OR INDUCING, CERTAIN CUSTOMERS TO PURCHASE STOCK IN THE AFTERMARKET OF CERTAIN IPOS UNDERWRITTEN BY GOLDMAN SACHS DURING 1999 AND 2000. THE COMMISSION'S COMPLAINT ALLEGES AS FOLLOWS: DURING RESTRICTED PERIODS, GOLDMAN SACHS ATTEMPTED TO INDUCE, OR INDUCED, CERTAIN CUSTOMERS TO MAKE AFTERMARKET PURCHASES OF IPO STOCK IN VIOLATION OF RULE 101 OF REGULATION M BY ENGAGING IN THE FOLLOWING ACTIVITIES: GOLDMAN SACHS COMMUNICATED TO CERTAIN CUSTOMERS THAT GOLDMAN SACHS CONSIDERED PURCHASES



IN THE IMMEDIATE AFTERMARKET TO BE SIGNIFICANT IN THE DETERMINATION OF IPO ALLOCATIONS. GOLDMAN SACHS ALSO INFORMED CERTAIN CUSTOMERS THAT GOLDMAN SACHS VERIFIED WHETHER CUSTOMERS PLACED ORDERS

<b>Initiated By:</b>	US SECURITIES AND EXCHANGE COMMISSION
<b>Court Details:</b>	THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK. CASE NO. 05 CV 853
<b>Date Court Action Filed:</b>	01/25/2005
<b>Principal Product Type:</b>	No Product
<b>Other Product Types:</b>	
<b>Relief Sought:</b>	Injunction
<b>Other Relief Sought:</b>	CIVIL PENALTIES
<b>Resolution:</b>	Settled
<b>Resolution Date:</b>	01/25/2005
<b>Sanctions Ordered or Relief Granted:</b>	Monetary/Fine \$40,000,000.00 Cease and Desist/Injunction
<b>Other Sanctions:</b>	
<b>Sanction Details:</b>	GOLDMAN SACHS HAS AGREED TO SETTLE THE COMMISSION'S ACTION AND HAS CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OF THE COMPLAINT, TO THE ENTRY OF A FINAL JUDGMENT THAT: (1) PERMANENTLY ENJOINS GOLDMAN SACHS FROM VIOLATING RULE 101 OF REGULATION M UNDER THE EXCHANGE ACT; AND (2) ORDERS A CIVIL PENALTY OF \$40 MILLION PURSUANT TO SECTION 21(D) OF THE EXCHANGE ACT.
<b>Regulator Statement</b>	AS A RESULT OF GOLDMAN SACHS'S COMMUNICATIONS CONCERNING AFTERMARKET ORDERS, AND BECAUSE SOME CUSTOMERS WANTED TO OBTAIN IPO ALLOCATIONS THAT THEY REASONABLY BELIEVED THEY COULD "FLIP" FOR LARGE PROFITS, CERTAIN CUSTOMERS INDICATED INTENTIONS TO PLACE ORDERS AND/OR PLACED ORDERS TO PURCHASE IPO STOCK IN THE IMMEDIATE AFTERMARKET OF CERTAIN OFFERINGS. GOLDMAN SACHS ENGAGED IN A COMBINATION OF SOME OR ALL OF THE FOREGOING TYPES OF COMMUNICATIONS TO CERTAIN CUSTOMERS IN CONNECTION WITH THE IPOs OF COSINE, MARVELL, AND WEBEX, INC.

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<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final



<b>Allegations:</b>	THE SEC ALLEGED THAT GOLDMAN, SACHS & CO. ("GS") VIOLATED RULE 101 OF REGULATION M UNDER THE SECURITIES ACT OF 1934 BY ATTEMPTING TO INDUCE, OR INDUCING CERTAIN INVESTORS TO MAKE AFTERMARKET PURCHASES OF CERTAIN INITIAL PUBLIC OFFERINGS ("IPOS") UNDERWRITTEN BY GS, DURING 2000.
<b>Initiated By:</b>	U. S. SECURITIES AND EXCHANGE COMMISSION ("SEC")
<b>Court Details:</b>	UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK/05 CV853
<b>Date Court Action Filed:</b>	01/24/2005
<b>Principal Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Other Product Types:</b>	
<b>Relief Sought:</b>	Civil Penalty(ies)/Fine(s)
<b>Other Relief Sought:</b>	
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	02/04/2005
<b>Sanctions Ordered or Relief Granted:</b>	Monetary/Fine \$40,000,000.00
<b>Other Sanctions:</b>	
<b>Sanction Details:</b>	GS PAID A TOTAL FINE OF \$40 MILLION ON MARCH 31, 2005 AND WAS PERMANENTLY RESTRAINED AND ENJOINED FROM VIOLATING RULE 101 OF REGULATION M UNDER THE SECURITIES ACT OF 1934.
<b>Firm Statement</b>	ON SEPTEMBER 23, 2004, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OF THE COMPLAINT, GS CONSENTED TO THE ENTRY OF THE FINAL JUDGMENT. THE FINAL JUDGMENT WAS ENTERED FEBRUARY 4, 2005. GS WAS PERMANENTLY RESTRAINED AND ENJOINED FROM VIOLATING RULE 101 OF REGULATION M AND REQUIRED TO PAY A \$40 MILLION CIVIL PENALTY.

### Disclosure 3 of 3

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	SEC LITIGATION RELEASE 18113, APRIL 28, 2003: THE SECURITIES AND EXCHANGE COMMISSION ("SEC") ANNOUNCED THAT IT HAS SETTLED CHARGES AGAINST GOLDMAN, SACHS & CO. ("DEFENDANT"), AN INVESTMENT BANK AND SECURITIES FIRM, ARISING FROM AN INVESTIGATION OF RESEARCH ANALYST CONFLICTS OF INTEREST. IN



CONNECTION WITH THIS MATTER, THE SEC TODAY FILED A COMPLAINT AGAINST GOLDMAN SACHS IN THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, ALLEGING VIOLATIONS OF NASD AND NYSE RULES. ACCORDING TO THE SEC'S COMPLAINT, FROM AT LEAST JULY 1999 THROUGH JUNE 2001, RESEARCH ANALYSTS AT GOLDMAN SACHS WERE SUBJECT TO INAPPROPRIATE INFLUENCE BY INVESTMENT BANKING AT THE FIRM. THE COMPLAINT ALSO ALLEGES THAT GOLDMAN SACHS PUBLISHED EXAGGERATED OR UNWARRANTED RESEARCH AND FAILED TO MAINTAIN APPROPRIATE SUPERVISION OVER ITS RESEARCH AND INVESTMENT BANKING OPERATIONS. SPECIFICALLY, THE SEC'S COMPLAINT ALLEGES THAT: GOLDMAN SACHS COMPENSATED ITS ANALYSTS BASED AT LEAST IN PART UPON THEIR PARTICIPATION IN THE FIRM'S INVESTMENT BANKING-RELATED ACTIVITIES. GOLDMAN SACHS "ALIGNED" ITS RESEARCH, EQUITIES, AND INVESTMENT BANKING DIVISIONS TO WORK COLLABORATIVELY IN ORDER TO FULLY LEVERAGE ITS LIMITED RESEARCH RESOURCES. GOLDMAN SACHS ANALYSTS PARTICIPATED IN INVESTMENT BANKING MARKETING EFFORTS, INCLUDING WORKING WITH INVESTMENT BANKERS TO PREPARE "PITCH" MATERIALS AND IN SOME CASES ATTENDING THE PITCH MEETINGS. IN SEVERAL INSTANCES, THESE CONFLICTS RESULTED IN ANALYSTS PUBLISHING RECOMMENDATIONS THAT WERE EXAGGERATED OR UNWARRANTED. GOLDMAN SACHS ALSO FAILED TO ESTABLISH AND MAINTAIN ADEQUATE POLICIES, SYSTEMS, AND PROCEDURES REASONABLY DESIGNED TO ENSURE THE OBJECTIVITY OF ITS PUBLISHED RESEARCH. THE SEC ALLEGES THAT DEFENDANT GOLDMAN SACHS VIOLATED NASD CONDUCT RULES 2110, 2210(D)(1), 2210(D)(2) AND 3010, AND NYSE RULES 342, 401, 472 AND 476(A)(6).

<b>Initiated By:</b>	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
<b>Court Details:</b>	U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, 03 CV 2944 (WHP) (S.D.N.Y.)
<b>Date Court Action Filed:</b>	04/28/2003
<b>Principal Product Type:</b>	Other
<b>Other Product Types:</b>	EQUITY SECURITIES
<b>Relief Sought:</b>	Injunction
<b>Other Relief Sought:</b>	
<b>Resolution:</b>	Judgment Rendered
<b>Resolution Date:</b>	10/31/2003
<b>Sanctions Ordered or Relief Granted:</b>	Monetary/Fine \$25,000,000.00 Disgorgement/Restitution Cease and Desist/Injunction



<b>Other Sanctions:</b>	\$50,000,000 FOR THE PROCUREMENT OF INDEPENDENT RESEARCH, \$10,000,000 FOR INVESTOR EDUCATION, UNDERTAKINGS
<b>Sanction Details:</b>	SEC LITIGATION RELEASE 18438, OCTOBER 31, 2003: THE SECURITIES AND EXCHANGE COMMISSION ANNOUNCED THAT THE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK, ISSUED AN ORDER WHEREBY GOLDMAN SACHS IS PERMANENTLY ENJOINED FROM VIOLATING NASD RULES 2110, 2210, 3010, NYSE RULES 342, 401, 472, 476, ORDERED TO PAY \$25,000,000 AS A PENALTY, \$25,000,000 AS DISGORGEMENT OF COMMISSIONS AND OTHER MONIES; \$50,000,000 FOR THE PROCUREMENT OF INDEPENDENT RESEARCH, \$10,000,000 FOR INVESTOR EDUCATION, AND ORDERED TO COMPLY WITH THE FOLLOWING UNDERTAKINGS: SEPARATION OF RESEARCH AND INVESTOR BANKING, DISCLOSURE TRANSPARENCY AND OTHER ISSUES, AND INDEPENDENT, THIRD-PARTY RESEARCH.
<b>Regulator Statement</b>	DEFENDANT HAS AGREED TO SETTLE THE SEC'S ACTION AND HAS CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO THE ENTRY OF A FINAL JUDGMENT THAT PERMANENTLY ENJOINS IT FROM VIOLATIONS OF NASD RULE 2110; NYSE RULES 401 & 476; NASD RULE 2210; NYSE RULE 472; NASD RULE 3010; NYSE RULE 342. THE DEFENDANT MUST DISCLOSE ON THE FIRST PAGE OF EACH RESEARCH REPORT WHETHER THE FIRM DOES OR SEEKS TO DO INVESTMENT BANKING BUSINESS WITH THE ISSUER, AND WHEN IT DECIDES TO TERMINATE COVERAGE OF AN ISSUER, DEFENDANT MUST ISSUE A FINAL RESEARCH REPORT DISCUSSING THE REASONS FOR THE TERMINATION. EACH QUARTER, DEFENDANT ALSO WILL PUBLISH ON ITS WEBSITE A CHART SHOWING ITS ANALYSTS' PERFORMANCE, RATINGS, PRICE TARGETS, AND EARNINGS PER SHARE, AS WELL AS AN EXPLANATION OF THE FIRM'S RATING SYSTEM. DEFENDANT ALSO HAS AGREED TO RETAIN AN INDEPENDENT MONITOR TO CONDUCT A REVIEW TO PROVIDE THAT THE FIRM IS COMPLYING WITH THE STRUCTURAL REFORMS FOR EIGHTEEN MONTHS AFTER THE DATE OF THE JUDGMENT AND WILL SUBMIT A WRITTEN REPORT OF FINDINGS WITHIN SIX MONTHS AFTER THE REVIEW BEGINS. FIVE YEARS AFTER THE ENTRY OF JUDGMENT, IT MUST CERTIFY TO THE SEC AND OTHER REGULATORS THAT IT HAS COMPLIED IN ALL MATERIAL RESPECTS WITH THE REQUIREMENTS AND PROHIBITIONS OF THE STRUCTURAL REFORMS, AND PROVIDES FOR THE APPOINTMENT OF A FUND ADMINISTRATOR WHO WILL FORMULATE AND ADMINISTER A PLAN OF DISTRIBUTION FOR THOSE MONIES PLACED INTO THE DISTRIBUTION FUND. DEFENDANT WILL IMPLEMENT STRUCTURAL REFORMS AND PROVIDE ENHANCED DISCLOSURE TO INVESTORS, INCLUDING A BROAD RANGE OF CHANGES RELATING TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. DEFENDANT WILL ALSO PAY, OVER FIVE YEARS, \$50 MILLION TO PROVIDE THE FIRM'S



CLIENTS WITH INDEPENDENT RESEARCH, AND \$10 MILLION TO BE USED FOR INVESTOR EDUCATION.

SEC LITIGATION RELEASE 21457, MARCH 19, 2010: THE HONORABLE JUDGE OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK ISSUED AN ORDER ON MARCH 15, 2010 APPROVING MODIFICATIONS TO THE FINAL JUDGMENTS ENTERED AGAINST THE DEFENDANT AND OTHERS. THE FINAL JUDGMENTS CONTAINED AN EXTENSIVE ADDENDUM WITH PROVISIONS MANDATING STRUCTURAL AND OTHER REFORMS THAT ADDRESSED POTENTIAL CONFLICTS OF INTEREST BETWEEN EQUITY RESEARCH ANALYSTS AND INVESTMENT BANKING. THE SETTLEMENT PROVIDED THAT WITH RESPECT TO ANY PROVISION THAT HAD NOT BEEN EXPRESSLY SUPERSEDED BY SUBSEQUENT RULEMAKING WITHIN FIVE YEARS, THE SEC WOULD AGREE TO AN AMENDMENT/MODIFICATION OF SUCH TERM, SUBJECT TO COURT APPROVAL, UNLESS THE SEC BELIEVES IT WOULD NOT BE IN THE PUBLIC INTEREST. THE COURT APPROVED REMOVING A NUMBER OF PROVISIONS. THE ADDENDUM NO LONGER INCLUDES PROHIBITIONS AGAINST INVESTMENT BANKING INPUT INTO RESEARCH ANALYST COMPENSATION AND THE BAR AGAINST RESEARCH ANALYSTS PARTICIPATING IN EFFORTS TO SOLICIT INVESTMENT BANKING BUSINESS, AMONG OTHER THINGS. THE MODIFIED ADDENDUM AS ORDERED BY THE COURT AND SUPPORTED BY THE SEC MAINTAINED THE REQUIREMENT THAT A CHAPERONE FROM LEGAL OR COMPLIANCE BE PRESENT WHEN INVESTMENT BANKING SEEKS THE VIEWS OF RESEARCH ANALYSTS CONCERNING A PROPOSED TRANSACTION OR A POTENTIAL CANDIDATE FOR A TRANSACTION. ONE PROPOSED MODIFICATION WOULD HAVE ALLOWED INVESTMENT BANKING TO SEEK THE VIEWS OF RESEARCH ANALYSTS REGARDING MARKET OR INDUSTRY TRENDS, CONDITIONS, OR DEVELOPMENTS WITHOUT THE REQUIREMENT OF A CHAPERONE, SUBJECT TO CERTAIN LIMITATIONS INCLUDING THE IMPLEMENTATION OF CONTROLS AND TRAINING AS DESCRIBED IN THE NOVEMBER 30, 2009 LETTER TO THE COURT FROM THE SETTLING FIRMS. IN HIS MARCH 15, 2010 ORDER, THE HONORABLE JUDGE DID NOT APPROVE THIS PROPOSED MODIFICATION. AS A RESULT OF THE COURT'S ORDER, THE DEFENDANT REMAINS SUBJECT TO A NUMBER OF IMPORTANT RESTRICTIONS THAT APPLY ONLY TO IT AND OTHER FIRMS AFFECTED BY THE FINAL JUDGMENTS AND SETTLEMENT. TOGETHER WITH THE REST OF THE INDUSTRY, THEY ALSO REMAIN SUBJECT TO ALL OF THE PROVISIONS OF NASD RULE 2711, NYSE RULE 472, AND THE SEC'S REGULATION AC.

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**Reporting Source:**

Firm





<b>Current Status:</b>	Final
<b>Allegations:</b>	ON APRIL 28, 2003, AS PART OF A GLOBAL SETTLEMENT, THE SEC FILED A COMPLAINT AGAINST TEN INVESTMENT BANKING FIRMS, INCLUDING GS ALLEGING THAT THEY VIOLATED (I) NYSE RULES 401 AND 476 AND NASD CONDUCT RULE 2110 BY PERMITTING INVESTMENT BANKING TO EXERCISE INAPPROPRIATE INFLUENCE OVER RESEARCH ANALYSTS; (II) NYSE RULE 472 AND NASD CONDUCT RULE 2210 BY ISSUING RESEARCH REPORTS THAT CONTAINED EXAGGERATED OR UNWARRANTED CLAIMS; AND (III) NYSE RULE 342 AND NASD CONDUCT RULE 3010 BY FAILING TO PREVENT OR MANAGE CONFLICTS OF INTEREST ADEQUATELY.
<b>Initiated By:</b>	SECURITIES AND EXCHANGE COMMISSION
<b>Court Details:</b>	UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; CIVIL ACTION NO. 03 CV 2944
<b>Date Court Action Filed:</b>	04/28/2003
<b>Principal Product Type:</b>	Other
<b>Other Product Types:</b>	EQUITY RESEARCH
<b>Relief Sought:</b>	Civil Penalty(ies)/Fine(s)
<b>Other Relief Sought:</b>	INJUNCTION
<b>Resolution:</b>	Other
<b>Resolution Date:</b>	10/31/2003
<b>Sanctions Ordered or Relief Granted:</b>	Monetary/Fine \$50,000,000.00 Disgorgement/Restitution Cease and Desist/Injunction
<b>Other Sanctions:</b>	\$10,000,000 FOR INVESTOR EDUCATION; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH.
<b>Sanction Details:</b>	\$25,000,000 AS A PENALTY; \$25,000,000 AS DISGORGEMENT; \$10,000,000 AS INVESTOR EDUCATION; \$50,000,000 TO FUND INDEPENDENT, THIRD-PARTY RESEARCH.
<b>Firm Statement</b>	THE COURT ENTERED THE FINAL JUDGMENT ON OCTOBER 31, 2003, WHICH PERMANENTLY ENJOINS GOLDMAN SACHS, ITS OFFICERS, AGENTS, SERVANTS, EMPLOYEES, ATTORNEYS AND ALL PERSONS IN ACTIVE CONCERT OR PARTICIPATION WITH THEM FROM VIOLATING THE NYSE AND NASD RULES IN THE MANNER DESCRIBED IN THE COMPLAINT (SEE RESPONSE 7 ABOVE). THE FINAL JUDGMENT ALSO ORDERS GOLDMAN SACHS TO PAY A TOTAL OF \$110,000,000 AS OUTLINED IN RESPONSE 13.C. GOLDMAN SACHS NEITHER ADMITTED NOR DENIED LIABILITY AS PART OF THE FINAL JUDGMENT. GOLDMAN SACHS ALSO AGREED TO ADOPT A SET OF INDUSTRY-WIDE REFORMS OF ITS





RESEARCH AND INVESTMENT BANKING BUSINESSES DESIGNED TO ELIMINATE THE CONFLICTS OF INTEREST THAT WERE FOUND TO HAVE EXISTED AND TO ADOPT CERTAIN RESTRICTIONS ON THE ALLOCATIONS OF "HOT" IPO SHARES TO EXECUTIVES AND DIRECTORS OF PUBLIC COMPANIES.



## Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at [www.finra.org/awardsonline](http://www.finra.org/awardsonline).

### Disclosure 1 of 20

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	03/02/2000
<b>Case Number:</b>	<a href="#">00-00249</a>
<b>Disputed Product Type:</b>	COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; PREFERRED STOCK
<b>Sum of All Relief Requested:</b>	\$5,244,108.12
<b>Disposition:</b>	AWARD AGAINST PARTY
<b>Disposition Date:</b>	08/09/2001
<b>Sum of All Relief Awarded:</b>	\$335,882.40

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

### Disclosure 2 of 20

<b>Reporting Source:</b>	Regulator
<b>Type of Event:</b>	ARBITRATION
<b>Allegations:</b>	DO NOT USE-EMPLOYMENT-LIBEL OR SLANDER; DO NOT USE-NO OTHER CONTROVERSY INVOLVED; EMPLOYMENT-LIBEL OR SLANDER ON FORM U-5; EMPLOYMENT-OTHER
<b>Arbitration Forum:</b>	NASD
<b>Case Initiated:</b>	05/24/2001
<b>Case Number:</b>	<a href="#">01-00731</a>



**Disputed Product Type:** DO NOT USE-NO OTHER TYPE OF SEC INVOLVE

**Sum of All Relief Requested:** \$2,465,000.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 07/29/2003

**Sum of All Relief Awarded:** \$0.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 3 of 20

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-SUITABILITY; DO NOT USE-NO OTHER CONTROVERSY INVOLVED

**Arbitration Forum:** NASD

**Case Initiated:** 10/03/2001

**Case Number:** [01-05134](#)

**Disputed Product Type:** CORPORATE BONDS; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE

**Sum of All Relief Requested:** \$360,000.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 10/10/2002

**Sum of All Relief Awarded:** \$95,750.10

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 4 of 20

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS

**Arbitration Forum:** NASD



**Case Initiated:** 05/22/2002  
**Case Number:** [02-02639](#)  
**Disputed Product Type:** COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; LIMITED PARTNERSHIPS; OPTIONS  
**Sum of All Relief Requested:** \$2,051,227.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 06/21/2004  
**Sum of All Relief Awarded:** \$200,000.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 5 of 20

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE  
**Arbitration Forum:** NASD  
**Case Initiated:** 08/20/2002  
**Case Number:** [02-04595](#)  
**Disputed Product Type:** COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS  
**Sum of All Relief Requested:** \$710,750.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 02/06/2004  
**Sum of All Relief Awarded:** \$159,314.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 6 of 20

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION



**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-NEGLIGENCE; DO NOT USE-NO OTHER CONTROVERSY INVOLVED

**Arbitration Forum:** NASD

**Case Initiated:** 03/21/2003

**Case Number:** [03-01767](#)

**Disputed Product Type:** COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE

**Sum of All Relief Requested:** \$60,564,469.16

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 07/19/2004

**Sum of All Relief Awarded:** \$3,006,916.25

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 7 of 20

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

**Arbitration Forum:** NASD

**Case Initiated:** 08/05/2003

**Case Number:** [03-05618](#)

**Disputed Product Type:** COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE

**Sum of All Relief Requested:** \$761,792.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 02/08/2005

**Sum of All Relief Awarded:** \$218,189.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 8 of 20



**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE

**Arbitration Forum:** NASD

**Case Initiated:** 05/18/2004

**Case Number:** [04-03481](#)

**Disputed Product Type:** COMMON STOCK; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; MUNICIPAL BONDS

**Sum of All Relief Requested:** \$11,200,000.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 10/30/2008

**Sum of All Relief Awarded:** \$1,000,000.03

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 9 of 20

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE

**Arbitration Forum:** FINRA

**Case Initiated:** 04/14/2009

**Case Number:** [09-01485](#)

**Disputed Product Type:** AUCTION RATE SECURITIES

**Sum of All Relief Requested:** \$452,884.93

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 03/24/2011

**Sum of All Relief Awarded:** \$450,000.00



There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 10 of 20

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT RELATED-BREACH OF CONTRACT; ACCOUNT RELATED-NEGLIGENCE

**Arbitration Forum:** FINRA

**Case Initiated:** 10/22/2009

**Case Number:** [09-05896](#)

**Disputed Product Type:** COMMON STOCK

**Sum of All Relief Requested:** Unspecified Damages

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 12/29/2010

**Sum of All Relief Awarded:** \$47,795.66

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 11 of 20

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING

**Arbitration Forum:** FINRA

**Case Initiated:** 05/27/2011

**Case Number:** [11-02043](#)

**Disputed Product Type:** OTHER TYPES OF SECURITIES

**Sum of All Relief Requested:** \$1,850,000.00

**Disposition:** AWARD AGAINST PARTY



**Disposition Date:** 05/09/2013

**Sum of All Relief Awarded:** \$1,647,908.01

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 12 of 20

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-NEGLIGENCE

**Arbitration Forum:** FINRA

**Case Initiated:** 12/05/2012

**Case Number:** [12-04099](#)

**Disputed Product Type:**

**Sum of All Relief Requested:** \$230,000,000.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 05/07/2015

**Sum of All Relief Awarded:** \$80,000,000.01

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 13 of 20

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-NEGLIGENCE

**Arbitration Forum:** FINRA

**Case Initiated:** 05/17/2013

**Case Number:** [13-01411](#)

**Disputed Product Type:** COLLATERALIZED DEBT OBLIGATIONS

**Sum of All Relief Requested:** \$10,000,000.00





**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 02/04/2015

**Sum of All Relief Awarded:** \$2,500,000.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 14 of 20

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MANIPULATION; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT RELATED-NEGLIGENCE; OTHER-UNDERWRITING; TRADING DISPUTES-MANIPULATION

**Arbitration Forum:** FINRA

**Case Initiated:** 02/18/2014

**Case Number:** [14-00261](#)

**Disputed Product Type:** AUCTION RATE SECURITIES

**Sum of All Relief Requested:** Unspecified Damages

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 12/23/2014

**Sum of All Relief Awarded:** \$0.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 15 of 20

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-NEGLIGENCE

**Arbitration Forum:** FINRA

**Case Initiated:** 10/29/2014



**Case Number:** [14-03186](#)

**Disputed Product Type:** OPTIONS; OTHER TYPES OF SECURITIES

**Sum of All Relief Requested:** \$2,400,000.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 02/24/2017

**Sum of All Relief Awarded:** \$42,823.01

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 16 of 20

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-OTHER; ACCOUNT RELATED-ERRORS-CHARGES; EXECUTIONS-EXECUTION ERROR; TRADING DISPUTES-OTHER

**Arbitration Forum:** FINRA

**Case Initiated:** 12/08/2016

**Case Number:** [16-03545](#)

**Disputed Product Type:** OPTIONS

**Sum of All Relief Requested:** \$9,400.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 11/07/2017

**Sum of All Relief Awarded:** \$9,400.01

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 17 of 20

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY



**Arbitration Forum:** NASD  
**Case Initiated:** 01/07/1992  
**Case Number:** [91-04071](#)  
**Disputed Product Type:** CORPORATE BONDS; DO NOT USE-NO OTHER TYPE OF SEC INVOLVE  
**Sum of All Relief Requested:** \$365,000.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 01/06/1993  
**Sum of All Relief Awarded:** \$116,000.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 18 of 20

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-SUITABILITY; DO NOT USE-NO OTHER CONTROVERSY INVOLVED  
**Arbitration Forum:** NASD  
**Case Initiated:** 07/23/1992  
**Case Number:** [92-02236](#)  
**Disputed Product Type:** DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; PREFERRED STOCK  
**Sum of All Relief Requested:** \$300,000.00  
**Disposition:** AWARD AGAINST PARTY  
**Disposition Date:** 08/01/1994  
**Sum of All Relief Awarded:** \$150,000.00

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 19 of 20

**Reporting Source:** Regulator  
**Type of Event:** ARBITRATION  
**Allegations:** ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-



OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT  
RELATED-NEGLIGENCE

**Arbitration Forum:** NASD

**Case Initiated:** 06/21/1993

**Case Number:** [93-01956](#)

**Disputed Product Type:** DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; PREFERRED STOCK

**Sum of All Relief Requested:** \$49,450,000.00

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 08/04/1995

**Sum of All Relief Awarded:** \$1,148,060.45

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

#### Disclosure 20 of 20

**Reporting Source:** Regulator

**Type of Event:** ARBITRATION

**Allegations:** ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION  
OF FACTS; ACCOUNT ACTIVITY-SUITABILITY; DO NOT USE-NO OTHER  
CONTROVERSY INVOLVED

**Arbitration Forum:** NASD

**Case Initiated:** 07/16/1999

**Case Number:** [99-03041](#)

**Disputed Product Type:** DO NOT USE-NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF  
SECURITIES

**Sum of All Relief Requested:** Unspecified Damages

**Disposition:** AWARD AGAINST PARTY

**Disposition Date:** 09/05/2000

**Sum of All Relief Awarded:** \$186,318.50

There may be a non-monetary award associated with this arbitration.  
Please select the Case Number above to view more detailed information.

## End of Report



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