In the Matter of the Arbitration Between:

Claimant
Tracy Landow

vs.

Respondents
Goldman Sachs & Co.
John D. Blondel, Jr.

Nature of the Dispute: Customer vs. Member and Associated Person
The case proceeded under the Optional All Public Panel Rule/All Public Panel

REPRESENTATION OF PARTIES

Claimant Tracy Landow, hereinafter referred to as “Claimant”: Martin P. Unger, Esq., Burkhart Wexler & Hirschberg, LLP, Garden City, New York.


CASE INFORMATION

Statement of Claim filed on or about: May 20, 2011.
Tracy Landow signed the Submission Agreement: May 17, 2011.

Joint Statement of Answer filed by Respondents on or about: August 22, 2011
Goldman Sachs & Co. signed the Submission Agreement: August 10, 2011.
John D. Blondel, Jr. signed the Submission Agreement: August 10, 2011.

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized trading, unsuitability, misrepresentation, and failure to supervise. The causes of action relate to the Goldman Sachs Special Opportunities Fund 2006.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.
RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages in the amount of $1,850,000.00, rescission, an award of damages in an amount to be proven at hearing for the unauthorized and unsuitable securities placed in her account by Blondel, punitive damages, interest, attorneys' fees, and costs.

At the hearing, Claimant requested rescission of the Goldman Sachs Special Opportunity Fund 2006 contract ($2,302,633.00) and expert witness fees in the amount of $39,000.00.

Respondents request the Statement of Claim be dismissed and denied in its entirety, expungement of Blondel's CRD records, expenses, expert fees, all arbitration related costs, and such other and further relief as the Panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

After conclusion of Claimant's case-in-chief, Respondents made an oral Motion to Dismiss and Claimant objected. After due deliberation, the Panel denied Respondents' Motion.

The Panel conducted a recorded telephonic expungement hearing on March 8, 2013 so the parties could present oral argument on Blondel's request for expungement of his CRD records.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, it is held that the Special Opportunities Fund subscription agreement (Respondent's Exhibit 49), an essential step in this transaction, is defective and invalid, and rescission is granted. It is noted that, if the majority of the Panel did not determine that the Special Opportunities Fund subscription agreement was defective and invalid, the majority of the Panel would have held that this very complex instrument is unsuitable for Claimant, who is not a sophisticated investor, and that expungement would not have been granted. The majority of the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Goldman Sachs is liable for and shall pay to Claimant compensatory damages in the amount of $1,608,908.00.

2. Goldman Sachs is liable for and shall pay to Claimant interest at the rate of 9% per annum from October 1, 2006 to April 1, 2013.
3. Goldman Sachs is liable for and shall pay to Claimant expert witness fees in the amount of $39,000.00.

4. Claimant’s interest in the Goldman Sachs Special Opportunities Fund 2006 shall revert to Goldman Sachs. Claimant shall transfer her interest in the Goldman Sachs Special Opportunities Fund 2006 to Goldman Sachs within 30 days from the date of the award.

5. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent John D. Blondel, Jr.’s (CRD # 1491113) registration records maintained by the Central Registration Depository (“CRD”), with the understanding that, pursuant to Notice to Members 04-16, Respondent John D. Blondel, Jr. must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 12805 of the Code, the arbitration panel has made the following Rule 2080 affirmative finding of fact:

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

The arbitration panel made the above Rule 2080 finding based on the following reasons: Blondel did not supervise execution of the defective agreement and is not responsible for the Special Opportunity Fund and the transactions that followed.

6. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees
FINRA Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing Fee = $1,800.00

*The filing fee is made up of a non-refundable and a refundable portion.
**Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Goldman Sachs & Co. is assessed the following:

<table>
<thead>
<tr>
<th>Fee</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Member Surcharge</td>
<td>$2,800.00</td>
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<tr>
<td>Pre-Hearing Processing Fee</td>
<td>$750.00</td>
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<tr>
<td>Hearing Processing Fee</td>
<td>$5,000.00</td>
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**Hearing Session Fees and Assessments**

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

- **Four (4) Pre-hearing sessions with Panel @ $1,200.00** = $4,800.00
- **Pre-hearing conferences:**
  - November 9, 2011 1 session
  - May 31, 2012 1 session
  - June 14, 2012 1 session
  - August 6, 2012 1 session

- **Twenty (20) Hearing sessions @ $1,200.00** = $24,000.00
  - **Hearing Dates:**
    - May 21, 2012 2 sessions
    - May 22, 2012 2 sessions
    - May 23, 2012 2 sessions
    - May 24, 2012 2 sessions
    - May 25, 2012 2 sessions
    - September 24, 2012 2 sessions
    - February 4, 2013 2 sessions
    - February 5, 2013 2 sessions
    - February 7, 2013 2 sessions
    - February 8, 2013 2 sessions

- **One (1) Hearing session on expungement request @ $1,200.00** = $1,200.00
  - **Hearing Date:** March 8, 2013 1 session

**Total Hearing Session Fees** = $30,000.00

1. The Panel has assessed $7,200.00 of the hearing session fees to Claimant.
2. The Panel has assessed $21,600.00 of the hearing session fees jointly and severally to Respondents.
3. The Panel has assessed the $1,200.00 hearing session fees for the expungement hearing to Blondel.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.
ARBITRATION PANEL

Fern Sue Reidman - Public Arbitrator, Presiding Chairperson
April D. Bowie - Public Arbitrator
Susan Manca - Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures

April D. Bowie
Public Arbitrator

May 8, 2013
Signature Date

Susan Manca
Public Arbitrator

Signature Date

Concurring In Part, Dissenting In Part Arbitrator's Signature

I respectively dissent from part of the determination made by the Panel. Based on the evidence submitted at the hearing and the testimony of the parties and experts, I find the Special Opportunity Fund was a suitable investment. I find Respondents' case to be more persuasive, finding for both Blondel and Goldman Sachs that the Special Opportunity Fund should not be rewound. The Panel has chosen to base their determination case on the contents of Respondents' document #49, which appears to my colleagues as flawed, rather than the suitability elements of the case. While this document may be of concern, I believe it is de minimis in regard to the totality of the whole case and consequently their determination appears to be incorrect. I concur with the decision to grant expungement of Blondel's CRD records. However, under Rule 2080 I would select "The claim, allegation, or information is false".

Fern Sue Reidman
Public Arbitrator

Signature Date

May 9, 2013
Signature Date

Date of Service (For FINRA Dispute Resolution office use only)
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Fern Sue Reidman
Public Arbitrator
Signature Date

May 9, 2013
Date of Service (For FINRA Dispute Resolution office use only)