Goldman Sachs

The New SEC Exchange Act Rule 13h-1 – Large Trader Reporting

On July 26, 2011, the U.S. Securities and Exchange Commission adopted Exchange Act Rule 13h-1 (the "Large Trader Reporting Rule" or the "Rule").

The Large Trader Reporting Rule requires large traders to register with the SEC and obtain a large trader ID ("LTID"). The Rule defines a *large trader* as:

any person that:

(i) Directly or indirectly, including through other persons controlled by such person, exercises investment discretion over one or more accounts and effects transactions for the purchase or sale of any NMS security for or on behalf of such accounts, by or through one or more registered broker-dealers, in an aggregate amount equal to or greater than
   a. During a calendar day, either two million shares or shares with a fair market value of $20 million; or
   b. During a calendar month, either twenty million shares or shares with a fair market value of $200 million; or

(ii) Voluntarily registers as a large trader by filing electronically with the Commission Form 13H.

(See Exchange Act Rule 13h-1(a)(1) and (7))

Under the Rule, large traders must register with the SEC on Form 13H by December 1, 2011.

We encourage clients to speak with their legal counsel to determine the applicability of the Rule (http://www.sec.gov/rules/final/2011/34-64976.pdf) to their activities and to assist them in the registration process, if applicable, prior to the December 1, 2011 deadline.