DISCIPLINARY DECISION
Cboe BYX Exchange, Inc.
File No. URE-98-06/Star No. 2019063499502
Goldman Sachs & Co. LLC

Pursuant to Exchange Rule 8.3, attached to and incorporated as part of this Decision is a Letter of Consent.

Applicable Rule

- BYX Rule 5.1 – Written Procedures

Sanctions

A censure and a monetary fine of $47,000.[1]

Effective Date

January 25, 2024

/s/ Greg Hoogasian

Greg Hoogasian, CRO, EVP

[1] This settlement relates to other settlements Goldman Sachs & Co. LLC reached with FINRA; Cboe BZX Exchange, Inc.; Cboe EDGX Exchange, Inc., Cboe EDGA Exchange, Inc., The Nasdaq Stock Market LLC; Nasdaq BX, Inc.; Nasdaq PHLX, LLC; New York Stock Exchange LLC; NYSE Arca, Inc.; NYSE American LLC; NYSE National, Inc.; NYSE Chicago, Inc.; and Investors Exchange LLC.

BYX Exchange, Inc.
LETTER OF CONSENT
File No. URE-98-06 /Star No. 2019063499502

In the Matter of:

Goldman Sachs & Co. LLC
200 West Street
New York, NY 10282-2198

Subject

Pursuant to the provisions of BYX Exchange, Inc. ("BYX" or the "Exchange") Rule 8.3 – Expedited Proceeding, Goldman Sachs & Co. LLC ("Goldman" or the "Firm") submits this Letter of Consent for the purpose of proposing a settlement of the alleged rule violations described below.

The Firm neither admits nor denies that violations of Exchange Rules have been committed, and the stipulation of facts and findings described herein do not constitute such an admission.

BACKGROUND

1. During all relevant periods herein, Goldman was acting as a registered Broker-Dealer and was an Exchange Member. The Firm's registrations remain in effect.

2. This matter originated from cross-market surveillance conducted by FINRA.

VIOLATIVE CONDUCT

Applicable Rules

3. During all relevant periods herein, the following rules were in full force and effect: Exchange Rule 5.1 – Written Procedures.

4. During all relevant periods herein, Exchange Rule 5.1 provided "Each Member shall establish, maintain and enforce written procedures which will enable it to supervise properly the activities of associated persons of the Member and to assure their compliance with applicable securities laws, rules, regulations and statements of policy promulgated thereunder, with the rules of the

designated self-regulatory organization, where appropriate, and with Exchange Rules."

Failing to Supervise Properly Proprietary and Customer Trading Activity

5. Between October 2010 and mid-April 2023, nine of Goldman's surveillance reports designed to identify potentially manipulative proprietary and customer trading failed to include certain securities, including warrants, rights, and units.[1] These securities were excluded for extended periods ranging from approximately two years to more than 12 years. For example, a Goldman surveillance report designed to identify potential wash trades excluded warrants from October 2010 through March 2021 and excluded rights and units from October 2010 through April 2022. Additionally, Goldman's surveillance reports designed to identify potential marking the open and marking the close excluded warrants, rights, and units from October 2010 until April 2018.

6. As a result of the warrants, rights and units being excluded from certain of its surveillance reports, Goldman could not perform reasonable supervisory reviews of trading activity in warrants, rights, and units for potential manipulation. The nine affected reports would have identified approximately 5,000 alerts (based on extrapolations from available data, and a portion of which would be attributed to activity in warrants, rights and units[2]) for potentially manipulative trading activity in those securities from May 2010 through mid-April 2023.[3]

7. Goldman's written supervisory procedures failed to require a review of its automated surveillance reports to ensure they included all relevant securities traded as part of the Firm's business. As a result, the Firm failed to detect that nine surveillance reports for potentially manipulative trading excluded warrants, rights, and units.[4]

[1] Two of these nine surveillance reports included warrants, rights, and units but excluded OTC equity securities.

[2] The remainder of the alerts would be attributed to activity in OTC equity securities.

[3] Goldman added the missing securities to the surveillance reports either in response to FINRA's investigation or through the Firm's adoption of new surveillance reports. Goldman represents it completed remediation for all surveillance reports by April 2023.

[4] In February 2021, Goldman implemented reviews to identify if any security has been inadvertently excluded from new or modified surveillance reports.

8. The acts, practices, and conduct described in Paragraphs 5 through 7 constitute violations of BYX Rule 5.1 by the Firm, in that the Firm failed to implement, maintain and enforce a reasonably designed supervisory system, including reasonably designed written supervisory procedures that would enable the Firm to supervise trading activity in warrants, rights, and units for potential manipulation.

SANCTIONS

9. The Firm does not have any prior relevant disciplinary history specifically related to supervising properly for potentially manipulative trading activity.

10. In light of the alleged rule violations described above, the Firm consents to the imposition of the following sanctions:

    a. A censure; and

    b. A monetary fine in the amount of $47,000.

If this Letter of Consent is accepted, the Firm acknowledges that it shall be bound by all terms, conditions, representations, and acknowledgements of this Letter of Consent, and, in accordance with the provisions of Exchange Rule 8.3, waives the right to review or to defend against any of these allegations in a disciplinary hearing before a Hearing Panel. The Firm further waives the right to appeal any such decision to the Board of Directors, the U.S. Securities and Exchange Commission, a U.S. Federal District Court, or a U.S. Court of Appeals.

The Firm waives any right to claim bias or prejudgment of the Chief Regulatory Officer ("CRO") in connection with the CRO's participation in discussions regarding the terms and conditions of this Letter of Consent, or other consideration of this Letter of Consent, including acceptance or rejection of this Letter of Consent.

The Firm agrees to pay the monetary sanction upon notice that this Letter of Consent has been accepted and that such payment is due and payable. The Firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The Firm understands that submission of this Letter of Consent is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the CRO, pursuant to Exchange Rule 8.3. If the Letter of Consent is not accepted, it will not be used as evidence to prove any of the allegations against the Firm.

The Firm understands and acknowledges that acceptance of this Letter of Consent will become part of its disciplinary record and may be considered in any future actions brought by Cboe or any other regulator against the Firm. The Letter of Consent will be published on a website maintained by the Exchange in accordance with Exchange Rule 8.18.

The Firm understands that it may not deny the charges or make any statement that is inconsistent with the Letter of Consent. The Firm may attach a Corrective Action Statement to this Letter of Consent that is a statement of demonstrable corrective steps taken to prevent future misconduct. Any such statement does not constitute factual or legal findings by the Exchange, nor does it reflect the views of the Exchange or its staff.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this Letter of Consent and has been given a full opportunity to ask questions about it; that it has agreed to the Letter of Consent's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce the Firm to submit it.

Date: January 24, 2024

Goldman Sachs & Co. LLC

By: [redacted]

Name: Colleen M. O'Brien

Title: Managing Director