

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9017 / March 17, 2009

Administrative Proceeding File No. 3-13394

In the Matter of

**Goldman Sachs Execution & Clearing,
L.P. and SLK-Hull Derivatives LLC,**

Respondents.

**CORRECTED ORDER UNDER RULE
602(e) OF THE SECURITIES ACT OF
1933 GRANTING A WAIVER OF THE
RULE 602(c)(3) DISQUALIFICATION
PROVISION**

I.

Goldman Sachs Execution & Clearing, L.P. and SLK-Hull Derivatives LLC (collectively, the “Respondents”) have submitted a letter, dated October 29, 2008, requesting a waiver of the Rule 602(c)(3) disqualification from the exemption from registration under Regulation E arising from Respondents’ settlement of an administrative proceeding commenced by the Commission.

II.

On March 4, 2009, pursuant to Respondents’ Offer of Settlement, the Commission issued an Order Instituting Proceedings Pursuant to Sections 15(b)(4) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Orders, Penalties, and Other Relief against Respondents. The Commission Order found that, from 1999 through 2005, Respondents violated their basic obligations as specialists to serve public customer orders over their own proprietary interests while executing trades on the American Stock Exchange¹ (“AMEX”), the Chicago Board Options Exchange (“CBOE”), and the Philadelphia Stock Exchange (the “PHLX”), in violation of Section 11(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 11b-1 thereunder, and the following Exchange rules in effect during the Relevant Period: AMEX rules 150(a), 150(b), 155 and 170(d); CBOE rules 8.80 and 8.85; and PHLX rules 1020(c), 1019 and 707. In the Order, the Commission censured the Respondents, ordered them to cease and desist from committing future violations of Section 11(b) of the Exchange Act and Rule 11b-1 thereunder, and ordered the

¹ On October 1, 2008, AMEX was acquired by NYSE Euronext and has since been renamed NYSE Alternext US LLC.

Respondents to pay disgorgement of \$6 million and a civil money penalty of \$1.2 million.

The Regulation E exemption is unavailable for the securities of small business investment company issuers or business development company issuers if, among other things, any investment adviser or underwriter of the securities to be offered is “subject to an order of the Commission pursuant to section 15(b) of the Exchange Act.” *See* Rule 602(c)(3) of the Securities Act of 1933 (“Securities Act”). Rule 602(e) provides, however, that the disqualification “shall not apply . . . if the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the exemption be denied.”

III.

Based upon the representations set forth in Respondents’ request, the Commission has determined that pursuant to Rule 602(e) under the Securities Act, a showing of good cause has been made that it is not necessary under the circumstances that the exemption be denied as a result of the Order.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act, that a waiver from the application of the disqualification provision of Rule 602(c)(3) under the Securities Act resulting from the entry of the Order is hereby granted.

By the Commission.

Elizabeth M. Murphy
Secretary