



Eric S. Brown  
Senior Director

FINRA | Department of Enforcement  
Brookfield Place | 200 Liberty Street  
11<sup>th</sup> Floor  
New York, NY 10281  
Phone: 212.858.4308  
Email: Eric.Brown@FINRA.org

**Via Certified Mail, Return Receipt Requested (7021 1970 0002 3047 7831), First Class Mail and Email (colleen.obrien@gs.com)**

June 22, 2022

Goldman Sachs & Co. LLC  
Attn: Colleen O'Brien  
Managing Director  
200 West Street  
New York, NY 10282-2198

**RE: Payment of Fine in Connection with Executed Letter of Consent**

**FINRA Matter No. 2019061061111**

Dear Ms. O'Brien:

Enclosed is an executed copy of the Letter of Consent ("LOC"), signed by Colleen O'Brien, Managing Director at Goldman Sachs & Co. LLC (the "Firm"), and countersigned by Edward Deitzel, Executive Vice President and Chief Regulatory Officer, for the Business Conduct Committee, at the Miami International Securities Exchange, LLC ("MIAX" or the "Exchange") on **June 22, 2022**. Please consider this correspondence as notice to the Firm that this LOC has been accepted, and as a result, the Firm must promptly remit payment of the agreed upon sanction. Please make the payment to Miami International Securities Exchange, LLC.

By Mail:

Make a Firm check or bank check payable to "MIAX Options" and return your payment to the following address:

Goldman Sachs & Co., LLC

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By Wire:

If payment is by wire, wiring instructions are as follows:

Pursuant to MIAX Rule 1011, after seven calendar days' notice in writing, the Exchange may summarily suspend a Member that fails to pay promptly a fine when such fine becomes finally due and payable.

If you have any questions regarding this matter, please contact me at 212-858-4308.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric S. Brown". The signature is fluid and cursive, with a small "x" mark at the end.

Eric S. Brown  
Senior Director

Enclosure

cc: Larry O'Leary, VP Regulation, Miami International Securities Exchange, LLC  
(via e-mail to [loley@miaxoptions.com](mailto:loley@miaxoptions.com))

*This letter is issued on behalf of the Miami International Securities Exchange, LLC, by FINRA's Department of Enforcement pursuant to a grant of authority to FINRA. Accordingly, this constitutes a letter by the Miami International Securities Exchange, LLC.*

**MIAMI INTERNATIONAL SECURITIES EXCHANGE, LLC**  
**LETTER OF CONSENT**  
**NO. 2019061061111**

TO: Miami International Securities Exchange, LLC  
c/o Department of Enforcement  
Financial Industry Regulatory Authority (“FINRA”)

RE: Goldman Sachs & Co. LLC, Respondent  
Broker-Dealer  
CRD No. 361

Pursuant to Rule 1003 of the Rules of the Miami International Securities Exchange, LLC (“MIAX”), Goldman Sachs & Co. LLC (the “firm”) submits this Letter of Consent (“LOC”) for the purpose of proposing a settlement of the alleged rule violations described below. This LOC is submitted on the condition that, if accepted, MIAX will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

**I.**

**ACCEPTANCE AND CONSENT**

- A. The firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of MIAX, or to which MIAX is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by MIAX:

**BACKGROUND**

The firm has been registered as a MIAX member since January 2013. Goldman is a full-service broker-dealer engaged in, among other things, market making, execution services, and underwriting. The firm is headquartered in New York, New York, and has approximately 8,700 registered individuals. The firm does not have relevant disciplinary history.

**SUMMARY**

1. This matter arises from a 2019 examination of the firm conducted by FINRA’s Department of Market Regulation on behalf of MIAX and other options exchanges. The examination reviewed for, among other things, Goldman’s compliance with the recordkeeping requirements of Rule 17a-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and MIAX recordkeeping rules, as well as related supervision, from January 2017 to December 2020 (the “Relevant Period”).
2. The examination found that during the Relevant Period the firm violated MIAX Rule 300 by failing to establish, maintain, and enforce a supervisory system reasonably

designed to comply with the federal securities laws and MIAX rules related to recordkeeping.

### **FACTS AND VIOLATIVE CONDUCT**

3. The recordkeeping provisions of the federal securities laws and MIAX rules are designed to ensure that regulators have access to important information about securities transactions. Access to complete and accurate transaction records is essential for effective surveillance and examination of broker-dealers by MIAX and other regulators.
4. Exchange Act § 17(a) and Exchange Act Rule 17a-3(a)(6)(i) thereunder require broker-dealers, such as Goldman, to create a memorandum of each brokerage order, and of any other instruction, given or received for the purchase or sale of securities, whether executed or unexecuted. The rule requires the memorandum to show, among other things, the time of order entry.<sup>1</sup>
5. MIAX Rule 300 provides that “no Member shall engage in conduct in violation of the Exchange Act, the By-Laws or the Rules of the Exchange, or the Rules of the Clearing Corporation insofar as they relate to the reporting or clearance of any Exchange Transaction, or any written interpretation thereof. Every Member shall so supervise persons associated with the Member as to assure compliance therewith.”
6. During the Relevant Period, the firm failed to establish and maintain a supervisory system that was reasonably designed to assure compliance with the recordkeeping provisions of the federal securities laws and MIAX rules that require the accurate documentation of option order transmission times. Specifically, firm personnel responsible for reviewing manual options order tickets entered by the relevant trading desks failed to verify that those tickets included the time at which the orders were transmitted to options exchanges. The firm had no automated system or exception reports reasonably designed to verify that traders were recording options order transmission times as required or that supervisors were appropriately reviewing the order tickets to detect instances when the transmission time was omitted. The firm remediated these deficiencies as of December 2020.
7. As a result, the firm violated MIAX Rule 300.

B. The firm also consents to the imposition of the following sanctions:

1. Censure; and
2. A total fine in the amount of \$221,500 (\$5,000 payable to MIAX).<sup>2</sup>

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<sup>1</sup> Rule 17a-3(a)(6) defines the time of order entry as “the time when the member, broker or dealer transmits the order or instruction for execution.”

<sup>2</sup> The remainder of the fine shall be allocated to BOX Exchange LLC, Cboe Exchange, Inc., Cboe C2 Exchange, Inc., Cboe BZX Exchange, Inc., Cboe EDGX Exchange, Inc., MIAX Emerald, LLC, MIAX PEARL, LLC, Nasdaq

The firm agrees to pay the monetary sanction upon notice that this LOC has been accepted and that such payment is due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

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 sanctions imposed herein shall be effective on a date set by MIAX.

## **II.**

### **WAIVER OF PROCEDURAL RIGHTS**

The firm specifically and voluntarily waives the following rights granted under MIAX Rules:

- A. To have a Statement of Charges issued specifying the allegations against the firm;
- B. To be notified of the Statement of Charges and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a Hearing Panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to MIAX's Board of Directors and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudice of the Chief Regulatory Officer ("CRO"), as well as the Business Conduct Committee ("BCC"), in connection with participation in discussions regarding the terms and conditions of this LOC, or other consideration of this LOC, including acceptance or rejection of this LOC.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of MIAX Rule 1006, in connection with such person's or body's participation in discussions regarding the terms and conditions of this LOC, or other consideration of this LOC, including its acceptance or rejection.

### III.

#### OTHER MATTERS

The firm understands that:

- A. Submission of this LOC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the CRO and the BCC, pursuant to MIAX Rule 1003;
- B. If this LOC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and
- C. If accepted:
  - 1. This LOC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by MIAX or any other regulator against the firm;
  - 2. This AWC will be published on a website maintained by MIAX; and
  - 3. The firm may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this LOC or create the impression that the LOC is without factual basis. The firm may not take any position in any proceeding brought by or on behalf of MIAX, or to which MIAX is a party, that is inconsistent with any part of this LOC. Nothing in this provision affects the firm's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which MIAX is not a party.
- D. The firm may attach a Corrective Action Statement to this LOC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm understands that it may not deny the charges or make any statement that is inconsistent with the LOC in this Statement. This Statement does not constitute factual or legal findings by MIAX, nor does it reflect the views of MIAX 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 LOC and has been given a full opportunity to ask questions about it; that it has agreed to the LOC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

March 30, 2022

\_\_\_\_\_  
Date

Respondent

Goldman Sachs & Co. LLC

*Colleen M. O'Brien*

By: \_\_\_\_\_

Colleen M. O'Brien

Name: \_\_\_\_\_

Managing Director

Title: \_\_\_\_\_

Accepted by Miami International Securities Exchange, LLC:

June 22, 2022

\_\_\_\_\_  
Date

*Ed Deitzel*

\_\_\_\_\_  
Edward Deitzel

Executive Vice President and

Chief Regulatory Officer

Miami International Securities Exchange, LLC

Decision of the Business Conduct Committee:

Accept       Decline

June 22, 2022

\_\_\_\_\_  
Date

*Ed Deitzel*

\_\_\_\_\_  
By: Edward Deitzel

For the Business Conduct Committee

### ELECTION OF PAYMENT FORM

The firm intends to pay the fine proposed in the attached Letter of Consent by the following method (check one):

- A firm check or bank check for the full amount
- Wire transfer

Respectfully submitted,  
Respondent  
Goldman Sachs & Co. LLC

March 30, 2022

\_\_\_\_\_  
Date

*Colleen M. O'Brien*  
By: \_\_\_\_\_  
Name: Colleen M. O'Brien  
Title: Managing Director  
\_\_\_\_\_