



Goldman, Sachs & Co. Policy Statement Regarding Compliance with Regulation NMS's Order Protection Rule

Dear Client:

As we recently informed you, the Securities and Exchange Commission adopted the Order Protection Rule as one of several market structure amendments adopted in Regulation NMS. Among other things, the Order Protection Rule imposes a series of order handling obligations on exchanges, market makers and broker-dealers. This statement confirms how Goldman, Sachs & Co. ("Goldman Sachs") handles customer orders in light of the requirements of the Order Protection Rule.

The Order Protection Rule prohibits exchanges, market makers and broker-dealers from "trading through" protected quotations for any NMS security, namely stocks. Protected quotations are the best bids and offers on each of the national and regional exchanges and the NASD's Alternative Display Facility ("ADF"). A "trade through" occurs when a market participant executes an order at a price that is inferior to the protected quotations displayed in these markets. Therefore, when executing your stock order, Goldman Sachs will be prohibited from effecting that transaction at a price that is lower (higher) than the best bids (offers) in the market, without first satisfying those better-priced protected quotations.

The Order Protection Rule contains various exceptions that, under certain circumstances, permit the execution of trades at prices that would otherwise constitute a trade-through. However, in instances where no other exception is available, we intend to use a special order type designated by the SEC (known as an "intermarket sweep order" ("ISO")) to sweep the market and execute any better-priced quotations. In any transaction where the firm commits capital, you may choose to waive the fills resulting from the ISOs. If you elect this option, Goldman Sachs will still be required to satisfy those better-priced quotations and the benefit of those executions will be factored into your negotiated price. Alternatively, you may elect to receive the ISO executions directly, in which case your transaction price will reflect the receipt of those better-priced executions and, accordingly, will differ from the originally-negotiated price. Although the mechanics may differ, with either choice, you will receive the benefit of the better priced quotations.

If you elect to receive fills resulting from ISOs directly, you need not take any action; we will provide you with those executions in the absence of any instructions to the contrary. If you elect to waive the fills resulting from ISOs, you may negotiate a waiver on an order-by-order basis or grant a blanket waiver by signing the attached "Consent of Waiver" form and returning it to your Goldman Sachs representative.

We look forward to providing you with the level of service and execution quality that you have come to expect from us. Please contact your Goldman Sachs representative should you have any questions.

Sincerely,
Goldman, Sachs & Co.

Consent to Waiver Form

By my signature, I acknowledge that I have read and understood the *Goldman, Sachs & Co. Policy Statement Regarding Compliance with Regulation NMS's Order Protection Rule* and, in instances where Goldman, Sachs & Co. uses one or more intermarket sweep orders ("ISOs") in compliance with the Order Protection Rule requirements of Regulation NMS, I hereby elect to waive receipt of any better-priced executions received by Goldman, Sachs & Co. in connection with those ISOs. I understand that Goldman, Sachs & Co. will still be required to satisfy any protected quotations in the market and that, by waiving receipt of any such executions, my order may not be executed at as favorable a price as may have been available had I accepted such executions.

Name of Client: _____

By: _____

Name: _____

Title: _____

Date: _____