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REGISTRATION & DISCLOSURE

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080120582-01**

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: Goldman, Sachs & Co., Respondent
Broker-Dealer
CRD No. 361

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Goldman, Sachs & Co. ("GSCO" or the "firm") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

The firm became a member of FINRA in 1936, and its registration remains in effect. The firm has the following relevant disciplinary history:

- In July 2007, FINRA accepted GSCO's AWC (20050027552), in which the firm agreed to a censure and a fine of \$40,000, which included fines for violations of Marketplace Rule 5430 from October 10, 2005 through January 4, 2006, and violations of Marketplace Rule 6130 from May 1 through August 31, 2006.
- In September 2006, FINRA accepted GSCO's AWC (20050017975), in which the firm agreed to a censure and a fine of \$6,500 for a pattern and practice of late reporting transactions in CQS securities to the Nasdaq National Market Center, from January 1 through April 30, 2005, in violation of Conduct Rule 2110.

- In July 2006, FINRA accepted GSCO's AWC (20050023340) in which the firm agreed to a censure and a total fine of \$20,000, of which \$5,000 was for violations of Marketplace Rule 6130 during October 2005.
- In May 2006, FINRA accepted GSCO's AWC (20041000178) in which the firm agreed to a censure and a total fine of \$20,000, \$7,500 of which was for violations of Marketplace Rule 6130 from November 2003 to January 2004.
- In October 2005, FINRA accepted GSCO's AWC (20050002343) in which the firm agreed to a censure and a fine of \$15,000, of which \$5,000 was for violations of Marketplace Rule 6130 in October 2004.
- In October 2005, FINRA accepted GSCO's AWC (20050000606) in which the firm agreed to a censure and a fine of \$7,500 for violations of Marketplace Rule 5332(a)(2) from January 1 to April 30, 2004.
- In July 2005, FINRA accepted GSCO's AWC (20042000105), in which the firm agreed to a censure and a fine of \$25,000, of which \$5,000 was for violations of Marketplace Rules 4632 and 6130 during July 2003.

SUMMARY

This matter is the result of two reviews conducted by the Department of Market Regulation of the firm's compliance with equity trade reporting rules. Matter No. 20080120582 reviewed the period May 1 through August 31, 2007. Matter No. 20080130506 addressed the period February 1, 2007 through April 24, 2008.

FACTS AND VIOLATIVE CONDUCT

20080120582

1. From June 1 through August 31, 2007, the firm reported to the OTC Reporting Facility 57,500 last sale reports of transactions in OTC Equity securities that it should not have reported. The conduct described in this paragraph constitutes separate and distinct violations of NASD Rule 6620(g).

20080130506

2. From February 1, 2007 through April 24, 2008, the firm improperly double-reported 1,556,458 last sale reports in National Market Securities to the NASD/Nasdaq Trade Reporting Facility (known as the FINRA/Nasdaq Trade Reporting Facility after July 30, 2007). The conduct described in this paragraph constitutes separate and distinct violations of NASD Rule 4632(b).

Respondent's Discovery of the Violations

The sanctions below reflect substantial credit given to the firm for discovering and reporting to the staff in April 2008 the violations of NASD Rule 4632(b) referenced in matter No. 20080130506.

- B. The firm also consents to the imposition of the following sanctions:

A censure and a fine of \$45,000.

The firm agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. The firm has submitted an Election of Payment form showing the method by which it propose to pay the fine imposed.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against the firm;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

The firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and
- C. If accepted:
 - 1. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the firm's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. The firm may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. The firm may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

4/29/09
Date

Respondent
Goldman, Sachs & Co.

By: [Signature]

Name: Morgan Felt

Title: Managing Director

Reviewed by:

[Signature]
Counsel for Respondent

Accepted by FINRA:

5/18/09
Date

Signed on behalf of the
Director of ODA, by delegated authority

Thomas R. Gira
Thomas R. Gira
Executive Vice President
Department of Market Regulation