

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

William S. Reyner (Claimant) v. Goldman, Sachs & Co. (Respondent)

Case Number: 03-08771

Hearing Site: New York, NY

Nature of the Dispute: Associated Person vs. Member.

REPRESENTATION OF PARTIES

Claimant William S. Reyner ("Reyner") hereinafter referred to as "Claimant": John F. Duane, Esq., New York, NY.

Respondent Goldman, Sachs & Co. ("Goldman") hereinafter referred to as "Respondent": Nicole Barrett, Esq., previously Robin D. Fessel, Esq., Sullivan & Cromwell, LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: December 9, 2003.

Claimant signed the Uniform Submission Agreement: December 4, 2003.

Statement of Answer filed by Respondent on or about: March 8, 2004.

Amended Statement of Answer filed by Respondent on or about: March 31, 2004.

Respondent signed the Uniform Submission Agreement: March 4, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: failure to pay owed compensation and wrongful termination.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$2,500,000.00; compensatory damages in the amount of \$1,000,000.00; punitive damages in the amount of \$1,000,000.00; costs; attorneys' fees; expungement; and such other and further relief as the Arbitration Panel deems just and proper.

Respondent requested that Claimant's claim be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

During the hearing, Respondent made a Motion to Dismiss and Claimant made a Motion to Exclude an Expert Witness. After due deliberation, the Panel denied both Motions.

Also during the hearing, Claimant made a Motion to Amend his Statement of Claim requesting a total of five million dollars in punitive damages and five million dollars in character reputation damage. After due deliberation, the Panel denied the Motion.

AWARD

After considering the pleadings, and the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are denied in their entirety, with the exception of the expungement.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.
3. The Panel recommends the expungement of the reason for termination (i.e. "discharge") and accompanying termination comment (i.e. "Mr. Reyner's employment was terminated following an investigation in which the firm concluded that Mr. Reyner failed to follow firm rules with respect to the communication of trading information, and use of the firm's messaging systems. Mr. Reyner disputes that he engaged in any improper conduct.") from Item 3 of Claimant William S. Reyner's Form U5 submitted to CRD by Goldman, Sachs & Co. (CRD361). The reason for termination should be expunged and replaced with "voluntary." Replacement language for the termination comment is not provided as "voluntary" termination does not require an accompanying explanation on Form U5 (item3).
4. The Panel also recommends expunging the affirmative response to question 7B (i.e. internal review disclosure question) and the accompanying Internal Review U5 Disclosure Reporting Page (DRP), in its entirety (i.e. Parts I and II), which provides details of the Internal Review and Mr. Reyner's response to the firm's allegations.
5. The Panel also recommends expunging the affirmative response to question 14J(1) on Claimant's Form U4 as well as the corresponding U4 Termination DRP as both the question and DRP provide details of the Goldman, Sachs & Co. discharge.
6. The Panel further recommends the expungement of all reference to the above-captioned arbitration from Claimant William S. Reyner's registration records maintained by the NASD Central Registration Depository ("CRD").

7. The Panel based their decision on the defamatory nature of the information contained in Claimant's CRD record.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$600.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Goldman, Sachs & Co. is a party.

Member surcharge = \$2,800.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$5,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel @ \$1,200.00 = \$1,200.00

Pre-hearing conference: June 18, 2004 1 session

Eight (8) Hearing sessions @ \$1,200.00 = \$ 9,600.00

Hearing Dates: October 7, 2004 2 sessions

October 8, 2004 2 sessions

December 10, 2004 2 sessions

December 20, 2004 2 sessions

Total Forum Fees = \$10,800.00

1. The Panel has assessed \$10,800.00 of the forum fees against Respondent Goldman.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee = \$ 600.000

Total Fees = \$ 600.00

Less payments = \$1,800.00

Refund Due Claimant = \$1,200.00

2. Respondent is solely liable for:

Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	<u>= \$10,800.00</u>
Total Fees	= \$19,350.00
<u>Less payments</u>	<u>= \$ 8,550.00</u>
Balance Due NASD Dispute Resolution	= \$10,800.00

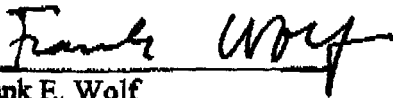
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Frank E. Wolf	-	Public Arbitrator, Presiding Chairperson
Robert E. Thompson, Esq.	-	Public Arbitrator
Earl S. Schwarz	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument is which is my award.



Frank E. Wolf
Public Arbitrator, Presiding Chairperson

Signature Date

Robert E. Thompson, Esq.
Public Arbitrator

Signature Date

Earl S. Schwarz
Non-Public Arbitrator

Signature Date

January 11, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

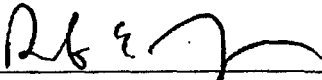
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Frank E. Wolf
Public Arbitrator, Presiding Chairperson

Signature Date



Robert E. Thompson, Esq.
Public Arbitrator

1/10/05

Signature Date

Earl S. Schwarz
Non-Public Arbitrator

Signature Date

January 11, 2005

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