

FINANCIAL INDUSTRY REGULATORY AUTHORITY

In the Matter of the  
Continued Membership  
of

Goldman Sachs & Co. LLC  
(CRD No. 361)

Notice Pursuant to  
Rule 19h-1  
Securities Exchange Act  
of 1934

SD-2335

March 21, 2024

**I. Introduction**

On October 14, 2022, Goldman Sachs & Co. LLC (“Goldman” or “Firm”) submitted a Membership Continuance Application (“MC-400A” or “Application”) to FINRA’s Credentialing, Registration, Education, and Disclosure (“CRED”) Department.<sup>1</sup> The Application seeks permission for the Firm, a FINRA member, to continue its membership with FINRA notwithstanding its statutory disqualification. A hearing was not held in this matter; rather, pursuant to FINRA Rule 9523(b), FINRA’s Department of Member Supervision (“FINRA,” “Member Supervision,” or “Department”) approves the Application and is filing this Notice pursuant to Rule 19h-1 of the Securities Exchange Act of 1934 (“Exchange Act” or “SEA”).

**II. The Statutorily Disqualifying Event**

The Firm is subject to statutory disqualification, as that term is defined in Section 3(a)(39)(F) of the Exchange Act, incorporating by reference Section 15(b)(4)(D) and (E), as a result of a September 2022 Order issued by the Securities and Exchange Commission (“SEC” or “Commission”) finding Goldman willfully violated Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) and failed reasonably to supervise its employees with a view to preventing or detecting certain of its employees’ aiding and abetting violations of Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder (“SEC Order”).<sup>2</sup>

---

<sup>1</sup> See MC-400A Application and related attachments compiled by CRED, with a cover memorandum dated October 26, 2022, attached as Exhibit 1.

<sup>2</sup> See SEC Order, *In re Goldman Sachs & Co. LLC*, Exchange Act Release No. 95922 (Sept. 27, 2022), attached as Exhibit 2.

The SEC Order also triggered disqualification under Rules 262(a)(4), 506(d)(1)(iv), and 602(c)(3) of the Securities Act of 1933 and Rule 503(a)(4)(ii) of Regulation Crowdfunding. On September 27, 2022, the SEC granted a waiver from the application of the disqualification provisions of these Rules. See *In re Certain Broker-Dealer Practices*, Securities Act Release No. 11109 (Sept. 27, 2022), attached as Exhibit 3.

According to the SEC Order, from at least January 2018 to September 2021, Goldman's employees sent and received off-channel communications that related to the Firm's business, and a majority of these written communications was not maintained or preserved by the Firm.<sup>3</sup> Further, supervisors who were responsible for preventing this misconduct among junior employees routinely communicated off-channel using their personal devices, and, in so doing, failed to comply with Firm policies by communicating using non-Firm approved methods on their personal devices about the Firm's broker-dealer business.<sup>4</sup>

The Firm was censured, ordered to cease and desist from committing or causing any future violations, ordered to pay a civil money penalty of \$125 million, and ordered to comply with undertakings.<sup>5</sup> The Firm represented that it paid the penalty on October 14, 2022 and is in compliance with the undertakings.<sup>6</sup>

### **III. Remedial Measures<sup>7</sup>**

According to the Application, the Firm undertook significant remedial measures prior to the issuance of the SEC order, including evaluating and implementing changes to technology to retain communications conducted on mobile devices and communicating the prohibition of off-systems communications to employees and the ramifications for violations of the prohibition.

Goldman represented that prior to the SEC Order it proactively researched and developed solutions to address off-systems communications, including initiating a year-long pilot that allowed Firm personnel to communicate securely via WhatsApp and that those communications were compliant with record retention requirements. In addition, the Firm initiated the purchase of corporate issued phones for employees and ultimately signed a contract with a vendor in October 2021. The Firm further represented that it subsequently adopted a two-phased approach to technological systems communications channels for Firm business communications. Phase I was initiated in 2021 and involved the distribution of corporate phones as well as implementation of applications on personal devices for U.S. based employees. Phase II involved an expansion of Phase I to include additional employees across the Firm, including new employees and transfers.

In addition to the above, the Firm represented that it developed new training and guidance on off-systems communications that builds on prior training. In January 2022, the Firm issued a Firm-wide communication reiterating that employees are obligated to use Firm-approved systems for business communication and stating that failure to comply could

---

<sup>3</sup> See Exhibit 2 at p. 2.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at p. 10.

<sup>6</sup> See Firm Correspondence dated February 9, 2024, April 12, 2023, and October 10, 2023, collectively attached as Exhibit 4 at FINRA p. 1 Item 1, and p. 35.

<sup>7</sup> See Exhibit 1 at FINRA00037-39.

result in disciplinary action that consists of five levels of discipline, from policy reminders to termination.

#### **IV. Firm Background**

The Firm has been a FINRA member since October 1936.<sup>8</sup> It is headquartered in New York, New York, with 37 branches.<sup>9</sup> The Firm employs approximately 7,800 registered representatives (including 1,082 registered principals), 168 operations professionals, 1 owners/officers and 26,554 non-registered fingerprint employees.<sup>10</sup> It does not employ any statutorily disqualified individuals.<sup>11</sup>

Goldman is approved to engage in the following lines of business:<sup>12</sup> exchange member engaged in exchange commission business other than floor activities; exchange member engaged in floor activities; broker or dealer making inter-dealer markets in corporate securities over-the-counter; broker or dealer retailing corporate equity securities over-the-counter; broker or dealer selling corporate debt securities; underwriter or selling group participant (corporate securities other than mutual funds); mutual fund underwriter or sponsor; mutual fund retailer; U.S. government securities dealer; U.S. government securities broker; municipal securities dealer; municipal securities broker; put and call broker or dealer or option writer; investment advisory services; trading securities for own account; private placements of securities; broker or dealer selling interests in mortgages or other receivables; effects transactions in commodity futures, commodities, commodity options as broker for others or dealer for own account; engages in other non-securities business and as a swap dealer/broker or dealer engaging in foreign exchange and non-securities interest rate or credit products.

The Firm is a member of the following self-regulatory organizations (“SROs”): BOX Exchange LLC (“BOX”); Cboe Exchange, Inc. (“Cboe”); Cboe BYX Exchange, Inc. (“BYX”); Cboe BZX Exchange, Inc. (“BZX”); Cboe C2 Exchange, Inc. (“C2”); Cboe EDGA Exchange, Inc. (“EDGA”); Cboe EDGX Exchange, Inc. (“EDGX”); Investors Exchange LLC (“IEX”); The Long-Term Stock Exchange, Inc. (“LTSE”); MEMX LLC (“MEMX”); MIAX Emerald, LLC (“MIAX Emerald”); MIAX PEARL, LLC (“MIAX PEARL”); Miami International Securities Exchange, LLC (“MIAX”); NYSE American LLC (“NYSE American”); NYSE Arca, Inc. (“NYSE Arca”); NYSE Chicago, Inc. (“NYSE Chicago”); NYSE National, Inc. (“NYSE National”); Nasdaq BX, Inc. (“BX”);

---

<sup>8</sup> See CRD Excerpt – Organization Registration Status, attached as Exhibit 5.

<sup>9</sup> FINRA confirmed this through analysis of the Firm’s information contained in the Central Registration Depository (“CRD”), last performed on February 12, 2024.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> See CRD Excerpts – Types of Business and Other Business Descriptions, collectively attached as Exhibit 6.

Nasdaq GEMX, LLC (“GEMX”); Nasdaq ISE, LLC (“ISE”); Nasdaq MRX, LLC (“MRX”); Nasdaq PHLX LLC (“PHLX”); The Nasdaq Stock Market LLC (“Nasdaq”); New York Stock Exchange LLC (“NYSE”);<sup>13</sup> Municipal Securities Rulemaking Board (“MSRB”); The Depository Trust Company (“DTC”); the Fixed Income Clearing Corporation – Government Securities Division (“FICC-GOV”) and Mortgage-Backed Securities Division (“FICC-MBS”); and the National Securities Clearing Corporation (“NSCC”).<sup>14</sup>

### **Recent Examinations**

In approximately the past two years, FINRA completed two routine examinations and seven non-routine examinations of the Firm that resulted in Cautionary Action Letters (“CAL(s)”), as well as one routine examination on behalf of several other SROs that resulted in no exceptions. The SEC also completed one examination that resulted in the issuance of a deficiency letter.

#### **A. FINRA Routine Examinations**

The examination completed on October 26, 2023 resulted in four exceptions, two for which the Firm was issued a CAL and two that were referred to FINRA’s Enforcement Department (“Enforcement”) for further review and disposition.<sup>15</sup> The Firm was cautioned for creating inaccurate daily margin reports and failing to maintain adequate supervisory controls over its reporting of certain balances on its FOCUS Report.<sup>16</sup> The two exceptions referred to Enforcement relate to the Firm’s failure to comply with Firm policy by allowing two managing directors to engage in investment banking or securities related activities prior to filing a Form U4 with the Firm, and a conflict of interest the Firm created when acting as lead managing underwriter of an Initial Public Offering.<sup>17</sup> The Firm responded in writing that it took action to address all of the exceptions, including by updating its processes with respect to margin reporting and FOCUS Report filing.<sup>18</sup> In addition, FINRA is continuing its review of a registered representative who failed to disclose that his spouse was an insider of two public companies<sup>19</sup> and one interpretive item pertaining to whether a security-based swap dealer may also utilize the Customer Portfolio Margin version of

---

<sup>13</sup> See Exhibit 5.

<sup>14</sup> The Firm’s Membership was verified by FINRA staff through a search of public member directories, last performed on February 12, 2024.

<sup>15</sup> See Disposition Letter for Examination No. 20220734150 dated October 26, 2023, Examination Report dated August 18, 2023, and Firm Response dated September 28, 2023, collectively attached as Exhibit 7.

<sup>16</sup> *Id.* at FINRA pp. 1, 7-8.

<sup>17</sup> *Id.* at FINRA pp. 1, 6-7.

<sup>18</sup> *Id.* at FINRA pp. 14-16.

<sup>19</sup> *Id.* at FINRA p. 2. This review continues in FINRA Examination No. 20230785476.

TIMS to calculate IM for equity security-based swaps.<sup>20</sup>

The examination completed on August 1, 2022 resulted in 10 exceptions, five for which the Firm was issued a CAL, three were referred to FINRA’s Market Regulation Department for further review and disposition, and two were closed without further action.<sup>21</sup> The Firm was cautioned for failing to: comply with portfolio margin requirements; accurately report disclosures of order routing information; maintain written supervisory procedures (“WSPs”) reasonably designed for compliance with SEC Rule 606; comply with restrictions on the purchase and sale of IPOs; and close-out fails as required by MSRB Rule G-12(h).<sup>22</sup> The three referred exceptions relate to the Firm’s failure to submit timely, accurate, and complete data in compliance with Consolidated Audit Trail Reporting (“CAT”) requirements; accurately time stamp equity and option order tickets to CAT; and maintain effective WSPs for compliance with CAT.<sup>23</sup> FINRA took no further action with respect to the remaining two exceptions.<sup>24</sup>

In response to the examination findings, the Firm stated that it remediated the majority of the exceptions prior to the issuance of the examination report by, amongst other things, instituting a review to verify that vendors are applying FDIDs accurately to CAT report, implementing a new process for margin calls between the Firm and its affiliates, and updating relevant sections of the Firm’s WSPs for CAT, Best Execution for Equities and Listed Options and associated written procedures.<sup>25</sup>

The examination completed by FINRA on February 24, 2022 on behalf of BOX, Cboe, C2, EDGA, EDGX, BYX, BZX, IEX, MIAX, MIAX PEARL, BX, Nasdaq, the Nasdaq Options Market LLC, PHLX, ISE, GEMX, NYSE American, NYSE Arca, NYSE Chicago, and NYSE, pursuant to Regulatory Services Agreements (“RSAs”), resulted in no exceptions.<sup>26</sup>

## B. FINRA Non-Routine Examinations

On August 23, 2023, FINRA issued a CAL to the Firm in connection with its failure to comply with the exception from trade reporting rules; failure to maintain sufficient documentation to evidence its magnitude and special selling efforts criteria; failure to timely and accurately report Unregistered Secondary Distributions (“USDs”); and failure

---

<sup>20</sup> *Id.* at FINRA p. 8.

<sup>21</sup> *See* Disposition Letter for Examination No. 20210693307 dated August 1, 2022, Examination Report dated February 24, 2022, and Firm Response dated April 6, 2022, collectively attached as Exhibit 8.

<sup>22</sup> *Id.* at FINRA pp. 1, 5, 9-13.

<sup>23</sup> *Id.* at FINRA pp. 1, 5-8. These exceptions are currently being reviewed under Matter No. 20220741036.

<sup>24</sup> *Id.* at FINRA p. 1.

<sup>25</sup> *Id.* at FINRA pp. 16, 18-33.

<sup>26</sup> *See* Closeout Letter for Examination No. 20210693310 dated February 24, 2022, attached as Exhibit 9.

to create, maintain, and enforce supervisory procedures reasonably designed to comply with the trade reporting exceptions.<sup>27</sup> In its response, the Firm acknowledged FINRA's findings and committed to implement enhancements to relevant policies and procedures and update to its notification processes by the end of the fourth quarter of 2023.<sup>28</sup>

On August 15, 2023, FINRA issued a CAL to the Firm on behalf of the BZX in connection with inaccurate reporting of listed options positions.<sup>29</sup> The examination also resulted in a Disciplinary Decision from BZX incorporating a Letter of Consent whereby the Firm consented to censure and a fine in the amount of \$125,000 for failing to report position limits and failing to establish and maintain a reasonable supervisory system and written supervisory procedures to ensure compliance with its options reporting obligations.<sup>30</sup>

On March 14, 2023, FINRA issued a CAL to the Firm in connection with its failure to timely accept or decline transactions in the FINRA/Nasdaq Trade Reporting Facility.<sup>31</sup> In its response, the Firm stated that it took steps to ensure future compliance with its accept/decline functions.<sup>32</sup>

On February 24, 2023, FINRA issued a CAL to the Firm in connection with its failure to have a reasonably designed supervisory system to achieve compliance with applicable securities laws, regulations and MSRB Rules, and to achieve compliance with the mark-up/mark-down requirements for TRACE-eligible Corporate and Agency Debt Securities.<sup>33</sup> In its response, the Firm stated that it is establishing a process to ensure compliance with the referenced rules and implementing a process to review the confirmation mark-up/mark down disclosures on a monthly basis.<sup>34</sup>

On August 25, 2022, FINRA issued a CAL in connection with a TRACE review for violations of FINRA Rule 6730.<sup>35</sup> According to the CAL, the Firm failed to timely report

---

<sup>27</sup> See CAL for Examination No. 20200664098 dated August 23, 2023, and Firm Response dated September 13, 2023, collectively attached as Exhibit 10.

<sup>28</sup> *Id.* at FINRA pp. 9-10.

<sup>29</sup> See CAL for Examination No. 20200664843 dated August 15, 2023; BZX Disciplinary Decision and Letter of Consent, *In re Goldman Sachs & Co., LLC*, File No. URE-95-03 (Aug. 15, 2023), collectively attached as Exhibit 11.

<sup>30</sup> *Id.* FINRA pp. 4-8.

<sup>31</sup> See CAL for Examination No. 20220741552 dated March 14, 2023, and Firm Response dated March 28, 2023, collectively attached as Exhibit 12.

<sup>32</sup> *Id.* at FINRA p 3.

<sup>33</sup> See CAL for Examination No. 20210714874 dated February 24, 2023, and Firm Response dated April 10, 2023, collectively attached as Exhibit 13.

<sup>34</sup> *Id.* at FINRA p. 4.

<sup>35</sup> See CAL for Examination Nos. 20210721988 and 20220746805 dated August 25, 2022, and Firm

over 400 transactions during the review period.<sup>36</sup> In its response, the Firm stated that it provided training to relevant staff and committed to identify and implement systems enhancements and is exploring increases to staff dedicated to securitized products trade booking.<sup>37</sup>

On July 15, 2022, FINRA issued a CAL to the Firm in connection with the Firm's publication of inaccurate Rule 605 reports for the period May through October 2017 when it failed to reasonably supervise the accuracy of Rule 605 reports from May 2017 through March 2018.<sup>38</sup>

On February 1, 2022, FINRA issued a CAL to the Firm related to the Firm's submission of multiple late Expiring Exercise Declarations ("EED") to the OCC in violation of BZX Rule 23.1.<sup>39</sup>

### C. SEC Examinations

An SEC Examination concluded in June 2023 in connection with the securities trading operations of the Firm's Alternative Trading System ("ATS") resulted in the issuance of a Deficiency Letter to the Firm for inadequate policies and procedures regarding the Firm's network device configuration to ensure adequate levels of security.<sup>40</sup> The Firm responded in writing to the SEC with a letter from Nasdaq detailing the corrective steps made to the Firm's network system in response to the SEC's findings.<sup>41</sup>

### **Regulatory Actions**

The Firm has been the subject of 62 recent disciplinary actions with FINRA, BOX, Cboe, C2, BYX, BZX, EDGA, EDGX, NYSE, NYSE American, NYSE Arca, IEX, MIAX, MIAX Emerald, MIAX PEARL, ISE, MRX, GEMX, PHLX, BX, Nasdaq Options Market ("Nasdaq" f/n/a "NOM"), the National Futures Association ("NFA"), the CME Group, ICE Futures U.S., ICE Clear Credit, the Commodities Futures Trading Commission ("CFTC"), and the SEC, in addition to the SEC Order at issue in this Notice.

---

Response dated September 28, 2022, collectively attached as Exhibit 14.

<sup>36</sup> *Id.* at FINRA p. 1.

<sup>37</sup> *Id.* at FINRA pp. 3–4.

<sup>38</sup> *See* CAL for Examination No. 20180574869 dated July 15, 2022, attached as Exhibit 15. The Firm was not required to submit a response.

<sup>39</sup> *See* CAL for Examination No. 20200687972 dated February 1, 2022, attached as Exhibit 16. The Firm was not required to submit a response.

<sup>40</sup> *See* SEC Examination Letter dated June 23, 2023 and Firm Response dated July 24, 2023, collectively attached as Exhibit 17.

<sup>41</sup> *Id.* FINRA p. 6.

### A. FINRA Actions

On September 15, 2023, the Firm entered into an AWC with FINRA related to the Firm's violations of FINRA and SEC blue sheet rules and failure to have an adequate audit system for its blue sheet submissions.<sup>42</sup> For these violations, the Firm agreed to a censure, a fine of \$6 million, and an undertaking that a registered principal of the Firm certify in writing that the Firm remediated the issues identified in the AWC and implemented a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with Section 17(a)(1) of the Exchange Act, Rules 17a-4(j) and 17a-25, and FINRA Rules 8211 and 8213.<sup>43</sup> The fine was paid in full on October 3, 2023<sup>44</sup> and the Firm submitted the required certification.<sup>45</sup>

On August 16, 2023, the Firm entered into an AWC with FINRA related to the Firm's failure to report (or inaccurate reporting of) OTC options positions to the large options positions reporting (LOPR) system and failure to maintain and enforce a supervisory system reasonably designed to achieve compliance with FINRA Rule 2360(b)(5).<sup>46</sup> For these violations, the Firm agreed to a censure and fine of \$425,000.<sup>47</sup> The fine was paid in full on August 30, 2023.<sup>48</sup>

### B. CFTC Actions

On September 29, 2023, the CFTC issued an order finding that Goldman failed to maintain adequate supervisory systems and controls to ensure its customers' large ICE Futures Europe trade was not disruptive and for material omissions in a letter to the CFTC's Division of Enforcement pertaining to said trade.<sup>49</sup> The order found that Goldman's Volatility Awareness Control (VAC) malfunctioned and did not suspend the trading when required to do so.<sup>50</sup> The order further found that Goldman's post-trade surveillance did not use the correct settlement period for the ICE futures contract and as such was not properly surveilling for potential disruptive trading activity in violation of CFTC Regulation

---

<sup>42</sup> See FINRA AWC No. 2019061945001 dated September 22, 2023, attached as Exhibit 18.

<sup>43</sup> *Id.* at p. 4.

<sup>44</sup> See Form U6 for AWC No. 2019061945001, attached as Exhibit 19 at p. 3.

<sup>45</sup> FINRA Enforcement confirmed that they received the certification.

<sup>46</sup> See FINRA AWC No. 2020068197401 dated August 16, 2023, attached as Exhibit 20.

<sup>47</sup> *Id.* at p. 3.

<sup>48</sup> See Form U6 for AWC No. 2020068197401, attached as Exhibit 21 at p. 3.

<sup>49</sup> See CFTC Order, *In re Goldman Sachs & Co. LLC*, CFTC Docket No. 23-60 (Sept. 29, 2023), attached as Exhibit 22.

<sup>50</sup> *Id.* at p. 4.



166.3.<sup>51</sup> The order further found that Goldman omitted material information regarding the VAC malfunction in its response to an Enforcement request in violation of Section 6(c)(2) of the Commodity Exchange Act (“CEA”).<sup>52</sup> As a result of these violations, Goldman was ordered to pay a \$3,000,000 civil monetary penalty plus post-judgment interest, which was paid on October 5, 2023.<sup>53</sup>

On September 29, 2023, the CFTC issued an order finding that Goldman violated Sections 2(a)(13)(F) and (G) and 4s(h)(1) of the CEA, 7 U.S.C. §§ 2(a)(13)(F), (G), 6s(h)(1), and Regulations 23.431(a)(3)(i), 23.602(a), 43.3(a)(1), 45.3(b)(1), 45.4(c), 45.6, 17 C.F.R. §§ 23.431(a)(3)(i), 23.602(a), 43.3(a)(1), 45.3(b)(1), 45.4(c), 45.6 (2022) of the Commission Regulations when it failed to diligently supervise its swap dealer activities and for failures regarding swap data reporting and the disclosure of pre-trade-mid-market marks (“PTMMs”) in violation of the CEA.<sup>54</sup> The order further found that Goldman failed to accurately and timely report a significant portion of its swap data to a swap data repository (SDR), as required by CFTC regulations.<sup>55</sup> As a result of these violations, Goldman was ordered to pay a \$30,000,000 civil monetary penalty plus post-judgment interest, which was paid on October 5, 2023.<sup>56</sup> The CFTC also ordered Goldman to comply with certain undertakings, including the retention of a consultant.<sup>57</sup> The Firm represented that it retained a consultant who is assisting in developing a written remediation plan.<sup>58</sup>

On August 29, 2023, the CFTC issued an order finding that the Firm violated a cease-and-desist provision of a prior order and Section 4s(f)(1)(C) of the CEA, 7 U.S.C. § 6s(f)(1)(C), and CFTC Regulations 1.31(b)(2) and 23.202(a)(1) and (b)(1), 17 C.F.R. §§ 1.31(b)(2), 23.202(a)(1), (b)(1) (2022), when it failed to properly record and retain records of oral communications via mobile phone calls made by its representatives concerning trading in swaps and related cash and forward transactions.<sup>59</sup> As a result of these violations, the Firm

---

<sup>51</sup> *Id.* at pp. 2, 8.

<sup>52</sup> *Id.* at pp. 8-9. This order subjects the Firm to statutory disqualification, as defined by Exchange Act Section 3(a)(39)(F), which incorporates by reference Section 15(b)(4)(D).

<sup>53</sup> *Id.* at p. 10. *See* BD Amendment, attached as Exhibit 23 at p. 5. The Firm submitted an affirmation to FINRA on December 1, 2023 stating that sanctions are no longer in effect. Since there are no sanctions in effect for statutory disqualification purposes, an application to continue in membership is no longer required under FINRA rules. *See also* FINRA Regulatory Notice 09-19 (June 15, 2009). As such, a 19h-1 Notice was not filed in connection with this matter.

<sup>54</sup> *See* CFTC Order, *In re Goldman Sachs & Co. LLC*, CFTC Docket No. 23-59 (Sept. 29, 2023), attached as Exhibit 24.

<sup>55</sup> *Id.* at p. 2.

<sup>56</sup> *Id.* at p. 12. *See* BD Amendment, attached as Exhibit 25 at p. 5.

<sup>57</sup> *See* Exhibit 24 at pp. 13-14.

<sup>58</sup> *See* Exhibit 4 at FINRA p. 2 Item 3.

<sup>59</sup> *See* CFTC Order, *In re Goldman Sachs & Co. LLC*, CFTC Docket No. 23-39 (Aug. 29, 2023), attached as Exhibit 26.

was ordered to pay a civil monetary penalty of \$5.5 million plus post judgement interest, which was paid on September 8, 2023.<sup>60</sup>

On April 10, 2023, the CFTC issued an order finding that Goldman violated Section 4s(h)(1) of the CEA, 7 U.S.C. § 6s(h)(1), and Regulations 23.431 and 23.433, 17 C.F.R. §§ 23.431, 23.433.<sup>61</sup> According to the Order, between 2015 and 2016, Goldman violated the CFTC's Business Conduct Standards applicable to swap dealers when it failed to disclose PTMMM, in violation of Regulation 23.431, and failed to disclose accurate PTMMM to clients, in violation of Regulation 23.433.<sup>62</sup> The CFTC found that Goldman failed to communicate in a fair and balanced manner with clients when it promoted same-day swap transactions executed during the review period without providing clients with price transparency and instead communicated in a manner that was more profitable to Goldman.<sup>63</sup> As a result of these violations, Goldman was ordered to pay a \$15,000,000 civil monetary penalty, which was paid on April 20, 2023.<sup>64</sup>

On September 27, 2022, the CFTC issued an order finding that Goldman violated Sections 4s(f)(1)(C), 4s(g)(1) and (3), and 4s(h)(1)(B) of the CEA (7 U.S.C. §§ 6s(f)(1)(C), 6s(g)(1), (3), 6s(h)(1)(B)), Regulations 1.31, 23.201(a), 23.202(a)(1) and (b)(1), and 23.602(a) (17 C.F.R. §§ 1.31, 23.201(a), 23.202(a)(1), (b)(1), 23.602(a) (2021)), Section 4g of the CEA (7 U.S.C. § 6g), and Regulations 1.35 and 166.3 (17 C.F.R. §§ 1.35, 166.3 (2021)).<sup>65</sup> These violations were based on the same misconduct underlying the SEC Order that is the subject of the Firm's Application. The Firm was ordered to cease and desist from violating the above cited sections of the Commodity Exchange Act and Commission Regulations, to pay a \$75 million fine, and to comply with various undertakings related to the Firm's preservation of records related to electronic communications.<sup>66</sup> The Firm represented that the fine was paid on October 14, 2022.<sup>67</sup> With regards to the undertakings, the Firm represented that it "established a steering group with senior stakeholders across a number of divisions to assist the independent compliance consultant with his review and, in parallel, conduct the Firm's self-review."<sup>68</sup>

---

<sup>60</sup> *Id.* at p. 7. See BD Amendment, attached as Exhibit 27 at p. 5.

<sup>61</sup> See CFTC Order, *In re Goldman Sachs & Co. LLC*, CFTC Docket No. 23-09 (April 10, 2023), attached as Exhibit 28.

<sup>62</sup> *Id.* at pp. 2, 7-8.

<sup>63</sup> *Id.* at p. 7.

<sup>64</sup> *Id.* at p. 9. See Form U6, attached as Exhibit 29 at p. 5.

<sup>65</sup> See CFTC Order, *In re Goldman Sachs & Co. LLC*, CFTC Docket No. 22-40 (Sept. 27, 2022), attached as Exhibit 30. FINRA has determined that this is not a disqualifying event.

<sup>66</sup> *Id.* at pp. 10-13.

<sup>67</sup> See Exhibit 1 at FINRA00016 item 4. See also Exhibit at FINRA p. 19 ¶ 2a and FINRA p. 35.

<sup>68</sup> See Exhibit 4 at FINRA p. 1 item 1 and FINRA p. 19 ¶ 2b.

### C. ICE Actions

On September 20, 2023, Goldman and Goldman Sachs International (“GSI”) settled charges with ICE Futures U.S. that the firms violated Exchange Rule 6.15(a) by misreporting large trader positions in multiple instances between November 2021 and November 2022 and Exchange Rule 2.12 by misreporting open interest in multiple instances between April 2021 and December 2022.<sup>69</sup> Both firms also violated Exchange Rule 4.01(b) by failing to establish, administer, and enforce effective supervisory systems, policies, and procedures that were reasonably designed to ensure compliance with Exchange Rules.<sup>70</sup> For these violations, Goldman agreed to pay a \$70,000 monetary penalty, which was paid on October 9, 2023.<sup>71</sup>

On June 1, 2023, ICE Clear Credit LLC (“ICC”) issued a Notice of Violation finding that Goldman failed to submit daily pricing information of index and single name products.<sup>72</sup> ICC imposed a penalty of \$153,000 on Goldman, but after reviewing the Firm’s response to the finding, including corrective measures, applied waivers available once annually to the previously imposed penalty.<sup>73</sup>

### D. National Futures Association Action

On March 31, 2022, the National Futures Association (“NFA”) entered an Order pursuant to an offer of settlement stemming from a complaint that alleged that the Firm violated NFA Compliance Rule 2-49(a) when it failed to, among other things, collect or post variation margin (VM) on uncleared swaps with counterparties that were covered by the CFTC VM regulations.<sup>74</sup> The Complaint also alleged that Goldman did not implement policies and procedures reasonably designed to ensure compliance with its PTMM obligations and did not provide PTMM to uncleared swaps counterparties during the relevant period.<sup>75</sup> Additionally, the Complaint alleged that Goldman violated NFA Compliance Rule 2-49(b) by failing to promptly submit accurate and complete reports, documents, and supplemental information to NFA, and that the Firm did not diligently supervise all activities relating to its business and did not monitor the Firm’s compliance

---

<sup>69</sup> See ICE Futures U.S. Disciplinary Notice, Case No. 2022-009 (Sept. 20, 2023), attached as Exhibit 31.

<sup>70</sup> *Id.* at p. 1.

<sup>71</sup> *Id.* at p. 2. See BD Amendment, attached as Exhibit 32 at p. 5.

<sup>72</sup> See ICE Clear Credit Letter for Matter No. 2023-404b-016 dated June 1, 2023 and Waiver Letter dated June 22, 2023, collectively attached as Exhibit 33.

<sup>73</sup> *Id.* at FINRA p. 3.

<sup>74</sup> See *In re Goldman Sachs & Co., LLC*, NFA Case No. 22-BCC-003 (March 31, 2022), attached as Exhibit 34.

<sup>75</sup> *Id.* at p. 2.

with certain external business conduct standards policies and procedures.<sup>76</sup> For these violations, the Firm was fined \$2.5 million.<sup>77</sup> The Firm represented that the fine was paid on May 15, 2022.<sup>78</sup>

E. CME Group Actions

On October 13, 2023, the CME Group issued a Notice of Disciplinary Action in connection with the Firm's failure to maintain written records of all performance bond calls in violation of CBOT Rule 930.E.<sup>79</sup> The Firm was fined \$150,000 which the CME Group agreed to waive if no similar violation is found during the next risk-based examination.<sup>80</sup>

On August 14, 2023, the CME Group issued a Notice of Summary Action finding that the Firm did not submit a transfer in a form acceptable to the Exchange in violation of Rule 853.A.6.<sup>81</sup> For this violation, the Firm was fined \$1,000, which was paid on August 17, 2023.<sup>82</sup>

On July 21, 2023, the CME Group issued a Notice of Summary Action finding that the Firm failed to submit accurate block trade reports to the Exchange in violation of CME Rules 526 and 526.F.<sup>83</sup> For this violation, the Firm was fined \$1,000, which was paid on August 17, 2023.<sup>84</sup>

On March 16, 2023, the CME Group issued a Notice of Disciplinary Action finding that the Firm violated customer gross margining technical overview requirements and CME Rule 980.G.<sup>85</sup> For this violation, the Firm was fined \$50,000, which was paid on March 31, 2023.<sup>86</sup>

---

<sup>76</sup> *Id.*

<sup>77</sup> *Id.* at p. 3.

<sup>78</sup> *See* Exhibit 4 at FINRA p. 20 ¶ 4 and FINRA pp. 39-40.

<sup>79</sup> *See* Notice of Disciplinary Action, File No. 23-CH-2312 (Oct. 13, 2023), attached as Exhibit 35.

<sup>80</sup> *Id.*

<sup>81</sup> *See* Notice of Summary Action, File No. NYMEX 23-1655 (Aug. 14, 2023), attached as Exhibit 36.

<sup>82</sup> *See* BD Amendment, attached as Exhibit 37.

<sup>83</sup> *See* Notice of Summary Action, File No. CME RSRH-23-6886 (July 21, 2023), attached as Exhibit 38.

<sup>84</sup> *See* Exhibit 4 at FINRA pp. 46, 48-51.

<sup>85</sup> *See* Notice of Disciplinary Action, File No. 23-CH-2308 (Effective March 16, 2023), attached as Exhibit 39.

<sup>86</sup> *See* BD Amendment, attached as Exhibit 40 at p. 3.

On March 10, 2023, the CME Group issued a Notice of Summary Action finding that the Firm violated CME Rules 526 and 526.F when it failed to timely report block trades with an accurate execution time.<sup>87</sup> For this violation, the Firm was fined \$1,000, which was paid on March 21, 2023.<sup>88</sup>

On October 24, 2022, the CME Group issued a Notice of Summary Action finding that during the month of September 2022, the Firm inaccurately reported its large trader positions and submitted position adjustments after the prescribed deadline in several instances of CME contracts in violation of Rule 561.<sup>89</sup> For this violation, the Firm was fined \$10,000 on October 5, 2022 which was paid on October 14, 2022.<sup>90</sup>

On August 4, 2022, the CME Group issued two Notices of Summary Action finding that Goldman inaccurately reported its large trader positions and submitted position adjustments after the prescribed deadline in several instances of CME and NYMEX contracts, in violation of Rule 561.<sup>91</sup> For these violations, the Firm was fined a total of \$7,000, which was paid on August 8, 2022.<sup>92</sup>

On May 2, 2022, the CME Group issued three Notices of Summary Action finding that the Firm inaccurately reported its large trader positions and submitted position adjustments after the prescribed deadline in several instances of CME, CBT, and NYMEX contracts, in violation of Rule 561.<sup>93</sup> For these violations, the Firm was fined a total of \$5,000 on April 11, 2022, which it paid on April 28, 2022.<sup>94</sup>

#### F. BZX Action

On August 15, 2023, BZX issued a Disciplinary Decision incorporating a Letter of Consent for the Firm's failure to report position limits and failure to establish and maintain a reasonable supervisory system and written supervisory procedures to ensure compliance

---

<sup>87</sup> See Notice of Summary Action, File No. CME-RSRH-22-6805 (March 10, 2023), attached as Exhibit 41.

<sup>88</sup> See Exhibit 4 at FINRA p. 92.

<sup>89</sup> See Notice of Summary Action, File No. CME-RSRH-22-6737 (Oct. 24, 2022), attached as Exhibit 42.

<sup>90</sup> See BD Amendment, attached as Exhibit 43 at p. 3.

<sup>91</sup> See Notice of Summary Action, File No. CME-RSRH-22-6644 (Aug. 4, 2022), and Notice of Summary Action, File No. NYMEX-RSRH-22-6644 (Aug. 4, 2022), collectively attached as Exhibit 44.

<sup>92</sup> The Fine was payable as follows: CME - \$3,500, and NYMEX - \$3,500. See BD Amendment, attached as Exhibit 45 at p. 3.

<sup>93</sup> See Notice of Summary Action, File No. CME-RSRH-22-6554 (May 2, 2022); Notice of Summary Action, File No. CBOT-RSRH-22-6554 (May 2, 2022); Notice of Summary Action, File No. NYMEX-RSRH-22-6554 (May 2, 2022), collectively attached as Exhibit 46.

<sup>94</sup> The collective fine was payable as follows: CME - \$3,000, CBOT - \$1,000, and NYMEX - \$1,000. See BD Amendment, attached as Exhibit 47 at p. 3.

with its options reporting obligations.<sup>95</sup> The Firm consented to a censure and fine of \$125,000, which it paid on August 30, 2023.<sup>96</sup>

G. FINRA, BX, BYX, BZX, EDGA, EDGX, IEX, Nasdaq, NYSE, NYSE Arca and PHLX Related Actions

Between March 21, 2023 and April 4, 2023, FINRA, Nasdaq, BX, PHLX, NYSE, NYSE American, NYSE Arca, and IEX entered into AWCs with the Firm, and BYX, BZX, EDGA, and EDGX issued Disciplinary Decisions incorporating Letters of Consent, for violations of analogous rules.<sup>97</sup> According to these matters, between October 2015 and April 2018, the Firm mismarked as “long” nearly 60 million short sale orders totaling more than 14 billion shares.<sup>98</sup> The mismarked orders caused the Firm to submit inaccurate trade reports to FINRA and maintain inaccurate books and records in violation of Rule 200(g) of Regulation SHO, Section 17(a) of the SEA and Exchange Act Rule 17a-3 as well as other relevant SRO rules.<sup>99</sup> For these violations, the Firm consented to a censure and a combined fine in the amount of \$3 million.<sup>100</sup>

H. BOX, BZX, Cboe, C2, EDGX, GEMX, ISE, MIAx, MIAx Emerald, MIAx PEARL, MRX, NOM, NYSE American, NYSE Arca and PHLX Related Actions

Between March 31 and June 22, 2022, Goldman entered into AWCs with MRX, GEMX, ISE, NOM, NYSE Arca, and PHLX, executed Letters of Consent with BOX, MIAx, MIAx Emerald, and MIAx PEARL, was the subject of Disciplinary Decisions incorporating Letters of Consent entered by Cboe, BZX, C2, and EDGX, and was the subject of a Minor Rule Violation entered by NYSE American, all stemming from a 2019 FINRA TFCE examination finding that the Firm’s trading desk personnel failed to

---

<sup>95</sup> See Exhibit 11 at FINRA pp. 4-8.

<sup>96</sup> See BD Amendment, attached as Exhibit 48 at p. 3.

<sup>97</sup> See FINRA AWC No. 2018059146501 dated April 4, 2023; Nasdaq AWC No. 2018059146502 dated April 4, 2023; BX AWC No. 2018059146503 dated April 4, 2023; PHLX AWC No. 2018059146504 dated April 4, 2023; NYSE AWC No. 2018059146507 dated March 21, 2023; NYSE American AWC No. 2018059146505 dated March 21, 2023; NYSE Arca AWC No. 2018059146506 dated March 21, 2023; IEX AWC No. 2018059146512 dated April 4, 2023; BYX Disciplinary Decision and Letter of Consent, File No. URE-40-06 (March 22, 2023); BZX Disciplinary Decision and Letter of Consent, File No. URE-40-05 (March 22, 2023); EDGA Disciplinary Decision and Letter of Consent, File No. URE-40-08 (March 22, 2023); and EDGX Disciplinary Decision and Letter of Consent, File No. URE-40-07 (March 22, 2023), collectively attached as Exhibit 49.

<sup>98</sup> *Id.* at FINRA p. 2.

<sup>99</sup> *Id.*

<sup>100</sup> *Id.* at FINRA p. 4. The Firm represented that the IEX, NYSE, NYSE American and NYSE Arca fines were paid on April 20, 21 and 24, 2023; the BYX, BZX, EDGA and EDGX fines were paid on April 5, 2023; the Nasdaq, BX, and PHLX fines were paid on May 29, 2023; and the FINRA fine was paid on April 19, 2023. See Exhibit 4 at FINRA pp. 47, and 77-91.

accurately capture order receipt and order transmission times on options orders.<sup>101</sup> According to these matters, between January 2017 and December 2020 Goldman failed to comply with the recordkeeping requirements of Exchange Act § 17(a) and Exchange Act Rule 17a-3, thereunder, and failed to establish, maintain, and enforce a supervisory system reasonably designed to achieve compliance with Exchange Act Rule 17a-3 and other applicable recordkeeping exchange rules.<sup>102</sup> For these violations, the Firm was censured and ordered to pay a fine of \$225,000 to be divided amongst the regulators.<sup>103</sup>

I. FINRA, IEX, Nasdaq, BX, PHLX, NYSE, NYSE American, NYSE Arca, NYSE National, NYSE Chicago, BYX, BZX, EDGA, and EDGX Related Actions

Between January 24, 2024 and February 6, 2024, Goldman entered into AWCs with FINRA, IEX, Nasdaq, BX, PHLX, NYSE, NYSE American, NYSE Arca, and NYSE National, was the subject of Disciplinary Decisions incorporating Letters of Consent entered by BYX, BZX, EDGA, and EDGX, and was the subject of a settlement order with NYSE Chicago, all related to the Firm's failure to implement, maintain, and enforce a reasonably designed supervisory system, including supervisory procedures, that would enable the Firm to supervise trading activity in warrants, rights, and units for potential market manipulation.<sup>104</sup> For these violations, the Firm was censured and fined a total of

---

<sup>101</sup> See BOX Letter of Consent No. 2019061061102 dated May 23, 2022; BZX Disciplinary Decision and Letter of Consent File No. USE-2251-03 dated April 14, 2022; Cboe Disciplinary Decision and Letter of Consent File No. USE-2251-01 dated April 14, 2022; C2 Disciplinary Decision and Letter of Consent File No. USE-2251-02 dated April 14, 2022; EDGX Disciplinary Decision and Letter of Consent File No. USE-2251-04 dated April 14, 2022; GEMX AWC No. 2019061061103 dated April 14, 2022; ISE AWC No. 2019061061104 dated April 14, 2022; MIAX Letter of Consent No. 2019061061111 dated June 22, 2022; MIAX Emerald Letter of Consent No. 2019061061109 dated June 22, 2022; MIAX PEARL Letter of Consent No. 2019061061110 dated June 22, 2022; MRX AWC No. 2019061061106 dated April 14, 2022; NOM AWC No. 2019061061101 dated April 14, 2022; NYSE American Notice of Acceptance of Minor Rule Violation No. 2019061061108 dated March 31, 2022; NYSE Arca AWC No. 2019061061107 dated April 14, 2022; and PHLX AWC No. 2019061061105 dated April 14, 2022, collectively attached as Exhibit 50.

<sup>102</sup> *Id.* at FINRA pp. 1-2, 10-11, 15-16, 21-22, 27-28, 33-34, 39-40, 47-48, 55-56, 63-64, 73-74, 81-82, 88, and 95-96.

<sup>103</sup> *Id.* at FINRA pp. 3, 35, 41, 48, 57, 65, 75, 83, 89, 97, and 106. The Firm represented that the PHLX fine was paid in full in May 2022; the NYSE Arca fine was paid on May 24, 2022; the BOX fine was paid on June 23, 2022; the Cboe, C2, BZX and EDGX fines were paid on May 18, 2022; the MIAX, MIAX Emerald and MIAX PEARL fines were paid on July 28, 2022; and the ISE, GEMX, MRX, and NOM fines were paid in May 2022; and the NYSE American fine was paid on May 23, 2022. See Exhibit 4 at FINRA pp. 2, 17, 19-20.

<sup>104</sup> See FINRA AWC No. 2019063499505 dated February 6, 2024; IEX AWC No. 2019063499506 dated February 6, 2024; BX AWC No. 2019063499508 dated February 6, 2024; Nasdaq AWC No. 2019063499507 dated February 6, 2024; PHLX AWC No. 2019063499509 dated February 6, 2024; NYSE AWC No. 2019063499510 dated January 24, 2024; NYSE American AWC No. 2019063499511 dated January 24, 2024; NYSE Arca AWC No. 2019063499512 dated January 24, 2024; NYSE National AWC No. 2019063499514 dated January 24, 2024; NYSE Chicago Order, Proceeding No. 2019063499513 dated February 5, 2024 incorporating Offer of Settlement dated January 24, 2024; BYX Disciplinary Decision and Letter of Consent File No. URE-98-06 (Jan. 25, 2024); BZX Disciplinary Decision and Letter of Consent File No. URE-98-05 (Jan. 25, 2024); EDGA Disciplinary Decision and Letter of Consent File No. URE-98-08 (Jan. 25, 2024); and EDGX Disciplinary Decision and Letter of Consent File No. URE-98-07

\$512,000.<sup>105</sup>

## V. Other Statutory Disqualification Matters

The Firm is also disqualified as a result of an SEC order dated September 22, 2023, finding that the Firm willfully violated Section 17(a)(1) of the Exchange Act and Rule 17a-4(j) thereunder and Exchange Act Rule 17a-25 by failing to furnish promptly true and complete EBS information as requested by Commission staff over a period of at least 10 years.<sup>106</sup> In addition, Goldman willfully violated Exchange Act Rule 17a-25 by failing to submit electronically certain securities transaction information to the Commission through the EBS system in response to requests made by the Commission.<sup>107</sup> The Firm was ordered to cease and desist from committing or causing any future violations of Section 17(a)(1) of the Exchange Act, censured, and ordered to pay a civil money penalty in the amount of \$6,000,000.<sup>108</sup> The fine was paid on October 2, 2023.<sup>109</sup>

The Firm is also disqualified as a result of the September 29, 2023 CFTC Order discussed above.<sup>110</sup>

## VI. Prior SEA Rule 19h-1 Notices

On December 11, 2017, FINRA filed a Rule 19h-1 Notice approving the Firm's continued membership notwithstanding the existence of its statutory disqualification that stems from a December 21, 2016 CFTC Order finding that the Firm willfully violated certain anti-fraud and anti-manipulation provisions of the Commodity Exchange Act.<sup>111</sup> On February

---

(Jan. 25, 2024), collectively attached as Exhibit 51.

<sup>105</sup> *Id.* at FINRA pp. 3, 8, 13, 18, 23, 29, 34, 38, 43, 49, 54, 59, 64, and 69. The Firm represented to FINRA that the fines will be paid upon receipt of invoices from the exchanges.

<sup>106</sup> *See In re Goldman Sachs & Co. LLC*, Exchange Act Release No. 98479 (Sept. 22, 2023) and Response Letter to FINRA dated November 8, 2023 with proof of payment, collectively attached as Exhibit 52. This order subjects the Firm to statutory disqualification, as defined by Exchange Act Section 3(a)(39)(F), which incorporates by reference Section 15(b)(4)(D).

<sup>107</sup> *Id.* at FINRA p. 4.

<sup>108</sup> *Id.* at FINRA p. 5.

<sup>109</sup> *Id.* at FINRA p. 7. The Firm submitted an affirmation to FINRA on November 8, 2023 stating that sanctions are no longer in effect. Since there are no sanctions in effect for statutory disqualification purposes, an application to continue in membership is no longer required under FINRA rules. *See also* [FINRA Regulatory Notice 09-19](#) (June 15, 2009). As such, a 19h-1 Notice was not filed in connection with this matter.

<sup>110</sup> *See supra*, n. 52 & 53. *See also* Exhibit 22.

<sup>111</sup> *See In re the Continued Membership of Goldman Sachs & Co.*, SD-2144 (FINRA Dec. 11, 2017) and the SEC's Letter of Acknowledgement dated February 1, 2018, collectively attached as Exhibit 53.



1, 2018, the Commission acknowledged the Rule 19h-1 Notice.<sup>112</sup>

On October 8, 2013, FINRA filed a Rule 19h-1 Notice approving the Firm's continued membership notwithstanding the existence of its statutory disqualification that stems from a judgment entered in the United States District Court for the Southern District of New York, dated July 20, 2010, permanently enjoining the Firm from violating Section 17(a) of the Securities Act of 1933 in connection with the Firm and an employee making material and misleading statements and omissions in connection with synthetic collateralized debt obligations which the Firm structured and marketed to investors.<sup>113</sup> The Commission acknowledged the Rule 19h-1 Notice on November 27, 2013.<sup>114</sup>

## **VII. The Firm's Proposed Continued Membership with FINRA Plan of Heightened Supervision**

The Firm seeks to continue its membership with FINRA notwithstanding its status as a disqualified member. The Firm has agreed to the following Plan of Heightened Supervision ("Supervision Plan" or "Plan") as a condition of its continued membership with FINRA:<sup>115</sup>

Goldman Sachs & Co. LLC. (the "Firm") is subject to statutory disqualification pursuant to 3(a)(39)(F) of the Securities Exchange Act of 1934, which incorporates by reference Sections 15(b)(4)(D) & (E), as a result of an order issued by the U.S. Securities and Exchange Commission dated September 27, 2022, which found that the Firm willfully violated Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-4(b)(4) thereunder. The order also found that the Firm failed to reasonably supervise its employees within the meaning of Section 15(b)(4)(E).

For the purpose of this Supervision Plan below, the term "Digital Communication Channels" means all written electronic methods of communication used to conduct Firm business, including but not limited to text message platforms, whether via SMS messaging, iMessage, or other messaging services such as WhatsApp; direct messaging platforms including X f/k/a "Twitter", Instagram, LinkedIn, Slack, or Bloomberg Messaging; non-Firm domain email accounts; and any other written electronic business-related correspondence. "Digital Communication Channels" encompass platforms used to exchange messages with internal or external stakeholders using either a personal or Firm-provided device.

For the purpose of this Supervision Plan, the term "Off-Channel Communications" means all business-related written electronic messages sent on Digital

---

<sup>112</sup> *Id.* at FINRA p. 13.

<sup>113</sup> *See In re the Continued Membership of Goldman Sachs & Co.*, SD-1858 (FINRA NAC Oct. 8, 2013) and the SEC's Letter of Acknowledgement dated November 27, 2013, collectively attached as Exhibit 54.

<sup>114</sup> *Id.* at FINRA p. 10.

<sup>115</sup> *See Executed Consent to Plan of Heightened Supervision* dated November 30, 2023, attached as Exhibit 55.

Communication Channels that are not captured by Firm surveillance and record-keeping systems.

In consenting to this Supervision Plan, the Firm agrees to the following:

1. The Firm shall comply with all of the undertakings outlined in the Securities and Exchange Commission (“SEC” or “Commission”) Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 15(b) and 21(C) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order, In the Matter of Goldman Sachs & Co. LLC. Exchange Act Release No. 95922 (September 27, 2022) (“SEC Order”).
2. The Firm shall maintain copies of all correspondence between the Firm and Commission staff relating to the SEC Order, including documenting when Commission staff grants extensions to the deadlines set forth in the SEC Order. The Firm shall maintain copies of all such correspondence in a readily accessible file for ease of review by FINRA staff.
3. The Firm shall provide FINRA’s Statutory Disqualification Group with copies of all certifications submitted to the SEC upon completion of the undertakings as specified in the SEC Order. The Firm shall maintain copies of all certifications in a readily accessible file for ease of review by FINRA staff.
4. The Firm shall maintain copies of all reports and supporting documentation submitted to SEC staff in accordance with the SEC Order, as well as any other documentation needed to evidence the status and completion of each of the undertakings outlined in the SEC Order. The Firm shall maintain copies of such documentation in a readily accessible file for ease of review by FINRA staff.
5. Within six months of the SEC’s Letter of Acknowledgement (“LOA”) in this matter, to the extent that it has not already done so within the past six months, and on at least an annual basis thereafter, for a term of six years from the date of the LOA, the Firm shall conduct training for all associated persons regarding the Digital Communication Channels that the Firm has approved for business communication, along with the Firm’s current policies regarding retention of business-related electronic communications. The Firm shall maintain a record of individual completion of said training and a copy of said training materials in a readily accessible file for ease of review by FINRA staff.
6. The Firm shall conduct the training described in item number 5 above for all new hires, within 65 days from the date of commencement of new hire training, for a term of six years from the date of the LOA. The Firm shall retain a record of all new hire training, including a copy of all written training materials, and keep said record(s) in a readily accessible file for ease of review by FINRA staff.
7. Within 90 days of the LOA, the Firm shall, to the extent that it has not already done so, establish and maintain a written list(s) of all Digital Communication Channels that its associated persons are permitted to use to communicate about Firm business.

- The list(s) shall be circulated to all of the Firm's associated persons at least on a semi-annual basis, for a term of six years from the date of the LOA. The Firm shall require that all associated persons obtain written approval for use of any Digital Communication Channels to communicate about Firm business that are not already on the approved list(s) maintained by the Firm. The Firm shall maintain a record of all requests and approvals or rejections of each request, including the date of the requests and the Firm's decision. The Firm shall maintain copies of such requests and decisions in a readily accessible file for ease of review by FINRA staff.
8. The Firm shall require all associated persons to disclose on at least a semi-annual basis, for a term of six years from the date of the LOA, any unapproved Digital Communication Channels he/she is using to communicate about Firm business. The Firm shall retain records of such disclosures in a readily accessible file for ease of review by FINRA staff.
  9. Subject to Paragraph 7 above, the Firm shall prohibit associated persons from using Off-Channel Communications.
  10. Within 90 days of the LOA, the Firm shall, to the extent that it has not already done so, develop a process whereby, in the event that an associated person sends or receives an Off-Channel Communication, the Off-Channel Communication is submitted to the Firm and retained in compliance with relevant securities laws and regulations. For a term of six years from the date of the LOA, the Firm shall maintain a record of all such Off-Channel Communications, including a record of the Firm's receipt of the communication, in a readily accessible file for ease of review by FINRA staff.
  11. Within 90 days of the LOA, the Firm shall, to the extent that it has not already done so, develop and maintain written supervisory policies and procedures detailing the Firm's process for disciplining associated persons who utilize Off-Channel Communications to communicate about Firm business. When the Firm utilizes the disciplinary process, the Firm shall document each instance. The Firm shall retain records of such written supervisory policies and procedures and records of the disciplinary processes and each outcome.
  12. All requested documents and certifications under this Supervision Plan shall be sent directly to FINRA's Statutory Disqualification Group at [SDMailbox@FINRA.org](mailto:SDMailbox@FINRA.org).
  13. The Firm shall obtain written approval from FINRA's Statutory Disqualification Group prior to changing any provision of the Supervision Plan.
  14. The Firm shall submit any proposed changes or other requested information under this Supervision Plan to FINRA's Statutory Disqualification Group at [SDMailbox@FINRA.org](mailto:SDMailbox@FINRA.org).

## VIII. Discussion

After carefully reviewing the entire record in this matter, FINRA approves the Firm's request to continue its membership with FINRA, subject to the terms and conditions set forth herein. In evaluating Goldman's Application, FINRA assessed whether the Firm has demonstrated that its continued membership is consistent with the public interest and does not create an unreasonable risk of harm to investors or the markets. *See* FINRA By-Laws, Art. III, Sec. 3(d); *cf. Frank Kufrovich*, 55 S.E.C. 616, 624 (2002) (holding that FINRA "may deny an application by a firm for association with a statutorily disqualified individual if it determines that employment under the proposed plan would not be consistent with the public interest and the protection of investors"). Typically, factors that bear on FINRA's assessment include, among other things, the nature and gravity of the statutorily disqualifying misconduct, the time elapsed since its occurrence, the restrictions imposed, the Firm's regulatory history, and whether there has been any intervening misconduct.

As of the date of this Notice, FINRA has determined that the Firm's continued membership is consistent with the public interest and does not create an unreasonable risk of harm to investors or the markets. While the SEC Order identified serious violations of securities laws, the Firm was not expelled or suspended, nor were any limitations placed on Goldman's securities activities. Although the SEC Order triggered certain disqualifications from exemptions from registration available under the Securities Act of 1933 ("Securities Act"), specifically Regulations A, D and E of the Securities Act and Regulation Crowdfunding, the SEC granted the Firm a waiver from the application of the disqualification provisions of Rules 262(a)(4)(ii), 506(d)(1)(iv)(B), and 602(c)(3) of the Securities Act and Rule 503(a)(4)(ii) of Regulation Crowdfunding. Moreover, the full amount of the civil monetary penalty was promptly paid, and the Firm promptly paid the sums owed to the CFTC based on an order with similar findings as the disqualifying one. Additionally, the Firm represented that it is in compliance with the ordered undertakings.

Member Supervision also acknowledges that within the SEC Order the SEC considered the Firm's prompt remedial actions and cooperation with the Commission when determining to accept the Offer of Settlement. Specifically, the Commission acknowledged that Goldman enhanced its policies and procedures and increased training concerning the use of approved communications methods including on personal devices.<sup>116</sup> Furthermore, Goldman represented that prior to the SEC Order it proactively researched and developed solutions to address off-systems communications, including initiating the purchase and distribution of corporate issued phones to employees that contain applications to retain messages sent via messaging applications such as WhatsApp. In addition, the Firm represented that it developed new training and guidance on off-systems communications that builds upon existing training.

It is well settled that a firm's regulatory history bears upon the assessment of its ability to comply with securities law and regulations. *See In the Matter of the Continued Association of Craig Scott Taddonio with Meyers Associate, L.P.*, SD-2117, slip op. at 24-25 (FINRA NAC March 8, 2017). However, the corrective measures taken by firms to address

---

<sup>116</sup> *See* Exhibit 2 at p. 6.

deficiencies are weighed in determining whether to approve applications. *See In the Matter of the Association of X with the Sponsoring Firm*, SD11007 (FINRA NAC 2011) (where a firm's corrective actions negated Member Regulation's assertion that the firm failed to appreciate or respect securities rules and regulations). FINRA has also previously approved applications for continued membership where the firms had extensive regulatory history, including disqualifying events. *See In the Matter of the Continued Membership of Deutsche Bank Securities, Inc.*, SD-2190 (FINRA Jan. 14, 2020) and *In the Matter of the Continued Membership of Citigroup Global Markets, Inc.*, SD-2082 (FINRA May 2, 2017) (approving continued membership where the firms had extensive regulatory history, including recent disqualifying events).

In evaluating the Firm's Application, FINRA acknowledges its recent regulatory and disciplinary history, as well as its additional statutory disqualifying events. Member Supervision also notes that, with the exception of its most recent events, the Firm has paid all fines and complied with all undertakings ordered by regulators. None of these matters would prevent the continuance of the Firm as a FINRA member. With respect to the Firm's recent examination exceptions, the Firm remediated the majority of the exceptions prior to the issuance of the examination report, including instituting a review process to verify that vendors are applying accurate FDIDs to CAT reports, implementing a new process for margin calls between the Firm and its affiliates, and updating relevant sections of the Firm's WSPs for CAT, Best Execution for Equities and Listed Options and associated written procedures.

FINRA is further reassured by the controls set in place by the Firm's Supervision Plan which bolsters the undertakings outlined in the SEC Order and will continue to provide oversight of the Firm and compliance with its remaining undertakings. In accordance with the Supervision Plan, the Firm agreed to conduct annual training for all associated persons, including new hires, regarding the Firm's approved digital communication methods and record retention policies for electronic communications. Further, the Supervision Plan calls for the Firm to maintain a list of approved digital communication methods that associated persons are permitted to use for Firm business and to circulate that list to its associated persons semi-annually. The Supervision Plan requires the Firm's associated persons to obtain written approval to use digital communication channels not already approved. The Supervision Plan prohibits the use of off-channel communications and requires associated persons to semi-annually disclose any unapproved digital communication methods they are using for Firm business; they must also forward any off-channel communications that may have taken place to the Firm for retention purposes. These provisions will help to ensure that the Firm is aware of the communication methods being used by associated persons so that it can appropriately monitor, capture, and retain those communications. Additionally, the Supervision Plan mandates that the Firm develop policies and procedures for disciplining associated persons who use unapproved communication methods for Firm business and segregate all certifications, reports, and supporting documentation submitted to the SEC regarding compliance with the undertakings, for ease of review by FINRA staff to ensure ongoing compliance.

The Department is further reassured by the progress the Firm has made with respect to the undertakings required by the SEC. Specifically, the Firm represented in the Application that it retained a compliance consultant, and that consultant is undertaking a comprehensive review of Goldman's policies, procedures, and training related to the use and preservation of electronic communications.

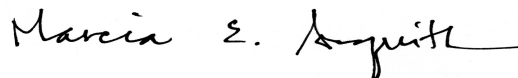
Following the approval of the Firm's continued membership in FINRA, FINRA intends to utilize its examination and surveillance processes to monitor the Firm's continued compliance with the standards prescribed by Exchange Act Rule 19h-1 and FINRA Rule 9523.

Thus, FINRA is satisfied, based on the foregoing and on the Firm's representations made pursuant to the Supervision Plan, that the Firm's continued membership in FINRA is consistent with the public interest and does not create an unreasonable risk of harm to the market or investors. Accordingly, FINRA approves Goldman's Application to continue its membership with FINRA.

FINRA certifies that the Firm meets all qualification requirements and represents that the Firm is registered with several other SROs including BOX; Cboe; BYX; BZX; C2; EDGA; EDGX; IEX; LTSE; MEMX; MIAX Emerald; MIAX PEARL; MIAX; NYSE American; NYSE Arca; NYSE Chicago; NYSE National; BX; ISE; GEMX; MRX; PHLX; Nasdaq; NYSE; DTC; FICC-GOV; FICC-MBS; and NSCC. The SROs have been provided with the terms and conditions of Goldman's proposed continued membership and concur with FINRA.

In conformity with the provisions of Rule 19h-1 of the Exchange Act, the continued membership of the Firm will become effective within 30 days of the receipt of this notice by the Commission, unless otherwise notified by the SEC.

On Behalf of FINRA,



---

Marcia E. Asquith  
Executive Vice President & Corporate Secretary

EXHIBITS  
SD-2335

1. MC-400A Application and related attachments compiled by CRED, with a cover memorandum dated October 26, 2022.
2. SEC Order, *In the Matter of Goldman Sachs & Co., LLC*, Exchange Act Release No. 95922 (Sept. 27, 2022).
3. *In re Certain Broker-Dealer Practices*, Securities Act Release No. 11109 (Sept. 27, 2022).
4. Firm Correspondence dated February 9, 2024, April 12, 2023, and October 10, 2023.
5. CRD Excerpt – Organization Registration Status.
6. CRD Excerpts – Types of Business and Other Business Descriptions.
7. Disposition Letter for Examination No. 20220734150 dated October 26, 2023, Examination Report dated August 18, 2023, and Firm Response dated September 28, 2023.
8. Disposition Letter for Examination No. 20210693307 dated August 1, 2022, Examination Report dated February 24, 2022, and Firm Response dated April 6, 2022.
9. Closeout Letter for Examination No. 20210693310 dated February 24, 2022.
10. CAL for Examination No. 20200664098 dated August 23, 2023 and Firm Response dated September 13 2023.
11. CAL for Examination No. 20200664843 dated August 15, 2023; BZX Disciplinary Decision and Letter of Consent, *In re Goldman Sachs & Co., LLC*, File No. URE-95-03 (Aug. 15, 2023).
12. CAL for Examination No. 20220741552 dated March 14, 2023 and Firm Response dated March 28, 2023.
13. CAL for Examination No. No. 20210714874 dated February 24, 2023 and Firm Response dated April 10, 2023.
14. CAL for Examination Nos. 20210721988 and 20220746805 dated August 25, 2022 and Firm Response dated September 28, 2022.

15. CAL for Examination No. 20180574869 dated July 15, 2022.
16. CAL for Examination No. 20200687972 dated February 1, 2022.
17. SEC Examination Letter dated June 23, 2023 and Firm Response dated July 24, 2023.
18. FINRA AWC No. 2019061945001 dated September 15, 2023.
19. Form U6 for AWC No. 2019061945001.
20. FINRA AWC No. 2020068197401 dated August 16, 2023.
21. Form U6 for AWC No. 2020068197401.
22. CFTC Order, *In re Goldman Sachs & Co. LLC*, CFTC Docket No. 23-60 (Sept. 29, 2023).
23. BD Amendment.
24. CFTC Order, *In re Goldman Sachs & Co. LLC*, CFTC Docket No. 23-59 (Sept. 29, 2023).
25. BD Amendment.
26. CFTC Order, *In re Goldman Sachs & Co. LLC*, CFTC Docket No. 23-39 (Aug. 29, 2023).
27. BD Amendment.
28. CFTC Order, *In re Goldman Sachs & Co. LLC*, CFTC Docket No. 23-09 (April 10, 2023).
29. Form U6.
30. CFTC Order, *In re Goldman Sachs & Co. LLC*, CFTC Docket No. 22-40 (Sept. 27, 2022).
31. ICE Futures U.S. Disciplinary Notice, Case No. 2022-009 (Sept. 20, 2023).
32. BD Amendment.
33. ICE Clear Credit Letter for Matter No. 2023-404b-016 dated June 1, 2023 and Waiver Letter dated June 22, 2023.



34. *In re Goldman Sachs & Co. LLC*, NFA Case No. 22-BCC-003 (March 31, 2022).
35. Notice of Disciplinary Action, File No. 23-CH-2312 (Oct. 13, 2023).
36. Notice of Summary Action, File No. NYMEX 23-1655 (Aug. 14, 2023).
37. BD Amendment.
38. Notice of Summary Action, File No. CME-RSRH-23-6886 (July 21, 2023).
39. Notice of Disciplinary Action, File No. 23-CH-2308 (Effective March 16, 2023).
40. BD Amendment.
41. Notice of Summary Action, File No. CME-RSRH-22-6805 (March 10, 2023).
42. Notice of Summary Action, File No. CME-RSRH-22-6737 (Oct. 24, 2022).
43. BD Amendment.
44. Notice of Summary Action, File No. CME-RSRH-22-6644 (Aug. 4, 2022), and Notice of Summary Action, File No. NYMEX-RSRH-22-6644 (Aug. 4, 2022).
45. BD Amendment.
46. Notice of Summary Action, File No. CME-RSRH-22-6554 (May 2, 2022); Notice of Summary Action, File No. CBOT-RSRH-22-6554 (May 2, 2022); Notice of Summary Action, File No. NYMEX-RSRH-22-6554 (May 2, 2022).
47. BD Amendment.
48. BD Amendment.
49. FINRA AWC No. 2018059146501 dated April 4, 2023; Nasdaq AWC No. 2018059146502 dated April 4, 2023; BX AWC No. 2018059146503 dated April 4, 2023; PHLX AWC No. 2018059146504 dated April 4, 2023; NYSE AWC No. 2018059146507 dated March 21, 2023; NYSE American AWC No. 2018059146505 dated March 21, 2023; NYSE Arca AWC No. 2018059146506 dated March 21, 2023; IEX AWC No.

2018059146512 dated April 4, 2023; BYX Disciplinary Decision and Letter of Consent, File No. URE-40-06 (March 22, 2023); BZX Disciplinary Decision and Letter of Consent, File No. URE-40-05 (March 22, 2023); EDGA Disciplinary Decision and Letter of Consent, File No. URE-40-08 (March 22, 2023); and EDGX Disciplinary Decision and Letter of Consent, File No. URE-40-07 (March 22, 2023).

50. BOX Letter of Consent No. 2019061061102 dated May 23, 2022; BZX Disciplinary Decision and Letter of Consent File No. USE-2251-03 dated April 14, 2022; Cboe Disciplinary Decision and Letter of Consent File No. USE-2251-01 dated April 14, 2022; C2 Disciplinary Decision and Letter of Consent File No. USE-2251-02 dated April 14, 2022; EDGX Disciplinary Decision and Letter of Consent File No. USE-2251-04 dated April 14, 2022; GEMX AWC No. 2019061061103 dated April 14, 2022; ISE AWC No. 2019061061104 dated April 14, 2022; MIAX Letter of Consent No. 2019061061111 dated June 22, 2022; MIAX Emerald Letter of Consent No. 2019061061109 dated June 22, 2022; MIAX PEARL Letter of Consent No. 2019061061110 dated June 22, 2022; MRX AWC No. 2019061061106 dated April 14, 2022; NOM AWC No. 2019061061101 dated April 14, 2022; NYSE American Notice of Acceptance of Minor Rule Violation No. 2019061061108 dated March 31, 2022; NYSE Arca AWC No. 2019061061107 dated April 14, 2022; and PHLX AWC No. 2019061061105 dated April 14, 2022.
51. FINRA AWC No. 2019063499505 dated February 6, 2024; IEX AWC No. 2019063499506 dated February 6, 2024; BX AWC No. 2019063499508 dated February 6, 2024; Nasdaq AWC No. 2019063499507 dated February 6, 2024; PHLX AWC No. 2019063499509 dated February 6, 2024; NYSE AWC No. 2019063499510 dated January 24, 2024; NYSE American AWC No. 2019063499511 dated January 24, 2024; NYSE Arca AWC No. 2019063499512 dated January 24, 2024; NYSE National AWC No. 2019063499514 dated January 24, 2024; NYSE Chicago Order, Proceeding No. 2019063499513 dated February 5, 2024 incorporating Offer of Settlement dated January 24, 2024; BYX Disciplinary Decision and Letter of Consent File No. URE-98-06 (Jan. 25, 2024); BZX Disciplinary Decision and Letter of Consent File No. URE-98-05 (Jan. 25, 2024); EDGA Disciplinary Decision and Letter of Consent File No. URE-98-08 (Jan. 25, 2024); and EDGX Disciplinary Decision and Letter of Consent File No. URE-98-07 (Jan. 25, 2024).
52. *In re Goldman Sachs & Co. LLC*, Exchange Act Release No. 98479 (Sept. 22, 2023) and Response Letter to FINRA dated November 8, 2023 with proof of payment.

53. *In re the Continued Membership of Goldman Sachs & Co.*, SD-2144 (FINRA Dec. 11, 2017) and the SEC's Letter of Acknowledgement dated February 1, 2018.
54. *In re the Continued Membership of Goldman Sachs & Co.*, SD-1858 (FINRA NAC Oct. 8, 2013) and the SEC's Letter of Acknowledgement dated November 27, 2013.
55. Executed Consent to Plan of Heightened Supervision dated November 30, 2023.

## Exhibit A

### Plan of Heightened Supervision

Goldman Sachs & Co. LLC (the “Firm”) is subject to statutory disqualification pursuant to Section 3(a)(39)(F) of the Securities Exchange Act of 1934, which incorporates by reference Sections 15(b)(4)(D) & (E), as a result of an order issued by the U.S. Securities and Exchange Commission (“SEC” or “Commission”) dated September 27, 2022, which found that the Firm willfully violated Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-4(b)(4) thereunder (“SEC Order”). The SEC Order also found that the Firm failed reasonably to supervise its employees within the meaning of Section 15(b)(4)(E).

In consenting to this Supervision Plan<sup>1</sup> (“Supervision Plan”), the Firm agrees to the following:

1. The Firm shall comply with all the undertakings outlined in the SEC Order.
2. The Firm shall maintain copies of all correspondence between the Firm and Commission staff relating to the SEC Order, including documenting when Commission staff grants extensions to the deadlines set forth in the SEC Order. The Firm shall maintain copies of all such correspondence in a readily accessible place for ease of review by FINRA staff.
3. The Firm shall maintain copies of all reports and supporting documentation submitted to SEC staff in accordance with the SEC Order, as well as any other documentation needed to evidence the status and completion of each of the undertakings outlined in the SEC Order. The Firm shall maintain copies of such documentation in a readily accessible place for ease of review by FINRA staff.
4. The Firm shall provide FINRA’s Statutory Disqualification Group with copies of all certifications submitted to the SEC upon completion of the undertakings as specified under paragraph 35 of the SEC Order.
5. This Supervision Plan shall take effect on the date the Firm executes its consent to this Supervision Plan. The Supervision Plan shall be in effect until FINRA’s receipt of the Firm’s final certifications required by the SEC Order, after which time the Supervision Plan and its provisions thereto will expire.
6. All requested documents and certifications under this Supervision Plan shall be sent directly to FINRA’s Statutory Disqualification Group at [SDMailbox@FINRA.org](mailto:SDMailbox@FINRA.org).
7. The Firm shall obtain written approval from FINRA’s Statutory Disqualification Group prior to changing any provision of the Supervision Plan.

---

<sup>1</sup> This Supervision Plan supersedes the Firm’s previous Supervision Plan executed on November 30, 2023.

Goldman Sachs & Co. LLC (CRD No. 361)

July 9, 2025

Page 2 of 2

8. The Firm shall submit any proposed changes or other requested information under this Supervision Plan to FINRA's Statutory Disqualification Group at [SDMailbox@FINRA.org](mailto:SDMailbox@FINRA.org).