

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 20090170074-02**

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. (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 has been a member of FINRA since October 26, 1936, and its registration remains in effect.

**RELEVANT DISCIPLINARY HISTORY**

On April 17, 2008, FINRA accepted an AWC in connection with 20041000190 in which the firm was, among other things, censured and fined \$7,500 for OATS violations (NASD Rule 6955) that occurred in 2005.

On September 24, 2008, FINRA accepted an AWC in connection with 20070102251 in which the firm was, among other things, censured and fined \$7,500 for OATS violations (NASD Rule 6955) that occurred on trade date July 31, 2007.

On March 16, 2010, FINRA accepted an AWC in connection with 20080139143 in which the firm was censured and fined \$40,000 for, among other things, trade reporting violations (NASD Rules 6130(d) and (g)) that occurred during the time period January 1, 2008 through April 30, 2008.

On May 27, 2010, FINRA accepted an AWC in connection with 20070078333 in which the firm was censured and fined \$15,000 for trade reporting violations (NASD Rule 6130(b)) that occurred during the time period January 1, 2008 through April 30, 2008.

### **SUMMARY**

In Trading and Market Making Surveillance (“TMMS”) Examination No. 20090170074, the staff of FINRA’s Department of Market Regulation (the “staff”) reviewed the trading and market making activity of the firm for trade dates September 16-17, 2009, unless otherwise noted (the “2009 TMMS review period”); the specific items reviewed are set forth on Exhibit 1, which is attached hereto and incorporated herein by reference.

In TMMS Examination No. 20100215921, the staff reviewed the trading activity of the firm for trade dates July 13-14, 2010, unless otherwise noted (the “2010 TMMS review period”); the specific items reviewed are set forth on Exhibit 2, which is attached hereto and incorporated herein by reference.

### **FACTS AND VIOLATIVE CONDUCT**

#### **20090170074 – 2009 TMMS Examination**

1. During the 2009 TMMS review period, the firm transmitted to OATS 13 reports that contained inaccurate, incomplete, or improperly formatted data. Specifically, (a) in four instances, the firm failed to submit OATS information for one or more executions; (b) in five instances, the firm submitted an inaccurate order entry time to OATS; (c) in two instances, the firm submitted an inaccurate account type code of “P” to OATS for a customer order; and (d) in two instances, the firm submitted an inaccurate order entry time to OATS and failed to submit cancellation information to OATS for an execution. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7450.

#### **20100215921 – 2010 TMMS Examination**

2. During the 2010 TMMS review period, the firm erroneously submitted a duplicate non-tape report with the .RX modifier to the FINRA/Nasdaq Trade Reporting Facility. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 7230A.

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

**A censure and \$20,000 fine (\$12,500 for the OATS violations, and \$7,500 for the trade reporting violations).**

The firm agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. It has submitted an Election of Payment form showing the method by which it proposes 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 sanction(s) 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

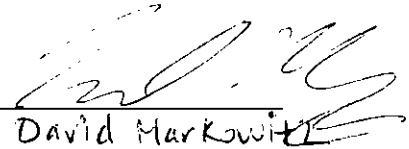
The firm understands that:

- 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.

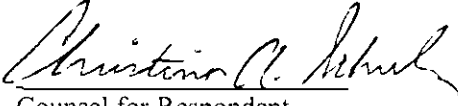
The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, 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.

2-13-2013  
Date

GOLDMAN, SACHS & CO.  
Respondent

By:   
Name: David Markowitz  
Title: Managing Director

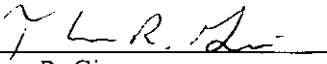
Reviewed by:

  
Counsel for Respondent  
Firm Name Goldman Sachs & Co.  
Address 200 West Street, NY NY 10282  
Phone Number 212-902-0028

Accepted by FINRA:

3/15/13  
Date

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

  
Thomas R. Gira  
Executive Vice President  
Department of Market Regulation