



Goldman Sachs Execution & Clearing, L.P. Disciplined by NYSE Regulation and SEC

Summary of NYSE Hearing Panel Decision:

Goldman Sachs Execution & Clearing, L.P. Disciplined by NYSE Regulation and SEC

Goldman Sachs Execution & Clearing, L.P. of Jersey City, N.J., a member firm, consented without admitting or denying guilt to violations of SEC Rule 204T of Regulation SHO.

An NYSE hearing officer found that from on or about Dec. 9, 2008 to on or about Jan. 22, 2009, Goldman Sachs Execution & Clearing, L.P. ("GSEC") violated SEC Rule 204T of Regulation SHO on certain occasions by:

- failing on approximately 68 occasions to timely close out fail-to-deliver positions in equity securities;
- accepting on approximately 385 occasions customer short sale orders in certain equity securities for which it had an open fail-to-deliver position that had not been timely closed out in accordance with SEC Rule 204T of Regulation SHO without first borrowing the securities or entering into a bona fide arrangement to borrow the securities (also referred to as the "pre-borrow" requirement); and
- failing on approximately 68 occasions to timely notify certain customers that there was an open fail-to-deliver position in certain equity securities that had not been timely closed out in accordance

with SEC Rule 204T(a) of Regulation SHO.

In addition, during the period of Sept. 24, 2008 to Jan. 22, 2009, GSEC failed to reasonably supervise and implement adequate controls to achieve compliance with SEC Rule 204T of Regulation SHO, in violation of NYSE Rule 342.

The NYSE imposed a penalty of a censure and a \$450,000 fine. The amount to be paid to NYSE Regulation by the Firm shall be reduced by the amount paid by the Firm pursuant to an agreement to pay a civil monetary penalty of \$225,000 to the United States Treasury in related proceedings instituted by the Securities and Exchange Commission today. GSEC consented to the penalty.

Link to NYSE Hearing Panel Decision:

http://www.nyse.com/DiscAxn/discAxn_05_2010.html