



Valued Clients:

We live in a complex world where technology is driving the evolution of market structure at an exponentially increasing pace. Improved technology has fostered greater competition, lowered barriers to entry for new participants, and increased the total amount of liquidity available in the market. However, this evolution has come at the cost of much greater complexity in our markets.

Recently, much has been written about the need for greater transparency in our securities markets broadly and, of late, this topic has been connected to the dialogue about non-displayed liquidity (so called "dark pools"), and certain order routing practices. However, today, U.S. cash equities operate in one of the more transparent market environments. Trades are reported to the Consolidated Tape, and regulations applicable to this market, such as Regulation NMS, are quite prescriptive with regard to the manner in which orders are executed.

I actually view the current discussion on transparency in U.S. cash equities as an attempt to understand an increasingly complex market structure and set of order routing practices. Currently, it may be difficult for all market participants to clearly understand what transactions have taken place in which liquidity pool, how each pool chooses to disclose its volumes, and, furthermore, how those volumes are accounted for.

To that end, we support the recent suggestion of more disclosure with regards to where transactions have taken place, as well as a move to a standardized volume reporting regime. This will make it easier to compare market venues and understand the true relative size of each liquidity pool. More specifically, we support the reporting of "single-counted" and "matched only" volume as a standard, similar to what exchanges have followed for some time. We believe these suggestions will go a long way to increase transparency, confidence in our industry, and the understanding of our complex market structure.

Accordingly, starting in June, 2009, all SIGMA X volumes will be reported on the basis of a **single-count** of customer-to-customer shares executed in the SIGMA X ATS. It is our hope that the industry will adopt a similar reporting practice as soon as practically possible.

Thank you,

Greg Tusar
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