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March 20, 2003

Paul L. Fitzgerald
Goldman, Sachs & Co
One New York Plaza
New York, New York 10004

Re: Interpretive Material 4613 – Computer Generated Quoting

Dear Mr. Fitzgerald:

On February 28, 2003, The Nasdaq Stock Market, Inc. ("Nasdaq") issued a letter to Goldman, Sachs & Co. ("Goldman") stating that the Computer Generated Quoting ("CGQ") system to be utilized by Goldman was consistent with NASD Interpretive Material 4613, and that Goldman could utilize this system until April 30, 2003, subject to the conditions discussed in the letter. In addition, the letter described a pilot program during which Nasdaq temporarily suspended certain quote update limitations until March 21, 2003. This letter notifies you of the extension of the pilot program until April 30, 2003.

Specifically, during the pilot program, the following quote update limitations are suspended:

- (1) From 9:30 a.m. to 9:35 a.m. Eastern Time and from 3:55 p.m. to 4:00 p.m. Eastern Time, Goldman's quote updates will not exceed the following parameters:
 - 30 quotes per second in aggregate for all securities, measured over each 15 second interval; and
 - a maximum of three quote updates per second for each security; and
- (2) From 9:35:01 a.m. to 3:54:59 p.m. Eastern Time, Goldman's quote updates will not exceed the following parameters:
 - 50 quotes per second in aggregate for all securities, measured over each 15 second interval; and
 - a maximum of three quote updates per second for each security.

All other conditions contained in Nasdaq's February 28th letter remain in effect.

The pilot program will provide Nasdaq with useful information to help determine whether the quote update restrictions on CGQ systems can be modified or eliminated. Any decision in this regard must be consistent with Nasdaq's obligation to ensure the integrity of its systems and to protect investors and the public interest.

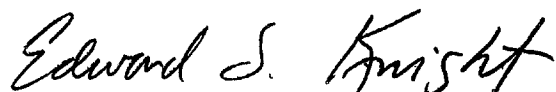
Goldman's inclusion in the pilot program is subject to modification or revocation if at any time Nasdaq determines that such action is necessary or appropriate in furtherance of applicable laws or NASD rules, including Nasdaq's obligation to protect of investors and the public interest. Moreover, the pilot program may be revoked or modified, if Nasdaq determines that Goldman's computer generated quotation practices are having a material adverse impact on Nasdaq's systems capacity, such action is necessary for maintenance of fair and honest markets and the protection of investors, or that Goldman has not complied with any of the conditions described above. In addition, Nasdaq also may limit or terminate through its systems Goldman's ability to enter computer generated quotes. As you know, Nasdaq and NASD monitor for compliance with the conditions contained in this interpretive relief.

The purpose of this letter is to extend the pilot program until April 30, 2003. Therefore, nothing in this letter alters Nasdaq's authority described in its letter dated February 28, 2003, to modify or revoke the interpretive relief issued to Goldman, or to limit or terminate through its systems Goldman's ability to enter computer generated quotes. In addition, Goldman has a continuing obligation to notify Nasdaq staff immediately upon any material change concerning its CGQ system and the facts and representations it has made with respect to this system.

The opinions expressed herein are staff opinions only and have not been reviewed or endorsed by the board of Directors of Nasdaq or NASD Regulation, or the Board of Governors of the NASD. This letter extends the pilot program as described above and does not address any other rule or interpretation of the NASD, or other regulatory or legal issues.

If you have any questions, please feel free to call me at 202-912-3030, or Peter R. Geraghty, Associate General Counsel, Nasdaq, at 202-912-3036.

Sincerely,



Edward S. Knight