

Important Reminder: Prohibited Trading Practices Relating to Odd-Lot Orders

To: All REDIPlus Users

Date: 12/07/2006

The purpose of this notice is to remind all REDIPlus users of exchange rules regarding the transmission of odd-lot orders to the New York Stock Exchange, Inc. ("NYSE"), American Stock Exchange, Inc. ("AMEX" and Archipelago Exchange ("ArcaEx").

Exchange odd-lot systems are intended to afford member firms and their customers an efficient order execution system compatible with the odd-lot investing practices of smaller investors. Use of an exchanges odd-lot system as a professional trading vehicle is prohibited, i.e., traders cannot utilize odd-lot trading practices to circumvent the round-lot auction market.

Generally, exchange rules prohibit the following odd lot trading practices by member firms and their customers:

- Unbundling round-lots for the purpose of entering odd-lot orders in comparable amounts;
- Failing to aggregate odd-lot orders into round-lots when such orders are for the same account or for various accounts in which there is common monetary interest;
- Combining odd lot orders given by different customers into a round lot order or orders;
- Entering both buy and sell odd-lot limit orders in the same stock before one of the orders is executed, for the purpose of capturing the "spread" in the stock;
- Other types of trading activity in odd-lot orders that are not consistent with traditional odd-lot investment activity, including index arbitrage, certain types of program trading or any pattern of activity that would suggest day trading – not including "PRLs" (part of round-lots).

If you or your customers engage in program trading activity that may include a relatively small number of odd-lot limit orders as part of your overall program, please contact us to discuss whether such activity is permitted under SRO rules.

For your information, NYSE Information Memo 04-14 discusses the odd-lot practices prohibited by the NYSE. You should also reference the odd-lot trading practices rules of the NYSE, AMEX and Pacific Exchange, in the case of ArcaEx.

If you have any questions regarding this notice, please contact your Goldman Sachs Execution & Clearing, L.P. client coverage representative.