

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

In the matter of

GOLDMAN, SACHS & CO.,

Respondent.

ADMINISTRATIVE CONSENT ORDER
NO. CO- 2010-0034

WHEREAS, Goldman, Sachs & Co. (“Goldman Sachs” or “Respondent”) is a broker-dealer registered in the state of Alabama; and

WHEREAS, the Alabama Securities Commission (the Commission) has been a part of coordinated investigations into Goldman Sachs' activities in connection with the marketing and sale of auction rate securities ("ARS"); and

WHEREAS, Goldman Sachs has cooperated with regulators conducting the investigations by responding to inquiries, providing documentary evidence and other materials, and providing regulators with access to facts relating to the investigations; and

WHEREAS, Goldman Sachs has advised regulators of its agreement to resolve the investigations relating to its marketing and sale of ARS to individual investors; and

WHEREAS, Goldman Sachs agrees to take certain actions described herein and to make certain payments; and

WHEREAS, Goldman Sachs admits to the jurisdiction of the Commission and consents to the entry of this Administrative Consent Order (the “Order” or “Consent Order”); and

WHEREAS, Goldman Sachs waives compliance with the provisions of the Administrative Procedure Act Section 8-6-25 Code of Alabama 1975; and

WHEREAS, Goldman Sachs elects to permanently waive any right to a hearing and appeal under the Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act (the “Act”) and to judicial review of this Consent Order; and

1 WHEREAS, Goldman Sachs acknowledges, without admitting or denying the Findings of
2 Fact and Conclusions of Law contained in this Order, and consents to the entry of this Order by the
3 Commission.

4 NOW, THEREFORE, the Commission, as administrator of the Act, hereby enters
5 this Order.

6 **FINDINGS OF FACT**

7 1. Auction rate securities are long-term bonds issued by municipalities, corporations,
8 and student loan companies, or perpetual equity instruments issued by closed-end mutual funds that
9 pay an interest rate that resets periodically through a bidding process known as a Dutch auction.

10 2. Goldman Sachs participated in the marketing and sale of ARS.

11 3. Goldman Sachs acted as an underwriter and as the auction broker-dealer for certain
12 issues of auction rate securities. When acting as sole manager, Goldman Sachs was the only firm
13 that could submit bids into the auction on behalf of its clients and/or other broker-dealers who
14 wanted to buy and/or sell any auction rate securities in such auctions. When acting as lead
15 manager, Goldman Sachs was the primary firm that could submit bids into the auction, but other
16 auction broker-dealers were able to submit orders on behalf of their clients as well. Goldman
17 Sachs received revenue in connection with auction rate securities, including an underwriting fee
18 representing a percentage of total issuance and a fee for managing the auctions.

19 4. Goldman Sachs conveyed to certain clients that ARS were secure, liquid securities
20 that were a suitable alternative for cash management purposes. It did so through its sales force,
21 some of whom represented to certain investors that auction rate securities were highly liquid, safe
22 investments for cash management purposes.

23 5. These representations were misleading as to certain investors. Auction rate
24 securities were in fact different from cash and money market funds. As discussed above, the
25 liquidity of an auction rate security relied on the successful operation of the Dutch auction process.
26 In the event of a failed auction, investors cannot sell their auction rate securities in that auction and

1 are potentially stuck holding long-term investments, not money market instruments. As discussed
2 below, starting in the Fall of 2007, the auction rate securities market faced dislocation and an
3 increased risk of auction failure.

4 6. Since it began participating in the auction rate securities market, Goldman Sachs
5 submitted “cover” bids, purchase orders for the entirety of an auction rate security issue for which
6 it acted as the sole or lead auction manager. Such “cover” bids were Goldman Sachs proprietary
7 orders that would be filled, in whole or in part, if there was otherwise insufficient demand in an
8 auction. When Goldman Sachs purchased auction rate securities through “cover” bids, those
9 auction rate securities were then owned by Goldman Sachs and the holdings were recorded on
10 Goldman Sachs’ balance sheet. For risk management purposes, Goldman Sachs imposed limits on
11 the amounts of securities its Municipal Money Markets unit could hold (which included Goldman
12 Sachs’ auction rate securities holdings).

13 7. Because many investors could not ascertain how much of an auction was filled
14 through Goldman Sachs “cover” bids, those investors could not determine if auctions were clearing
15 because of normal marketplace demand, or because Goldman Sachs was making up for the lack of
16 demand through “cover” bids. Many investors were also not aware that the liquidity of the auction
17 rate securities was dependent upon Goldman Sachs’ continued use of “cover” bids. While
18 Goldman Sachs could track its own inventory as a measure of the supply and demand for its
19 auction rate securities, many investors had no comparable ability to assess the operation of the
20 auctions. There was no way for those investors to monitor supply and demand in the market or to
21 assess when broker-dealers might decide to stop supporting the market, which could cause its
22 collapse.

23 8. In August of 2007, the credit crisis and other deteriorating market conditions began
24 to strain the auction rate securities market. Some institutional investors withdrew from the market,
25 decreasing demand for auction rate securities.

1 9. The resulting market dislocation should have been evident to Goldman Sachs.
2 When client demand for its auction rate securities declined, Goldman Sachs' "cover" bids filled the
3 increasing shortfall, thereby sustaining the impression for certain investors that auctions managed
4 by Goldman Sachs were functioning. As a result, Goldman Sachs' auction rate securities inventory
5 grew significantly, requiring Goldman Sachs to raise its risk management limits for its Municipal
6 Money Markets business (which included auction rate securities) several times.

7 10. From the Fall of 2007 through early February of 2008, demand for auction rate
8 securities continued to erode and Goldman Sachs' auction rate securities inventory increased
9 significantly. Goldman Sachs was aware of the increasing strains in the auction rate securities
10 market, and increasingly questioned the viability of the auction rate securities market. Goldman
11 Sachs did not disclose these increasing risks of owning or purchasing auction rate securities to all
12 of its clients.

13 11. In February of 2008, Goldman Sachs and other firms stopped supporting auctions.
14 Without the benefit of "cover" bids, the auction rate securities market collapsed, leaving certain
15 investors who had been led to believe that these securities were liquid, safe investments appropriate
16 for managing short-term cash needs, holding long-term or perpetual securities that could not be
17 sold at par value until and if the auctions cleared again.

18 **Failure to Supervise**

19 12. Goldman Sachs did not adequately supervise certain of its salespeople to ensure that
20 all of the firm's clients would be sufficiently apprised of ARS, the mechanics of the auction
21 process, and the potential illiquidity of ARS, including the fact that Goldman Sachs may stop
22 submitting "cover" bids, as discussed above.

23 **II.**

24 **CONCLUSIONS OF LAW**

25 13. The Commission has jurisdiction over this matter pursuant to Sections 8-6-3 and 8-
26 6-4 Code of Alabama 1975, the Alabama Securities Act.

1 14. The Commission finds that the above conduct subjects Goldman Sachs to sanctions
2 under Section 8-6-3 (j) (7), Code of Alabama 1975 (unethical practice in the offer and sale of
3 securities), and Section 8-6-3 (j) (10), Code of Alabama 1975 (failure to supervise) of the Act.

4 15. Nothing in this Order shall be construed as a finding or admission of fraud.

5 16. The Commission finds the following relief appropriate and in the public interest.

6 **III.**

7 **ORDER**

8 On the basis of the Findings of Fact, Conclusions of Law, and Goldman Sachs' consent to
9 the entry of this Order, for the sole purpose of settling this matter, prior to a hearing and without
10 admitting or denying any of the Findings of Fact or Conclusions of Law,

11 **IT IS HEREBY ORDERED:**

12 17. This Order concludes the investigation by the Commission and any other action that
13 the Commission could commence under applicable Alabama law on behalf of Alabama as it relates
14 to Goldman Sachs' marketing and sale of auction rate securities to Goldman Sachs' Eligible
15 Investors, as defined below.

16 18. This Order is entered into solely for the purpose of resolving the investigation into
17 Goldman Sachs' marketing and sale of auction rate securities, and is not intended to be used for
18 any other purpose.

19 19. This Order shall be binding upon Respondent Goldman Sachs and its successors and
20 assigns as well as to successors and assigns of relevant affiliates with respect to all conduct subject
21 to the provisions above and all future obligations, responsibilities, undertakings, commitments,
22 limitations, restrictions, events, and conditions.

23 20. Goldman Sachs shall cease and desist from violating the Act and will comply with
24 Section 8-6-3 (j) (7) and Section 8-6-3 (j) (10), of the Act in connection with the marketing and
25 sale of ARS.

1 21. Goldman Sachs shall pay the sum of \$1,181,331.82 to the Commission as a civil
2 monetary penalty, which amount constitutes Alabama's proportionate share of the state settlement
3 amount of twenty-two million, five hundred thousand dollars (\$22,500,000.00), which shall be
4 payable in five (5) separate checks as follows: 1.) Goldman Sachs shall pay \$550,000.00 to the
5 State of Alabama; 2.) Goldman Sachs shall pay \$411,331.82 to the Alabama Securities
6 Commission as reimbursement of direct and indirect costs and expenses of the Commission's cost
7 for investigating this matter in accordance with Section 8-6-19 (k) (1), Code of Alabama 1975;
8 3.) Goldman Sachs shall pay \$150,000.00 to the Investor Protection Trust, a non-profit corporation
9 and such funds are designated specifically for investor education and investor protection in the
10 state of Alabama as directed by the Alabama Securities Commission in its sole discretion; 4.)
11 Goldman Sachs shall pay \$50,000.00 to the North American Securities Administrators Association;
12 and 5.) Goldman Sachs shall pay \$20,000.00 to the Alabama Council on Economic Education. All
13 checks shall be delivered to the office of the Alabama Securities Commission within ten (10) days
14 of the date on which this Order is entered.

15 22. In the event another state securities regulator determines not to accept Goldman
16 Sachs' settlement offer, the total amount of the payment to the state of Alabama shall not be
17 affected.

18 **Requirement to Repurchase ARS from Retail ARS Investors**

19 23. Goldman Sachs shall have provided liquidity to Eligible Investors by offering to buy
20 back Eligible ARS that since February 11, 2008, have not been auctioning, at par, in the manner
21 described below.

22 24. "Eligible ARS," for the purposes of this Order, shall mean auction rate securities
23 purchased from Goldman Sachs on or before February 11, 2008.

24 25. "Eligible Investors," for the purposes of this Order, shall mean:

25 i. Natural persons (including their IRA accounts, testamentary trust and estate
26 accounts, custodian UGMA and UTMA accounts, and guardianship accounts);

15 26. Goldman Sachs shall have offered to purchase, at par plus accrued and unpaid
16 dividends/interest, from Eligible Investors their Eligible ARS that since February 11, 2008, have
17 not been auctioning (“Buyback Offer”), and explain what Eligible Investors must do to accept, in
18 whole or part, the Buyback Offer. The Buyback Offer shall have remained open until at least
19 November 12, 2008 (“Offer Period”). Goldman Sachs may extend the Offer Period beyond this
20 date.

21 27. Goldman Sachs shall have undertaken its best efforts to identify and provide notice
22 to Eligible Investors who invested in Eligible ARS that since February 11, 2008, have not been
23 auctioning, of the relevant terms between Goldman Sachs and the Commission.

24 28. Eligible Investors may have accepted the Buyback Offer by notifying Goldman
25 Sachs at any time before midnight, Eastern Time, November 12, 2008, or such later date and time
26 as Goldman Sachs may extend the Offer Period. For Eligible Investors who accepted the Buyback

1 Offer within the Offer Period, Goldman Sachs shall have purchased the Eligible ARS on or before
2 November 17, 2008 (or a later date if an offer period is extended). For Eligible Investors who
3 accepted the Buyback Offer within the Offer period but custodied their Eligible ARS away from
4 Goldman Sachs, Goldman Sachs shall repurchase the Eligible ARS upon receipt of assurance
5 reasonably satisfactory to Goldman Sachs from the Eligible Investor's current financial institution
6 that the bidding rights associated with the Eligible Auction Rate Securities will be transferred to
7 Goldman Sachs and transfer of the Eligible ARS.

8 29. No later than December 31, 2009, any Eligible Investor who for good cause
9 (including but not limited to incapacity or failure to receive the notice provided for in paragraph
10 27) did not accept the Buyback Offer pursuant to paragraph 28 above, shall be entitled to sell their
11 Eligible ARS, at par, to Goldman Sachs for (30) days after establishing such good cause, and
12 Goldman Sachs shall purchase such Eligible Investor's Eligible ARS promptly.

13 30. No later than October 20, 2008, Goldman Sachs shall have established a dedicated
14 toll-free telephone assistance line, with appropriate staffing, to provide information and to respond
15 to questions from clients concerning the terms of the settlement between Goldman Sachs and the
16 Commission.

17 **Review of Client Accounts**

18 31. For a period of two years from the date of this Order, upon request from any firm
19 that is repurchasing auction rate securities, upon receipt from the repurchasing firm of (i) the names
20 of any Goldman Sachs clients that may hold ARS subject to the repurchasing firm's repurchase
21 offer, (ii) the CUSIPs of the Eligible ARS, (iii) the clients' Goldman Sachs' account number(s) (if
22 known to the repurchasing firm), and (iv) the date those ARS were transferred to Goldman Sachs
23 (if known to the repurchasing firm), Goldman Sachs shall take reasonable steps to provide notice to
24 those clients of the repurchasing firm's repurchase offer.

25 **Relief for Investors Who Sold Below Par**

1 32. By November 12, 2008, Goldman Sachs shall have undertaken its best efforts to
2 identify any Eligible Investor who sold Eligible ARS below par between February 11, 2008, and
3 August 21, 2008, and shall have paid any such Eligible Investor the difference between par and the
4 price at which the Eligible Investor sold the Eligible ARS.

5 **Reimbursement for Related Loan Expenses**

6 33. Goldman Sachs shall have made best efforts to identify Eligible Investors who took
7 out loans from Goldman Sachs, between February 11, 2008, and March 19, 2010, that were secured
8 by Eligible ARS that were not successfully auctioning at the time the loan was taken out from
9 Goldman Sachs, and paid interest associated with the auction rate securities based portion of those
10 loans in excess of the total interest and dividends received on the auction rate securities during the
11 duration of the loan. Goldman Sachs shall have reimbursed such clients for the excess expense,
12 plus reasonable interest thereon. Such reimbursement shall have occurred no later than March 31,
13 2010.

14 **Claims for Consequential Damages**

15 34. Goldman Sachs shall consent to participate in a special arbitration ("Arbitration")
16 for the exclusive purpose of arbitrating any Eligible Investor's consequential damages claim arising
17 from their inability to sell Eligible ARS. Goldman Sachs shall have provided written notice to
18 Eligible Investors of the terms of the Arbitration process on or before November 12, 2008.

19 35. The Arbitration shall be conducted by a single public arbitrator (as defined by
20 section 12100(u) of the NASD Code of Arbitration Procedures for Customer Disputes, eff. April
21 16, 2007), under the auspices of FINRA. Goldman Sachs will pay all applicable forum and filing
22 fees. Any Eligible Investors who choose to pursue such claims in the Arbitration shall bear the
23 burden of proving that they suffered consequential damages and that such damages were caused by
24 their inability to access funds invested in Eligible Auction Rate Securities.

25 36. In the Arbitration, Goldman Sachs shall be permitted to defend itself against such
26 claims; provided, however, that Goldman Sachs shall not contest in these arbitrations liability

1 related to the sale of auction rate securities, or use as part of its defense any decision by an Eligible
2 Investor not to borrow money from Goldman Sachs.

3 37. Eligible Investors seeking consequential damages who elect to use the special
4 arbitration process provided for herein shall not be eligible for punitive or special damages.

5 38. Eligible Investors who elect to utilize the special arbitration process set forth above
6 are limited to the remedies available in that process and may not bring or pursue a claim against
7 Goldman Sachs or in any case where Goldman Sachs is an underwriter relating to Eligible Auction
8 Rate Securities in another forum.

9 **Institutional Investors**

10 39. Goldman Sachs shall endeavor to work with issuers and other interested parties,
11 including regulatory and governmental entities, to expeditiously provide liquidity solutions for
12 institutional investors not covered by paragraph 23 above that purchased auction rate securities
13 from Goldman Sachs prior to February 11, 2008 (“Institutional Investors”).

14 40. Beginning November 12, 2008, and within 45 days of the end of each Goldman
15 Sachs fiscal quarter thereafter, Goldman Sachs shall have submitted a written report to the Illinois
16 Securities Department or other representative specified by the North American Securities
17 Administrators Association (“NASAA”) outlining Goldman Sachs’ progress with respect to its
18 obligations pursuant to this Order. Goldman Sachs shall have, at the option of the Illinois
19 Securities Department or other representative specified by NASAA, conferred with such
20 representative on a quarterly basis to discuss Goldman Sachs’ progress to date. Such quarterly
21 reports and conferences shall have continued until December 31, 2009. Following every quarterly
22 report, the representative shall have advised Goldman Sachs of any concerns regarding Goldman
23 Sachs’ progress, and, in response, Goldman Sachs shall have discussed how Goldman Sachs plans
24 to address such concerns. The reporting or meeting deadlines may be amended with written
25 permission from the Illinois Securities Department or other representative specified by NASAA.

1 **Relief for Municipal Issuers**

2 41. Goldman Sachs shall promptly refund to municipal issuers refinancing fees paid to
3 Goldman Sachs for the refinancing or conversion of their auction rate securities that occurred
4 between February 11, 2008, and the date of this Order, where Goldman Sachs acted as underwriter
5 for the initial primary offering of the auction rate securities between August 1, 2007, and February
6 11, 2008. Nothing in this Order precludes the Commission from pursuing any other civil action
7 that may arise with regard to auction rate securities other than the marketing and sale of auction
8 rate securities to retail investors.

9 42. Goldman Sachs agrees to waive any right to indemnification and/or claims of
10 contribution, and/or other similar remedies with respect to any costs, expenses, or losses in
11 connection with this Order that Goldman Sachs may have against any municipal issuers that issued
12 securities through Goldman Sachs in the primary market, including any student loan authority.

13 **Additional Considerations**

14 43. Nothing herein shall preclude Alabama, its departments, agencies, boards,
15 commissions, authorities, political subdivisions and corporations, other than the Commission and
16 only to the extent set forth in paragraph 17 above (collectively, "State Entities"), and the officers,
17 agents or employees of State Entities from asserting any claims, causes of action, or applications
18 for compensatory, nominal and/or punitive damages, administrative, civil, criminal, or injunctive
19 relief against Goldman Sachs in connection with certain auction rate securities practices at
20 Goldman Sachs.

21 44. This Order shall not disqualify Goldman Sachs or any of its affiliates or current or
22 former employees from any business that they otherwise are qualified or licensed to perform under
23 applicable state law and this Order is not intended to form the basis for any disqualification.

24 45. To the extent applicable, this Order hereby waives any disqualification from relying
25 upon the registration exemptions or registration safe harbor provisions that may be contained in the
26 federal securities laws, the rules and regulations thereunder, the rules and regulations of self

1 regulatory organizations or any states' or U.S. Territories' securities laws. In addition, this Order
2 is not intended to form the basis for any such disqualifications. In addition, this Order is not
3 intended to form the basis of a statutory disqualification under Section 3(a)(39) of the Securities
4 Exchange Act of 1934.

5 46. Except in an action by the Commission to enforce the obligations of Goldman Sachs
6 in this Order, this Order may neither be deemed nor used as an admission of or evidence of any
7 alleged fault, omission, or liability of Goldman Sachs in any civil, criminal, arbitration, or
8 administrative proceeding in any court, administrative agency, or tribunal. For any person or entity
9 not a party to this Order, this Order does not limit or create any private right against Goldman
10 Sachs including, without limitation with respect to the use of any e-mails or other documents of
11 Goldman Sachs or of others concerning the marketing and/or sales of auction rate securities, limit
12 or create liability of Goldman Sachs, or limit or create defenses of Goldman Sachs to any claims.

13 47. This Order and any dispute related thereto shall be construed and enforced in
14 accordance with, and governed by, the laws of the state of Alabama without regard to any choice of
15 law principles.

16 48. Evidence of a violation of this Order proven in a court of competent jurisdiction
17 shall constitute prima facie proof of a violation of the Act in any civil action or proceeding
18 hereafter commenced by the Commission against Goldman Sachs.

19 49. Should the Commission prove in a court of competent jurisdiction that a material
20 breach of this Order by Goldman Sachs has occurred, Goldman Sachs shall pay to the Commission
21 the cost, if any, of such determination and of enforcing this Order including without limitation
22 legal fees, expenses, and court costs.

23 50. If Goldman Sachs fails to make the payment specified in paragraph 21, the
24 Commission, at its sole discretion, may pursue any legal remedies, including but not limited to
25 initiating an action to enforce the Order, revoking Goldman Sachs' registration within the state, or
26 terminating this Order.

1 51. If in any proceeding, after notice and opportunity for a hearing, a court of competent
2 jurisdiction, including an administrative proceeding by a state securities administrator, finds that
3 there was a material breach of this Order, the Commission, at its sole discretion, may terminate the
4 Order. If Goldman Sachs defaults on any other obligation under this Order, the Commission may,
5 at its sole discretion, pursue legal remedies to enforce the Order or pursue an administrative action,
6 including but not limited an action to revoke Goldman Sachs' registration within the state.
7 Goldman Sachs agrees that any statute of limitations or other time related defenses applicable to
8 the subject of the Order and any claims arising from or relating thereto are tolled from and after the
9 date of this Order. In the event of such termination, Goldman Sachs expressly agrees and
10 acknowledges that this Order shall in no way bar or otherwise preclude the Commission from
11 commencing, conducting, or prosecuting any investigation, action, or proceeding, however
12 denominated, related to the Order, against Goldman Sachs, or from using in any way any
13 statements, documents, or other materials produced or provided by Goldman Sachs prior to or after
14 the date of this Order, including, without limitation, such statements, documents, or other
15 materials, if any, provided for purposes of settlement negotiations, except as may otherwise be
16 provided in a written agreement with the Commission.

17 52. Goldman Sachs shall cooperate fully and promptly with the Commission and shall
18 use its best efforts to ensure that all the current and former officers, directors, trustees, agents,
19 members, partners, and employees of Goldman Sachs (and of any of Goldman Sachs' parent
20 companies, subsidiaries, or affiliates) cooperate fully and promptly with the Commission in any
21 pending or subsequently initiated investigation, litigation, or other proceeding relating to auction
22 rate securities and/or the subject matter of the Order. Such cooperation shall include, without
23 limitation, and on a best efforts basis:

24 (a) production, voluntarily and without service of subpoena, upon the request of
25 the Commission, of all documents or other tangible evidence requested by the Commission
26 and any compilations or summaries of information or data that the Commission requests

1 that Goldman Sachs (or the Goldman Sachs' parent companies, subsidiaries, or affiliates)
2 prepare, except to the extent such production would require the disclosure of information
3 protected by the attorney-client and/or work product privileges;

4 (b) without the necessity of a subpoena, having the current (and making all
5 reasonable efforts to cause the former) officers, directors, trustees, agents, members,
6 partners, and employees of Goldman Sachs (and of any of the Goldman Sachs' parent
7 companies, subsidiaries, or affiliates) attend any Proceedings (as hereinafter defined) in
8 Alabama or elsewhere at which the presence of any such persons is requested by the
9 Commission and having such current (and making all reasonable efforts to cause the
10 former) officers, directors, trustees, agents, members, partners, and employees answer any
11 and all inquiries that may be put by the Commission to any of them at any proceedings or
12 otherwise, except to the extent such production would require the disclosure of information
13 protected by the attorney-client and/or work product privileges; "Proceedings" include, but
14 are not limited to, any meetings, interviews, depositions, hearings, trials, grand jury
15 proceedings, or other proceedings;

16 (c) fully, fairly, and truthfully disclosing all information and producing all
17 records and other evidence in its possession, custody, or control (or the possession, custody,
18 or control of the Goldman Sachs parent companies, subsidiaries, or affiliates) relevant to all
19 inquiries made by the Commission concerning the subject matter of the Order, except to the
20 extent such inquiries call for the disclosure of information protected by the attorney-client
21 and/or work product privileges; and

22 (d) making outside counsel reasonably available to provide comprehensive
23 presentations concerning any internal investigation relating to all matters in the Order and
24 to answer questions, except to the extent such presentations or questions call for the
25 disclosure of information protected by the attorney-client and/or work product privileges.

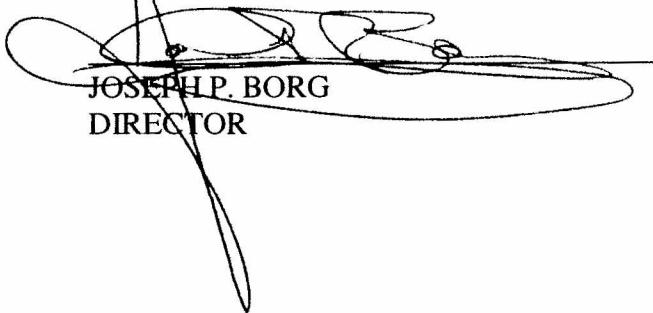
1 53. In the event Goldman Sachs fails to comply with paragraph 23 of the Order, the
2 Commission shall be entitled to specific performance, in addition to any other available remedies.

3 54. The Commission has agreed to the terms of this Order based on, among other
4 things, the representations made to the Commission by Goldman Sachs, its counsel, and the
5 Commission's own factual Investigation. To the extent that any material representations are later
6 found to be materially inaccurate or misleading, this Order is voidable by the Commission in its
7 sole discretion.

8 Dated this 21st day of JUNE, 2010.



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10 BY ORDER OF THE
11 ALABAMA SECURITIES COMMISSION

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13 JOSEPH P. BORG
14 DIRECTOR
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**CONSENT TO ENTRY OF ADMINISTRATIVE ORDER BY
GOLDMAN, SACHS & CO.**

Goldman, Sachs & Co. (“Goldman Sachs”) hereby acknowledges that it has been served with a copy of this Consent Order, has read the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

Goldman Sachs admits the jurisdiction of the Commission, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order, and consents to entry of this Order by the Commission as settlement of the issues contained in this Order.

Goldman Sachs states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

Norman Feit represents that he/she is a Managing Director of Goldman Sachs and that, as such, has been authorized by Goldman Sachs to enter into this Order for and on behalf of Goldman Sachs.

DATED this 16th day of June, 2010.

GOLDMAN, SACHS & CO.

By:

STATE OF New York)
County of New York)

SUBSCRIBED AND SWORN TO before me this 16th day of June, 2010.

Norma A. Gerald

Notary Public

NORMA A. GERALD
NOTARY PUBLIC, STATE OF NEW YORK
My commission expires **NO. D1GE6192086**
Qualified in Kings County
My Commission Expires August 15, 2012