UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

March 12, 2018

Beverly L. O'Toole
The Goldman Sachs Group, Inc.
beverly.otoole@gs.com

Re: The Goldman Sachs Group, Inc.
Incoming letter dated December 28, 2017

Dear Ms. O'Toole:

This letter is in response to your correspondence dated December 28, 2017 and February 5, 2018 concerning the shareholder proposal (the "Proposal") submitted to The Goldman Sachs Group, Inc. (the "Company") by the Unitarian Universalist Association et al. for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Unitarian Universalist Association dated January 29, 2018. Copies of all of the correspondence on which this response is based will be made available on our website at http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair
Senior Special Counsel

Enclosure

cc: Timothy Brennan
Unitarian Universalist Association
tbrennan@uua.org

March 12, 2018

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: The Goldman Sachs Group, Inc.
Incoming letter dated December 28, 2017

The Proposal requests that the Company prepare a report on lobbying expenditures that contains information specified in the Proposal.

We are unable to conclude that the Company has met its burden of establishing that it may exclude the Proposal under rule 14a-8(i)(5). Although your discussion of the board's analysis sets forth several factors the board considered in evaluating the Proposal, it does not provide a sufficient level of detail to reach a determination that exclusion of the Proposal is appropriate. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(5).

Sincerely,

Evan S. Jacobson
Special Counsel

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

200 West Street | New York, New York 10282
Tel: 212-357-1584 | Fax: 212-428-9103 | e-mail: beverly.otoole@gs.com

Beverly L. O'Toole
Managing Director
Associate General Counsel

Goldman Sachs

February 5, 2018

Via E-Mail to shareholderproposals@sec.gov

Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549

Re: The Goldman Sachs Group, Inc.
Supplemental Letter Regarding Shareholder Proposal of Unitarian Universalist Association

Ladies and Gentleman:

On December 28, 2017, The Goldman Sachs Group, Inc. (the "Company") submitted a letter (the "No-Action Request") notifying the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") that the Company intends to omit from the proxy statement and form of proxy for the Company's 2018 Annual Meeting of Shareholders (collectively, the "2018 Proxy Materials") a shareholder proposal (including its supporting statement, the "Proposal") received from Unitarian Universalist Association, as primary proponent, and on behalf of several co-filers listed at the end of this letter (together, the "Proponents").

The No-Action Request indicated the Company's belief that it may properly omit the Proposal from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(5) because the Proposal relates to operations that account for less than five percent of the Company's total assets at the end of its most recent fiscal year, and for less than five percent of its net earnings and its gross sales for its most recent fiscal year, and is not otherwise significantly related to the Company's business. Subsequently, Unitarian Universalist Association submitted a letter dated January 29, 2018 responding to the No-Action Request (the "Response Letter"). This letter responds to the Response Letter, and is being sent concurrently to the Proponents.

The Response Letter first asserts that the quantitative tests in Rule 14a-8(i)(5) do not apply to the Proposal because "lobbying does not constitute 'operations.'" Respectfully, we do not believe that this view is consistent with the history of Rule 14a-8(i)(5) or with the express text of the Proposal. As the Commission has explained, the analysis concerns whether the "the subject of the proposal represent[s] less than 5% of total assets, gross sales, and net earnings" of a company. Exchange Act Release No. 19135 (Oct. 14, 1982). As a result, the Staff has concurred with the exclusion under Rule 14a-8(i)(5) and its predecessor of shareholder proposals—like the Proposal—that address company operations beyond segments or product lines. *See, e.g., Whirlpool Corp.* (avail. Feb. 22, 1991) (concurring with the exclusion of a proposal requesting that the company prepare a report regarding worker and job relocation because the "quantifiable amounts associated with the [c]ompany's relocation activities" were "substantially less-than the five-percent tests under rule 14a-8(c)(5)."); *American Home Products Corp.* (avail. Feb. 11, 1991) (same); *American Telephone & Telegraph Co.* (avail. Jan. 17, 1990) (same). Further, as discussed in more detail below, the Proposal concerns the Company's lobbying *expenditures*, not all aspects of the Company's lobbying *activities*. These expenditures can be easily quantified and thus can be analyzed using the economic tests in Rule 14a-8(i)(5), unlike the example (independent chair shareholder proposals) provided in the Response Letter.

The Response Letter next asserts that the Proposal relates not to the Company's lobbying expenditures but to all aspects of the Company's business that could be impacted by the matters on which the Company lobbies, such as Dodd-Frank, the Volcker Rule and derivatives. Such an interpretation would seem to be inconsistent with Staff precedent. For example, in *Hewlett-Packard Co.* (avail. Jan. 7, 2003), the Staff concurred with the exclusion under Rule 14a-8(i)(5) of a proposal requesting that the company cease operations in Israel because, among other things, the company's operations *in Israel* did not exceed the 5% tests in the Rule. The Staff did not require the company to engage in speculation about the various other aspects of the company's business that could be impacted by the company's Israeli operations. We also believe that the express text of the Proposal and the Proponents' prior characterizations of the Proposal demonstrate that the Proposal relates to the Company's lobbying expenditures, not all of its "lobbying activities." For example, while the sole recital in the Proposal (which only provides background) refers to both "activities and expenditures," the Resolved clause and rest of the Proposal focuses on—as stated in the Proponents' cover letter that accompanied the Proposal—"disclosing the [C]ompany's lobbying *expenditures*, policies and procedures," including what the Proposal describes as "transparency and accountability in [the Company's] use of corporate funds." In contrast, the cover letter accompanying the Response Letter recasts the Proposal by noting the Proposal "asks [the Company] to report annually to shareholders on its lobbying *activities*, including" its expenditures and related policies.

Moreover, the Response Letter's discussion regarding Dodd-Frank, the Volcker Rule and derivatives does not demonstrate any significant connection between the subject matter of the Proposal and the Company's business. While, as disclosed in its filings with the Commission, the Company is subject to extensive regulation, it is inaccurate to conclude that because the Company expends funds on lobbying, the Proposal "relates to" all of the Company's operations that could be impacted by regulations. This reasoning would render the quantitative tests in Rule

14a-8(i)(5) virtually meaningless—any lobbying, regardless of significance, would "relate to" and be measured by significant aspects of a company's business simply because such company operates within a regulated environment. There would be no difference between companies rarely engaging in lobbying and companies devoting substantial resources to lobbying. And of course companies like the Company focus their lobbying activities on matters related to their customers and business, but that does not mean that the Company is dependent on those activities. Further, we do not agree that unsubstantiated, third-party news articles (some of which were published almost ten years ago) about those activities demonstrate a significant relationship between the Company's lobbying expenditures and the regulations discussed in the Response Letter.

Finally, the Company respectfully disagrees with the discussion in the Response Letter asserting that the Proposal relates to activities that are otherwise significantly related to its business. As previously discussed, the Company's unsubstantial lobbying expenditures discussed in the No-Action Request are not otherwise significantly related to its business simply because the Company's operations are regulated. Further, the Response Letter fails to meet the Proponents' burden to demonstrate how the Proposal is significantly related to the Company's business. For example, the Board's analysis was based on a review of the various factors relevant to the Proposal, including that the Company does not engage in many of the activities addressed in the Proposal and, where it does, provides most of the disclosures requested by the Proposal. Citing factors outside the scope of the Proposal, such as how a "trade association use[s] . . . payments" for their own "lobbying activities" is not relevant for these purposes. Moreover, the Board's existing oversight of lobbying matters does not dictate that these matters are otherwise significantly related to the Company's business but instead demonstrates the Board's decision to oversee these expenditures.

We also note that the Company's shareholders voted on nearly identical shareholder proposals at the Company's 2012 and 2013 Annual Meetings of Shareholders. Like the Proposal, each of those shareholder proposals requested a report disclosing the Company's lobbying expenditures and related policies, expressed the need for "transparency and accountability" regarding the use of Company funds to influence legislation, and expressed concern that, absent that "system of accountability," Company assets could be used for objectives "contrary to [the Company's] long-term interests." Those proposals were resoundingly rejected by the Company's shareholders: only 8.4% and 6.3% of votes cast, respectively, voted for increased disclosures of lobbying expenditures by the Company.[1] This reconfirms the Board's determination that shareholders do not view the Company's reporting on lobbying expenditures as significantly related to the Company's business.

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[1] Abstentions and broker non-votes were not included for purposes of this calculation, consistent with Staff Legal Bulletin No. 14, Question F.4 (July 13, 2001).

For these reasons and as described in the No-Action Request, the Company believes that the Proposal is excludable from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(5). Should you have any questions or if you would like any additional information regarding the foregoing, please do not hesitate to contact me (212-357-1584; Beverly.OToole@gs.com) or Jamie Greenberg (212-902-0254; Jamie.Greenberg@gs.com). Thank you for your attention to this matter.

Very truly yours,

Beverly L. O'Toole

Beverly L. O'Toole

cc: Timothy Brennan. Unitarian Universalist Association
Sr. Rose Mare Stallbaumer, OSB, Monasterio Pan de Vida
Rev. Sèamus Finn, OMI, OIP Investment Trust

January 29, 2018

Via e-mail at shareholderproposals@sec.gov

Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Re: Request by The Goldman Sachs Group to omit proposal submitted by Unitarian Universalist Association and co-filers

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, the Unitarian Universalist Association and co-filers (together, the "Proponents") submitted a shareholder proposal (the "Proposal") to The Goldman Sachs Group, Inc. ("Goldman" or the "Company"). The Proposal asks Goldman to report annually to shareholders on its lobbying activities, including policies and procedures governing lobbying, payments made for lobbying (directly and indirectly), membership in and payments to any tax-exempt organization that writes and endorses model legislation and the process by which the Board and management make decisions regarding expenditures used for lobbying.

In a letter to the Division dated December 28, 2017, Goldman stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company's 2018 annual meeting of shareholders. Goldman argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(5), on the ground that the Proposal is not sufficiently related to Goldman's business. As discussed more fully below, Goldman has not met its burden of proving it is entitled to exclude the Proposal in reliance on that exclusion and the Proponents respectfully urge that Goldman's request for relief should be denied.

UNITARIAN UNIVERSALIST ASSOCIATION

Timothy Brennan
Treasurer and Chief Financial Officer

24 Farnsworth Street, Boston MA 02210-1409 | P (617) 742-2100 | F (617) 948-6475
uua.org

The Proposal

The Proposal states:

"Resolved, the shareholders of Goldman request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Goldman used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Goldman's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's and the Board's decision making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a 'grassroots lobbying communication' is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation.

'Indirect lobbying' is lobbying engaged in by a trade association or other organization of which Goldman is a member. Both 'direct and indirect lobbying' and 'grassroots lobbying communications' include efforts at the local, state and federal levels.

The report shall be presented to the Public Responsibilities Committee and posted on Goldman's website."

The Relevance Exclusion

Rule 14a-8(i)(5) (the "Relevance Exclusion") allows a company to exclude a proposal that:

1. Relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year;
2. Relates to operations which account for less than 5 percent of the company's net earnings and gross sales for its most recent fiscal year; and

3. Is not "otherwise significantly related to the company's business."

Goldman asserts that the amount it spends on lobbying is less than .002 percent of the value of the Company's total assets at the end of FY 2016; less than two percent of the Company's net earnings during FY 2016; and less than .006 percent of Goldman's gross sales for FY 2016. Goldman claims that those comparisons satisfy the Relevance Exclusion's quantitative tests. Goldman also urges that lobbying is not otherwise significantly related to the Company's business, submitting a description of its Board's analysis of that issue in accordance with Staff Legal Bulletin 14I.

Goldman has failed to establish that it is entitled to rely on the Relevance Exclusion to omit the Proposal for three reasons:

- Because the Proposal does not concern a portion of Goldman's economic business, and lobbying does not constitute "operations," the quantitative tests do not apply.
- Even if the quantitative tests do apply, lobbying does not "relate to" only the amounts spent on lobbying; rather, lobbying relates to the parts of Goldman's business that would be affected by the matters on which Goldman lobbies. Those businesses account for more than five percent of Goldman's gross revenues and net earnings.
- Finally, lobbying is "otherwise significantly related" to Goldman's business. Goldman operates in a heavily regulated industry. Less than 10 years ago, Goldman was rescued by a federal bailout, and Goldman lobbied on numerous bailout-related matters as well as financial regulations stemming from the financial crisis.

Goldman's Lobbying Does Not "Relate to Operations" Within the Meaning of the Relevance Exclusion

The first prong of the the Relevance Exclusion is quantitative: It allows omission of a proposal that "relates to operations" that "account for" less than 5% of the company's assets, net earnings and gross sales. Goldman's argument requires us to accept the notion that lobbying is the "operations" referred to in the quantitative tests and that the appropriate comparison is between spending on lobbying, on the one hand, and Goldman's assets, gross revenues or earnings, on the other. Lobbying, however, cannot be the operations referred to in the quantitative tests without torturing the English language to the point of absurdity.

That lobbying does not fit within the Relevance Exclusion's conception of "operations" is apparent from the language used to describe the quantitative tests. First, if the operations to be used for comparison purposes is the amount spent on lobbying, the tests would be circular: the subject of the Proposal—lobbying—would

relate to operations—which are also lobbying. The subject of the Proposal and the "operations" referenced in the quantitative tests thus cannot be the same thing.

Second, the Relevance Exclusion requires an analysis of whether operations "account[] for" at least 5% of assets, gross revenues and net earnings. "Account for" means "supply or make up a specified amount or proportion."[1] In other words, the Relevance Exclusion requires that the operations to which the proposal relates must supply or make up a specified amount or proportion—less than five percent--of assets, gross revenues and net earnings in order to support omission.

The silliness of trying to shoehorn into that framework a corporate expenditure not directly involved with the company's actual business can be illustrated with an example. Consider a hypothetical manufacturing company, Globocorp, that has $10 billion in assets, mostly plant and equipment; sells $5 billion worth of products per year; and has $1 billion in expenses, yielding $4 billion a year in net earnings.

If Globocorp spends $500 million on lobbying, would we say that lobbying "accounts for" 5 percent of the company's assets? No; such a statement would be nonsensical because the lobbying expenditure did not make up any proportion of Globocorp's assets. It would be equally nonsensical to say that the $500 million in lobbying expenses "accounts for" 10% of gross revenues and 12.5% of net earnings because those revenues and earnings were supplied by selling products to customers.

By contrast, if Globocorp did $500 million in business with Microsoft in 2016, one would indeed say that the Microsoft business "accounts for" or supplies 10% of Globocorp's gross revenues and 12.5% of net earnings. If Globocorp built a new manufacturing facility whose book value was $500 million, it would be accurate to say that the facility "accounts for" or makes up five percent of the company's assets. A shareholder proposal submitted to Globocorp regarding the Microsoft business or the new manufacturing facility would therefore not be excludable under the Relevance Exclusion, though other bases in Rule 14a-8 might well support omission.

Commission statements about the scope of the Relevance Exclusion support the conclusion that its use should be confined to proposals dealing with a small part of a company's actual business. In the 1983 release adopting the proposal to add the five percent tests, the Commission stated that the Relevance Exclusion "relates to proposals concerning the functioning of the economic business of an issuer and not

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[1] https://en.oxforddictionaries.com/definition/us/account_for. The alternative meanings of "account for," which do not apply here, involve "giv[ing] a satisfactory record" of something, such as a reason for an action, the fate or whereabouts of a person or succeeding in killing, destroying or defeating something or someone.

to such matters as shareholders' rights, e.g., cumulative voting." (emphasis added)[2] It seems likely that the Commission was not declaring shareholder rights proposals specifically as inviolate, but rather trying to draw a distinction between a proposal addressing an overarching issue, one not concerned with business operations, and a proposal that addresses a portion of a company's business such as a particular product or operations in a specific country. Similarly, the 1982 release proposing that change explained that the five percent tests were appropriate because the Staff had been declining to grant no-action relief when a proposal dealt with "social or ethical issues" raised by the issuer's business and the issuer "conducted any such business, no matter how small." (emphasis added)[3]

From a policy perspective, it is not reasonable to conclude that the Commission intended to subject all proposals to a test designed to measure the importance of a segment or product line to the company's overall business. If that approach prevailed, nearly all corporate governance proposals not dealing with "shareholder rights" (as the 1983 release put it) would be vulnerable to exclusion based on the Relevance Exclusion.

A company faced with an independent chair proposal could argue that the amount it spends on board meetings is less than five percent of the company's assets, gross revenues and sales. Similarly, a company could point to the value of stock options granted each year to justify excluding a proposal asking that stock options granted to senior executives be indexed or premium-priced. The burden would then be on the proponent to show that the proposals are "otherwise significantly related to the company's business." That outcome would run counter to the purpose of Rule 14a-8.

Goldman's Lobbying Relates to Operations That Account For More Than Five Percent of the Company's Assets and Earnings

Goldman has framed the Relevance Exclusion's quantitative analysis too narrowly. Goldman's lobbying could be said to "relate to" those segments of Goldman's business that could be affected by the lobbying efforts, rather than to the amount of the lobbying expenditures themselves. Goldman's industry, global financial services, is heavily regulated: The second of 27 risk factors listed in Goldman's most recent 10-K was "Our businesses and those of our clients are subject to extensive and pervasive regulation around the world."[4] The regulatory requirements Goldman lists in that 10-K include:

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[2] Exchange Act Release No. 20091 (Aug. 16, 1983).

[3] Exchange Act Release No. 19135 (Oct. 14, 1982).

[4] 10-K for the year ended December 31, 2016 filed on Feb. 27, 2017 ("2016 10-K"), at 26.

- Goldman and its principal U.S. banking subsidiary must maintain capital, liquidity and leverage ratios set by the Basel Committee and implemented by the Federal Reserve Board (the "Fed") and other U.S. regulators; those ratios, according to Goldman, have "had a significant impact on our businesses."[5]
- Goldman is a bank holding company ("BHC") and therefore is "subject to supervision and examination by the Fed."[6]
- A set of regulations adopted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"), collectively dubbed the "Volcker Rule," limits the ability of BHCs to engage in "proprietary trading and sponsor or invest in certain kinds of funds."[7]
- Goldman's principal U.S. banking subsidiary is "supervised and regulated by the Fed, the FDIC [Federal Deposit Insurance Corporation], the New York State Department of Financial Services (NYDFS) and the U.S. Consumer Financial Protection Bureau."[8]
- The Financial Stability Board[9] has designated Goldman as a Global Systemically Important Bank,[10] which involves, among other things, total loss-absorbing capacity and minimum long-term debt requirements.[11] Dodd-Frank imposed an orderly liquidation authority ("OLA"), pursuant to which the FDIC can be appointed receiver for a systemically important institution; OLA rules supersede bankruptcy or insolvency rules that would otherwise apply.[12]
- Goldman's U.S. regulated broker-dealer subsidiaries are registered with, and regulated by, the SEC[13] and state securities regulators.[14] Non-U.S. broker-dealer subsidiaries are regulated by national authorities. Many regulators of broker-dealer subsidiaries impose capital requirements.[15]
- Goldman subsidiaries engage in transactions involving commodity futures, commodity options, swaps and other derivatives. Dodd-Frank increased regulation of swaps and security-based swaps, which are regulated by the CFTC and SEC, respectively,[16] in several ways.[17]

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[5] 2016 10-K, at 7.
[6] 2016 10-K, at 7.
[7] 2016 10-K, at 15.
[8] 2016 10-K, at 8.
[9] The Financial Stability Board ("FSB") is "an international body that sets standards and coordinates the work of national financial authorities and international standard-setting bodies." 2016 10-K, at 13. The FSB was established in 2009 as a stronger, expanded version of the Financial Services Forum "to develop and implement strong regulatory, supervisory and other policies in the interest of financial stability." (http://www.fsb.org/about/history/)
[10] 2016 10-K, at 8.
[11] 2016 10-K, at 13.
[12] 2016 10-K, at 14.
[13] 2016 10-K, at 8.
[14] 2016 10-K, at 17.
[15] 2016 10-K, at 17.
[16] 2016 10-K, at 19.

Goldman has lobbied on many of the laws and rules listed above, but its intensive efforts on two issues—the Volcker Rule and derivatives regulation—illustrate well how closely lobbying relates to some of Goldman's most profitable businesses and refute Goldman's assertion that the quantitative tests in the Relevance Exclusion support omission of the Proposal.

The Volcker Rule

Of all the reforms that emerged from the financial crisis, the most important to Goldman's business is probably the Volcker Rule.[18] Dodd-Frank, enacted to address the causes of the financial crisis and prevent future government bailouts of financial institutions, contained the prohibition on BHCs owning certain kinds of funds or engaging in proprietary (or prop) trading."

Among financial services firms, Goldman has had the most at stake in the debate over the Volcker Rule.[19] The culture of trading, and the outsized profits it can bring, was "dominant" at Goldman dating back to shortly after its acquisition of commodities trading firm J. Aron & Co. in 1981.[20] Prop trading generated more than $25 billion in revenue for Goldman in 2006.[21] In 2007, Goldman made $7.56 billion from investment banking, $31.23 billion from trading and principal investments and $7.22 billion from asset management and securitization services.[22]

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[17] 2016 10-K, at 18.

[18] Gary Rivlin & Michael Hudson, "Government by Goldman," The Intercept, Sept. 17, 2017 (https://theintercept.com/2017/09/17/goldman-sachs-gary-cohn-donald-trump-administration/) ("There was a lot for Goldman Sachs to dislike about Dodd-Frank. . . There were the measures that would interfere with Goldman's core businesses, such as a provision instructing the Commodity Futures Trading Commission to regulate the trading of derivatives. And yet nothing mattered to Goldman quite like the Volcker Rule, which would protect banks' solvency by limiting their freedom to make speculative trades with their own money.")

[19] See Sterling Wong, "What is the Volcker Rule, and What Does it Have to do with Occupy Wall Street?" Oct. 19, 2011 (http://www.minyanville.com/businessmarkets/articles/Volcker-Rule-Goldman-Sachs-American-Bankers/10/19/2011/id/37433) (citing Nomura analyst Glenn Schorr and stating that "the firm that will be affected the most by the Volcker Rule is Goldman Sachs, which acquires 48% of its total consolidated revenues from principal transactions. The rule will affect 20% of Goldman trading revenue").

[20] See Gary Rivlin & Michael Hudson, "Government by Goldman," The Intercept, Sept. 17, 2017 (https://theintercept.com/2017/09/17/goldman-sachs-gary-cohn-donald-trump-administration/).

[21] Alexander Cockburn, "Swap Meet: Wall Street's War on the Volcker Rule," Harper's, Jan. 2018 (https://harpers.org/archive/2018/01/swap-meet/).

[22] Imogen Rose-Smith, "The End of Proprietary Trading May Hit Banks' Profits But Help Their Stock Prices," Institutional Investor, Dec. 30, 2010 (https://www.institutionalinvestor.com/article/b150qf4c8vc7b2/the-end-of-proprietary-trading-may-hit-banks-profits-but-help-their-stock-prices)

In 2010, the year Dodd-Frank was enacted, Goldman's "principal" investments were almost three times the amount invested by the runner-up firm[23] and prop trading accounted for about ten percent of Goldman's revenues.[24] Adding prop trading desks with a "client-related function," according to one estimate, would have bumped that figure up to 20 percent of revenues.[25]

According to one analyst, even in 2011, a year after Dodd-Frank's passage, prop trading accounted for 48 percent of Goldman's revenues, compared with eight percent at JPMorgan Chase and 27 percent at Morgan Stanley.[26] In 2013, as the Volcker Rule regulations were about to take effect, one analyst pegged the amount of Goldman's revenue affected at a little under 17%.[27] Although these estimates differ, what's clear is that the potential impact of the Volcker Rule proposed in Dodd-Frank, on which Goldman lobbied intensely, almost certainly exceeded five percent of the Company's gross revenues and net earnings.

It is thus unsurprising that Goldman's lobbying expenditures in 2010—over $4.6 million—were the highest of any year from 1998 through 2017.[28] Goldman filed 22 reports in 2010 related to lobbying on Dodd-Frank alone,[29] and also reported lobbying key agencies numerous times.[30]

Trade associations of which Goldman is a member also lobbied heavily on Dodd-Frank. The Securities Industry Financial Markets Association ("SIFMA") filed six lobbying reports on Dodd-Frank in 2010[31] and met over a dozen times with relevant regulatory agencies.[32] Dodd-Frank accounted for two SIFMA

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[23] Dan Freed, "Volcker Rule All About Goldman," The Street, July 1, 2010 (https://www.thestreet.com/story/10796629/1/volcker-rule-all-about-goldman.html)
[24] John Cassidy, "The Volcker Rule," The New Yorker, July 26, 2010 (https://www.newyorker.com/magazine/2010/07/26/the-volcker-rule)
[25] Imogen Rose-Smith, "The End of Proprietary Trading May Hit Banks' Profits But Help Their Stock Prices," Institutional Investor, Dec. 30, 2010 (https://www.institutionalinvestor.com/article/b150qf4c8vc7b2/the-end-of-proprietary-trading-may-hit-banks-profits-but-help-their-stock-prices)
[26] Gary Rivlin & Michael Hudson, "Government by Goldman," The Intercept, Sept. 17, 2017 (https://theintercept.com/2017/09/17/goldman-sachs-gary-cohn-donald-trump-administration/)
[27] Sital Patel, "Goldman Sachs Most Affected by Volcker Rule: Analyst," Marketwatch, Dec. 5, 2013 (https://www.marketwatch.com/story/goldman-sachs-most-affected-by-volcker-rule-analyst-2013-12-05)
[28] https://www.opensecrets.org/lobby/clientsum.php?id=D000000085&year=2017
[29] https://www.opensecrets.org/lobby/clientbills.php?id=D000000085&year=2010
[30] In 2010, Goldman filed 14 reports of lobbying the Treasury Department, seven related to lobbying the SEC and five of lobbying the Commodities Futures Trading Commission. (https://www.opensecrets.org/lobby/clientagns.php?id=D000000085&year=2010)
[31] https://www.opensecrets.org/lobby/clientbills.php?id=D000000229&year=2010
[32] https://www.opensecrets.org/lobby/clientagns.php?id=D000000229&year=2010

lobbying reports in 2009 as well.[33] Dodd-Frank topped the list of bills on which the Managed Funds Association ("MFA") lobbied in 2010, with 11 reports.[34]

Even after Dodd-Frank was signed into law, many details relating to provisions of the law, including the Volcker Rule, still had to be worked out by regulators. Relentless lobbying of the five agencies responsible for implementing the Volcker Rule—nearly 1,400 meetings were held with lobbyists during the drafting process--delayed effectiveness of the rule until early 2014.[35] Goldman CEO Lloyd Blankfein reportedly took the unusual step of meeting personally with SEC Chair Mary Schapiro.[36] Press accounts described Goldman making an all-out effort to weaken the implementation of the Volcker Rule.[37] In 2011, Goldman lobbied the SEC (eight reports), Federal Reserve System (five reports) and Commodity Futures Trading Commission (four reports).[38]

Goldman has been slow to liquidate the funds covered by the Volcker Rule. In 2016, the Fed gave Goldman extra time to sell $6.2 billion in "legacy covered funds," the most of any financial institution.[39] Some have speculated that Goldman is dragging its feet in anticipation of a repeal or revision of the Volcker Rule that would allow it to retain some or all of these funds.[40]

Promises of financial deregulation in a Trump Administration have invigorated attacks on the Volcker Rule and Dodd-Frank more generally. Reports indicate that Goldman has been the most aggressive of all Wall Street firms in lobbying to eliminate or weaken the Volcker Rule.[41] Goldman is "leading an

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[33] https://www.opensecrets.org/lobby/clientbills.php?id=D000000229&year=2009

[34] https://www.opensecrets.org/lobby/clientbills.php?id=D000022096&year=2010

[35] http://www.nasdaq.com/article/goldman-to-gain-the-most-from-feds-five-year-extension-on-volcker-rule-compliance-cm722139; Alexander Cockburn, "Swap Meet: Wall Street's War on the Volcker Rule," Harper's, Jan. 2018 (https://harpers.org/archive/2018/01/swap-meet/).

[36] Katya Wachtel, "Goldman is Quietly Freaking Out About the Volcker Rule," Business Insider, May 4, 2011 (http://www.businessinsider.com/goldman-sachs-lobbyist-theyre-totally-freaked-out-about-volcker-rule-2011-5)

[37] "Goldman Lobbying Hard to Weaken Volcker Rule," Reuters, May 4, 2011 (https://www.reuters.com/article/goldman-volcker/goldman-lobbying-hard-to-weaken-volcker-rule-idUSN0418474320110504); "Goldman Sachs Lobbies Regulators to Amend Volcker Rule," CNBC, Nov. 11, 2012 (https://www.cnbc.com/id/100152755); John Carreyrou, "Goldman in Push on Volcker Limits," The Wall Street Journal, Oct. 9, 2012 (https://www.wsj.com/articles/SB10000872396390443294904578046483201310440)

[38] https://www.opensecrets.org/lobby/clientagns.php?id=D000000085&year=2011

[39] Kimberly Amadeo, "Volcker Rule Summary," The Balance, July 10, 2017 (https://www.thebalance.com/volcker-rule-summary-3305905)

[40] Alistair Gray, "Goldman Sachs Wins Largest Concessions on Volcker Rule," Financial Times, May 7, 2017.

[41] Bess Levin, "Lloyd Blankfein May Have a Use for Trump, After All," Vanity Fair, Aug. 23, 2017 (https://www.vanityfair.com/news/2017/08/goldman-sachs-volcker-rule).

industry charge" to weaken the regulations[42] and has recruited other companies to participate in the lobbying effort.[43] According to one analyst, the "banking industry has made repeal of the Volcker Rule its number one priority in Washington."[44]

Goldman has lobbied on recent legislative measures to weaken or roll back Dodd-Frank. According to one press report, "In 2016, Goldman had eight lobbyists dedicated to the Financial CHOICE Act, which would have undone most of Dodd-Frank in one fell swoop — a bill the House revived in April." [45] The CHOICE Act has been reintroduced in 2017; among other things, it would repeal the Volcker Rule[46] and render the Financial Stability Oversight Council nearly powerless.[47] Goldman has also focused on regulators, lobbying the SEC (six reports) and the CFTC (three reports) in 2017.[48]

Trade associations to which Goldman belongs, including SIFMA and the MFA, have also reported lobbying on the CHOICE Act. SIFMA filed three reports, and the MFA one, on the bill in 2017.[49] More specifically, SIFMA sent a White Paper to the Treasury Department in May 2017 advocating the repeal of the Volcker Rule.[50]

Regulation of Derivatives

Derivatives regulation has been another important lobbying priority for Goldman and the trade associations to which it belongs. Defaults on mortgages underlying opaque derivatives were cited as a major cause of the financial crisis.[51]

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[42] Alexander Cockburn, "Swap Meet: Wall Street's War on the Volcker Rule," Harper's, Jan. 2018 (https://harpers.org/archive/2018/01/swap-meet/).

[43] Bess Levin, "Lloyd Blankfein May Have a Use for Trump, After All," Vanity Fair, Aug. 23, 2017 (https://www.vanityfair.com/news/2017/08/goldman-sachs-volcker-rule).

[44] R. Christopher Whalen, "Goldman Sachs and the Volcker Rule," The Institutional Risk Analyst, Sept. 11, 2017 (https://www.theinstitutionalriskanalyst.com/single-post/2017/09/11/Goldman-Sachs-the-Volcker-Rule)

[45] Gary Rivlin & Michael Hudson, "Government by Goldman," The Intercept, Sept. 17, 2017 (https://theintercept.com/2017/09/17/goldman-sachs-gary-cohn-donald-trump-administration/)

[46] https://www.americanprogress.org/issues/economy/reports/2017/12/04/443611/resisting-financial-deregulation/

[47] Simon Johnson, "The Financial Stability Oversight Council: an Essential Role for the Evolving US Financial System," Peterson Institute for International Economics, at 10 (May 2017) (https://piie.com/system/files/documents/pb17-20.pdf)

[48] https://www.opensecrets.org/lobby/clientagns.php?id=D000000085&year=2017

[49] https://www.opensecrets.org/lobby/clientbills.php?id=D000000229&year=2017; https://www.opensecrets.org/lobby/clientbills.php?id=D000022096&year=2016

[50] SIFMA, "Rebalancing the Financial Regulatory Landscape," at 84 (May 1, 2017) (https://www.sifma.org/wp-content/uploads/2017/05/SIFMA-EO-White-Paper.pdf)

[51] Kimberly Amadeo, "The Role of Derivatives in Creating Mortgage Crisis," The Balance, Dec. 29, 2017; Ron Hera, "Forget About Housing, The Real Cause of the Crisis was OTC Derivatives," Business Insider, May 11, 2010 (http://www.businessinsider.com/bubble-derivatives-otc-2010-5#ixzz3WAco3Bls).

Goldman moved with alacrity after the crisis to limit regulation of its derivatives business, which supplied between 25 and 35 percent of revenue in 2009.[52] As early as November 2008, Goldman and other large derivatives dealers had formed the CDS Dealers Consortium; the ink was barely dry on the bailout.[53]

Goldman and its trade associations lobbied intensively on derivatives in the years after the financial crisis:

- Goldman lobbied on five different bills with "derivatives" in their title in 2009, for a total of 18 reports.[54]
- The MFA filed 24 reports on bills with "derivatives" in their titles in 2010 and 2009.[55]
- In 2010, SIFMA filed 20 reports about lobbying on bills with "derivatives" in the title, four reports that it lobbied on a bill regarding swaps, four reports on bills dealing with commodities and another four reports indicating that it lobbied on a bill addressing credit default swaps. In 2009, bills containing "derivatives" accounted for 19 lobbying reports by SIFMA, with another three reports indicating lobbying on bills addressing swaps.
- The International Swaps and Derivatives Association, which counts Goldman as a primary member,[56] filed eight lobbying reports on four derivatives-related bills in 2009,[57] and four such reports in 2010.[58]

(These figures do not include frequent lobbying on Dodd-Frank in these years.)

Goldman, along with other large banks and their trade associations, strongly opposed the provisions of Dodd-Frank regarding derivatives.[59] In the end, bank lobbyists succeeded in weakening the derivatives provisions, though Dodd-Frank

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[52] Goldman supplied this figure to the Financial Crisis Inquiry Commission. ("Goldman's Derivatives Were 25 to 35 Percent of '09 Revenue: Report," Reuters, Aug. 9, 2010 (https://www.reuters.com/article/us-goldmansachs-fcic/goldmans-derivatives-were-25-35-percent-of-09-revenue-report-idUSTRE6780I820100809).

[53] Alexander Cockburn, "Swap Meet: Wall Street's War on the Volcker Rule," Harper's, Jan. 2018 (https://harpers.org/archive/2018/01/swap-meet/).

[54] https://www.opensecrets.org/lobby/clientbills.php?id=D000000085&year=2009

[55] https://www.opensecrets.org/lobby/clientbills.php?id=D000022096&year=2010; https://www.opensecrets.org/lobby/clientbills.php?id=D000022096&year=2009

[56] https://www.isda.org/membership/isda-members/

[57] https://www.opensecrets.org/lobby/clientbills.php?id=D000052310&year=2009

[58] https://www.opensecrets.org/lobby/clientbills.php?id=D000052310&year=2010

[59] "Banks Lobby Against Ban on Derivatives Trading," The New York Times, May 10, 2010; Damian Palletta & Scott Patterson, "Banks Falter in Rules Fight," The Wall Street Journal, Apr. 14, 2010 (https://www.wsj.com/articles/SB10001424052702303695604575182432678421688).

gave the CFTC the power to regulate swaps and swap dealers and required standardized derivatives to be traded on exchanges or swap execution facilities.[60]

As with the Volcker Rule, Goldman's lobbying on derivatives did not stop with the passage of Dodd-Frank. Goldman continued to lobby on derivatives,[61] and in 2013 the CFTC created a loophole that allowed banks to shift billions in derivatives activity overseas, at least on paper, to circumvent swaps rules.[62]

The Volcker Rule and derivatives regulation are only two of the matters on which Goldman and its trade associations lobbied in the past several years. Goldman's prop trading and derivatives businesses each involved well over five percent of the Company's revenues; accordingly, Goldman's lobbying "relates to" a sufficiently substantial portion of Goldman's operations to defeat reliance on the Relevance Exclusion.

Goldman's Lobbying is Otherwise Significantly Related to its Business

Even assuming that the operations to which the Proposal relates are the lobbying activities themselves, and Goldman has thus satisfied the quantitative tests contained in the Relevance Exclusion, Goldman is still not entitled to omit the Proposal because it is "otherwise significantly related" to Goldman's business.

In analyzing this question, Goldman and its Board considered only superficial and irrelevant factors, and they failed to take into account the larger importance of lobbying to Goldman. Goldman's membership in a heavily regulated industry, the substantial impact of regulatory changes on the profitability (or even continued existence) of Goldman's businesses (as discussed in more detail in the previous section), and the role lobbying played when financial crisis developments posed an existential threat to Goldman all support the conclusion that lobbying is otherwise significantly related to Goldman's business.

History is important here. Federal government assistance, obtained at least in part through Goldman's intervention, by many accounts, saved Goldman from the fate that befell peers Lehman Brothers, Merrill Lynch and Bear Stearns, all of which failed and/or were sold under duress during the financial crisis.

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[60] Daniel Indiviglio, "5 Ways Lobbyists Influenced the Dodd-Frank Bill," The Atlantic, July 5, 2010 (https://www.theatlantic.com/business/archive/2010/07/5-ways-lobbyists-influenced-the-dodd-frank-bill/59137/); http://www.cftc.gov/LawRegulation/DoddFrankAct/index.htm

[61] Alain Sherter, "Goldman Sachs Goes to Washington . . . to Snuff Out Dodd-Frank," CBS News Moneywatch, July 7, 2011 (https://www.cbsnews.com/news/goldman-sachs-goes-to-washington-to-snuff-out-dodd-frank/); https://www.opensecrets.org/lobby/clientbills.php?id=D000000085&year=2012

[62] Charles Levinson, "U.S. Banks Moved Billions of Dollars in Trades Beyond Washington's Reach," Reuters, Aug. 21, 2015 (https://www.reuters.com/investigates/special-report/usa-swaps/)

Goldman elected to become a BHC in order to avail itself of bailout funds.[63] The Company received $10 billion in Troubled Asset Relief Program ("TARP") funds and $34 billion in low-interest federal loans.[64] Goldman also sold $27 billion in mortgage-backed securities to the Fed[65] and issued $21 billion in government-guaranteed debt.[66] By many accounts, Goldman was on the "verge of collapse" before the bailout.[67]

As well, Goldman had bought from insurer American International Group ("AIG") $33 billion in insurance for mortgage bonds Goldman owned whose value Goldman believed would likely plunge. [68] By September 2008, Goldman "had approximately $20 billion in transactions with AIG."[69] That amount represented more than a third of the assets AIG had insured. If AIG failed, Goldman stood to lose billions, a "potentially fatal blow."[70]

In a week in which then-Treasury Secretary (and former Goldman CEO) Hank Paulson spoke by phone over twenty times to Goldman CEO Lloyd Blankfein, the federal government ended up bailing out AIG, taking a majority stake in the company. Goldman (like other creditors) was paid in full; estimates pegged the value of Goldman's claims had AIG entered bankruptcy at anywhere from 25 to 60 cents on the dollar. The bailout of AIG resulted in Goldman receiving $12.9 billion,[71] $2.9 billion of which Goldman kept after payments were made to clients and other financial institutions.[72]

Goldman lobbied extensively on the bailout, both directly and indirectly. In 2008, Goldman filed 12 reports regarding lobbying on the Emergency Economic

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[63] Barry Ritholtz, Bailout Nation, at 145 (2009).
[64] Matt Taibbi, "Secrets and Lies of the Bailout," Rolling Stone, Jan. 4, 2013 (https://www.rollingstone.com/politics/news/secret-and-lies-of-the-bailout-20130104)
[65] http://www.economicpolicyjournal.com/2010/12/totally-busted-truth-about-goldmans.html
[66] Daniel Gross, "Goldman Sachs: Surviving on Taxpayer Dollars," Newsweek, Mar. 18, 2009 (http://www.newsweek.com/goldman-sachs-surviving-taxpayer-dollars-76169)
[67] Don Dion, "How Warren Buffett Gained From Bank Bailout," CNBC, Nov. 19, 2010 (https://www.cnbc.com/id/40276100)
[68] Gary Rivlin & Michael Hudson, "Government by Goldman," The Intercept, Sept. 17, 2017 (https://theintercept.com/2017/09/17/goldman-sachs-gary-cohn-donald-trump-administration/)
[69] https://www.tavakolistructuredfinance.com/goldman-aig-bailout/
[70] Gary Rivlin & Michael Hudson, "Government by Goldman," The Intercept, Sept. 17, 2017 (https://theintercept.com/2017/09/17/goldman-sachs-gary-cohn-donald-trump-administration/)
[71] Paritosh Bansal, "Goldman's Share of AIG Bailout Money Draws Fire," Reuters, Mar. 17, 2009 (https://www.reuters.com/article/us-aig-goldmansachs-sb/goldmans-share-of-aig-bailout-money-draws-fire-idUSTRE52H0B520090318)
[72] Gary Rivlin & Michael Hudson, "Government by Goldman," The Intercept, Sept. 17, 2017 (https://theintercept.com/2017/09/17/goldman-sachs-gary-cohn-donald-trump-administration/); Katya Wachtel, "Goldman Sachs Can't Say it Didn't Get Bailed Out Anymore—It Kept Billions from AIG," Business Insider, Jan. 27, 2011 (http://www.businessinsider.com/goldman-sachs-aig-bailout)

Stabilization Act of 2008, which authorized and funded TARP. [73] Goldman also filed 13 lobbying reports on the Housing and Economic Recovery Act of 2008, [74] whose purpose was to stabilize Fannie Mae and Freddie Mac through a federal government takeover and prevent those companies' problems from infecting banks.[75] Goldman filed 15 reports that it lobbied the Department of the Treasury, four reports of lobbying the SEC and two reports relating to lobbying the Fed.[76] Goldman continued to lobby on TARP in 2009 (two reports on the TARP Reform and Accountability Act and three on the American Recovery and Reinvestment Act of 2009).[77]

Post-financial crisis, Goldman has continued to lobby on a wide variety of subjects such as taxes,[78] trade[79] and the JOBS Act,[80] in addition to subjects more directly related to its businesses. Lobbying has been critically important to Goldman's survival and success in a heavily regulated industry. The previous section of this response highlighted the specific ways in which Goldman has sought to influence regulation of proprietary trading and derivatives.

Staff Legal Bulletin 14I stated that a no-action request relying on the Relevance Exclusion would be expected "to include a discussion that reflects the board's analysis of the proposal's significance to the company."[81] The explanation of the board's process "would be most helpful if it detailed the specific processes employed by the board to ensure that its conclusions are well-informed and well-reasoned."

The process Goldman's Board engaged in fell short of that standard because the Board did not consider the role lobbying has played when it determined that lobbying is not "otherwise significantly related" to Goldman's business. Instead, the Board considered the following superficial and, in some cases, irrelevant factors:

1. The amount Goldman spends on lobbying: The previous section of this response addressed why the amount Goldman spends on lobbying is not the appropriate figure to compare with Goldman's assets, revenues and

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[73] "Breakdown of the Final Bailout Bill," Washington Post, Sept. 28, 2008 (http://www.washingtonpost.com/wp-dyn/content/article/2008/09/28/AR2008092800900.html)
[74] https://www.opensecrets.org/lobby/clientbills.php?id=D000000085&year=2008
[75] Zachary A. Goldfarb et al., "Treasury to Rescue Fannie and Freddie," Washington Post, Sept. 7, 2008 (http://www.washingtonpost.com/wp-dyn/content/article/2008/09/06/AR2008090602540.html?hpid=topnews).
[76] https://www.opensecrets.org/lobby/clientagns.php?id=D000000085&year=2008
[77] https://www.opensecrets.org/lobby/clientbills.php?id=D000000085&year=2009
[78] https://www.opensecrets.org/lobby/clientbills.php?id=D000000085&year=2011
[79] https://www.opensecrets.org/lobby/clientbills.php?id=D000000085&year=2011
[80] https://www.opensecrets.org/lobby/clientbills.php?id=D000000085&year=2012
[81] Staff Legal Bulletin 14I (Nov. 1, 2017).

earnings for purposes of the quantitative tests. That figure is similarly not dispositive for the "otherwise significantly related" analysis. As shown by the district court's decision in *Lovenheim v. Iroquois Brands, Ltd.*,[82] a proposal involving a product that accounted for less than .1 percent of sales and no earnings (since the product generated a loss) can nonetheless be otherwise significantly related to a company's business.

2. Goldman has not engaged in some of the practices mentioned in the Proposal: Goldman's Board considered the Company's non-participation in certain practices mentioned in the Proposal, such as grassroots lobbying and making payments to tax-exempt organizations that draft and endorse model legislation, but there is no assurance that the Company will not engage in such practices in the future. More fundamentally, Goldman's Board apparently did not consider the gaps between its current disclosure practices and the Proposal's requests. For example, Goldman's Board considered the fact that the Company discloses state and local lobbying expenditures "as required by relevant rules," but the incompleteness of those requirements—which many states and localities do not have--motivated the Proposal's request to disclose all such expenditures.
3. Oversight and Disclosure of Lobbying Expenditures: Goldman's Board considered existing policies governing management and Board decisions on lobbying and trade association membership as well as the disclosures Goldman currently makes pursuant to applicable law. The fact that the Board's Public Responsibilities Committee annually reviews Goldman's Statement on Policy Engagement and Political Participation undermines the Company's claim that lobbying is not significantly related to Goldman's business.
4. Limits on Trade Association Use of Goldman Payments for Election-Related Activities: The Proposal does not address election-related expenditures, so this policy is irrelevant. The Board apparently did not consider any information about trade association use of payments for lobbying activities.
5. Lack of Institutional Investor Interest or Commentary: Goldman's Board considered the paucity of concern or commentary by institutional investors in the course of engagements with the Company. A shareholder vote on the Proposal would be a more precise way of gauging shareholder sentiment than anecdotal accounts of engagements, which may have taken place under time constraints that limited the number of issues on which shareholders and the Company could focus.

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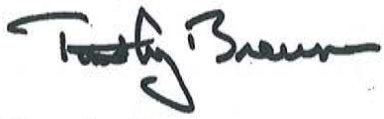
[82] 618 F. Supp. 554 (D.D.C. 1985).

For the reasons set forth above, Goldman has not satisfied its burden of showing that it is entitled to omit the Proposal in reliance on Rule 14a-8(i)(5). The Proponents thus respectfully request that Goldman's request for relief be denied.

The Proponents appreciate the opportunity to be of assistance in this matter. If you have any questions or need additional information, please contact me at (617) 948-4305.

Sincerely,



Timothy Brennan

cc: Beverly L. O'Toole
Managing Director and Associate General Counsel
Beverly.otoole@gs.com

200 West Street | New York, New York 10282
Tel: 212-357-1584 | Fax: 212-428-9103 | e-mail: beverly.otoole@gs.com

Beverly L. O'Toole
Managing Director
Associate General Counsel

Goldman Sachs

December 28, 2017

Via E-Mail to shareholderproposals@sec.gov

Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: The Goldman Sachs Group, Inc.
Request to Omit Shareholder Proposal of Unitarian Universalist Association

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), The Goldman Sachs Group, Inc., a Delaware corporation (the "Company"), hereby gives notice of its intention to omit from the proxy statement and form of proxy for the Company's 2018 Annual Meeting of Shareholders (together, the "2018 Proxy Materials") a shareholder proposal (including its supporting statement, the "Proposal") received from Unitarian Universalist Association, as primary proponent, and all the co-filers listed at the end of this letter (together, the "Proponents"). The full text of the Proposal and all other relevant correspondence with the Proponents are attached as Exhibit A.

The Company believes it may properly omit the Proposal from the 2018 Proxy Materials for the reasons discussed below. The Company respectfully requests confirmation that the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") will not recommend enforcement action to the Commission if the Company excludes the Proposal from the 2018 Proxy Materials.

This letter, including the exhibits hereto, is being submitted electronically to the Staff at shareholderproposals@sec.gov. Pursuant to Rule 14a-8(j), the Company has filed this letter with the Commission no later than 80 calendar days before the Company intends to file its definitive 2018 Proxy Materials with the Commission. A copy of this letter is being sent simultaneously to the Proponents as notification of the Company's intention to omit the Proposal from the 2018 Proxy Materials.

I. The Proposal

The resolution included in the Proposal reads as follows:

***Resolved**, the shareholders of Goldman request the preparation of a report, updated annually, disclosing:*

1. *Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.*

2. *Payments by Goldman used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.*

3. *Goldman's membership in and payments to any tax-exempt organization that writes and endorses model legislation.*

4. *Description of management's and the Board's decision making process and oversight for making payments described in sections 2 and 3 above.*

The supporting statement included in the Proposal (the "Supporting Statement") is set forth in Exhibit A. In the first sentence of the Supporting Statement, the Proponents indicate the intent of the Proposal: "we encourage transparency and accountability in Goldman's use of corporate funds to influence legislation and regulation." This emphasis on disclosure of the Company's lobbying payments is echoed elsewhere in the Proposal, such as where it expresses concerns about the Company's "lobbying expenditures," "payments to" trade associations, "amounts used for lobbying" and use of "company assets."

II. Reasons for Omission

The Company believes that the Proposal properly may be excluded from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(5) because the Proposal (which emphasizes disclosure of Lobbying Expenditures (defined below), including the recipients and the policies, procedures, oversight and disclosures thereof) relates to operations that account for less than five percent of the Company's total assets at the end of its most recent fiscal year, and for less than five percent of its net earnings and its gross sales for its most recent fiscal year, and is not otherwise significantly related to the Company's business.

A. Background On Rule 14a-8(i)(5)

Prior to adoption of the current version of the exclusion in Rule 14a-8(i)(5), the rule permitted companies to omit any proposal that "deals with a matter that is not significantly related to the issuer's business." In proposing changes to that version of the rule in 1982, the Commission noted that the Staff's practice had been to agree with exclusion of proposals that bore no economic relationship to a company's business, but that "where the proposal has

reflected social or ethical issues, rather than economic concerns, raised by the issuer's business, and the issuer conducts any such business, no matter how small, the staff has not issued a no-action letter with respect to the omission of the proposal." Exchange Act Release No. 19135 (Oct. 14, 1982). The Commission stated that this interpretation of the rule may have "unduly limit[ed] the exclusion," and proposed adopting the economic tests that appear in the rule today. *Id.* In adopting the rule, the Commission characterized it as relating "to proposals concerning the functioning of the economic business of an issuer and not to such matters as shareholders' rights, e.g., cumulative voting." Exchange Act Release No. 20091 (Aug. 16, 1983).

In the years following the decision in *Lovenheim v. Iroquois Brands, Ltd.*, 618 F. Supp. 554 (D.D.C. 1985), the Staff did not agree with exclusion under Rule 14a-8(i)(5), even where a proposal related to operations that accounted for less than five percent of total assets, net earnings and gross sales, when the company conducted business, no matter how small, related to the issue raised in the proposal. In Staff Legal Bulletin No. 14I (Nov. 1, 2017) ("SLB 14I"), the Staff reexamined its historic approach[1] to interpreting Rule 14a-8(i)(5) and determined that the Staff's "application of Rule 14a-8(i)(5) has unduly limited the exclusion's availability because it has not fully considered the second prong of the rule as amended in 1982 – the question of whether the proposal 'deals with a matter that is not significantly related to the issuer's business' and is therefore excludable." *Id.* Accordingly, the Staff noted that, going forward, it "will focus, as the rule directs, on a proposal's significance to the company's business when it otherwise relates to operations that account for less than 5% of total assets, net earnings and gross sales." *Id.* Under this framework, the analysis is "dependent upon the particular circumstances of the company to which the proposal is submitted." *Id.* A proponent can continue to raise social or ethical issues in its arguments, but it would need to tie those to a significant effect on the company's business.

B. The Proposal Relates to Operations That Account for Less Than Five Percent of the Company's Total Assets, Net Earnings and Gross Sales

The Company first calculated the costs associated with its operations related to the Proposal during its most recently completed fiscal year, the year ended December 31, 2016. In doing so, it took a broad interpretation, not merely those items listed in the Proposal, to consider the economic relevance to the Company, and thus considered any lobbying expenditures and payments required to be reported at the global, federal, state and local level (including any related to direct and indirect lobbying), grassroots lobbying communications (if any), all trade and business association membership payments (even those payments over and above the amounts that may be used for lobbying) and membership payments (if any) to tax-exempt organizations for the purpose of writing and endorsing model legislation (collectively, the

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1 Other recent examples of the Staff reexamining its approach in a similar manner include the change in 2015 to its approach to "conflicting proposals" under Rule 14a-8(i)(9), which dramatically narrowed how the Staff applies that rule. *See* Staff Legal Bulletin No. 14H.

"Lobbying Expenditures"). The Company determined that the Lobbying Expenditures relate to operations that account for significantly less than five percent of the Company's total assets at the end of its most recent fiscal year, and for significantly less than five percent of its net earnings and its gross sales[2] for its most recent fiscal year. Specifically, the Company determined that the Lobbying Expenditures accounted for less than 0.002 percent of the Company's total assets as of the end of fiscal year 2016, less than 0.2 percent of the Company's net earnings for fiscal year 2016 and less than 0.06 percent of the Company's gross sales for fiscal year 2016.[3] Moreover, the Company does not expect these percentages to increase meaningfully during its 2017 or 2018 fiscal years. Even the Proposal acknowledges the small percentage of the Company's resources spent on matters related to the Proposal. For example, the Proposal states that the Company "spent $26.49 million from 2010 – 2016 on federal lobbying." This amount equates to an average of approximately $3.78 million per year over that time, but even if the Company compared the entire seven-year figure to its fiscal year end 2016 assets, net earnings and gross sales, it will still fall well below the requisite quantitative thresholds. Thus, the quantitative importance of the Company's operations related to the Proposal are far below the quantitative tests set forth in Rule 14a-8(i)(5).

C. The Proposal Is Not Otherwise Significantly Related to the Company's Business Operations

The Company next analyzed whether the Proposal is otherwise significantly related to the Company's business. In SLB 14I, the Staff stated that "proposals that raise issues of social or ethical significance may be included or excluded, notwithstanding their importance in the abstract, based on the application and analysis of each of the factors of Rule 14a-8(i)(5) in determining the proposal's relevance to the company's business." Specifically, the Staff noted that it views this "analysis as dependent upon the particular circumstances of the company to which the proposal is submitted." The Staff also added that "[w]here a proposal's significance to a company's business is not apparent on its face, a proposal may be excludable unless the proponent demonstrates that it is 'otherwise significantly related to the company's business,'" and that a "proponent could continue to raise social or ethical issues in its arguments, but it would need to tie those to a significant effect on the company's business. The mere possibility of reputational or economic harm will not preclude no-action relief."

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2 All references herein to the Company's "gross sales" are to non-interest revenues, the GAAP number reported in the Company's financial statements that is equivalent to gross sales. *See The Goldman Sachs Group, Inc.* (avail. Feb 19, 2013).

3 As disclosed in the Company's Annual Report on Form 10-K, the Company had total assets of approximately $860.2 billion as of December 31, 2016. For the year ended December 31, 2016, the Company had net earnings of approximately $7.4 billion and total non-interest revenues of approximately $28 billion.

1. The Board's Evaluation Process

In contemplation of this no-action request, the Company's management, working in conjunction with the legal department, solicited detailed information from various functions at the Company, including its office of government affairs ("OGA"), the compliance department, the legal department, the investor relations group and other members of the executive office regarding the Company's Lobbying Expenditures, broadly defined, and other considerations related to the Proposal. After gathering this information, the legal department prepared a presentation for consideration by the Board, which was approved by the Company's management.

At a recent meeting of the Corporate Governance and Nominating Committee (the "Committee"), the Committee, which consists of all of the Company's independent directors and was joined for this discussion by the remaining directors not on the Committee (the "Board"), received a presentation on the Proposal and evaluated whether the Proposal is otherwise significantly related to the Company's business, as contemplated by Rule 14a-8(i)(5). After considering and analyzing the total mix of the relevant information, the Board concurred in the analysis that the Proposal is not significantly related to the Company's business and does not otherwise raise new or additional social or ethical concerns that are significant to the Company's business.

2. The Board's Analysis of the Proposal

In analyzing whether the Proposal is otherwise significantly related to the Company's business, the Board considered numerous factors in light of the Board's oversight responsibilities and knowledge of the Company's business and strategic direction, as well as the specific terms of the Proposal and the implications of the Proposal for the Company's operations. The Board also considered the presentation and materials presented by the Company's management at its recent meeting. As part of its analysis, the Board considered the following factors:

a. The Proposal's Stated Purpose. As discussed above, the Proposal when read with its Supporting Statement is focused on disclosure of the Lobbying Expenditures, including the recipients and the policies, procedures, and oversight thereof.

b. The Company's Lobbying Expenditures Are Not Significant. The Company is a global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals. While the Company engages in certain lobbying activities, primarily policy advocacy at the U.S. federal level, that it feels may be in the best interests of the Company and its clients and shareholders, the Company is not a lobbying firm, and its ultimate responsibilities to its clients and its shareholders are to continue to innovate and operate regardless of the result of any particular lobbying effort, as it has over the Company's nearly 150-year history. Importantly, the small amount of expenditures, broadly defined, related to such activities underscores the lack of significance to the Company when

considered as compared to the standard set forth in Rule 14a-8(i)(5). Lobbying Expenditures accounted for less than 0.002 percent of the Company's total assets as of the end of fiscal year 2016, less than 0.2 percent of the Company's net earnings for fiscal year 2016 and less than 0.06 percent of the Company's gross sales for fiscal year 2016. Moreover, the Company does not expect these percentages to increase meaningfully during its 2017 or 2018 fiscal years.

c. The Company Does Not Engage In Many of the Activities Identified In the Proposal. The Company does not engage in many of the activities addressed in the Proposal. For example, the Company has not structured or facilitated any active grassroots lobbying efforts to date and has already publicly committed to disclosing related expenditures should it chose to engage in grassroots lobbying in the future. The Company also is not involved in, and does not engage in, any efforts regarding model legislation (including through membership in any tax-exempt organizations for such purpose). The Company does not make any political contributions with corporate funds and already discloses U.S. federal lobbying expenditures as required by law. Moreover, while the Company generally does not conduct policy advocacy lobbying at the state and local level, any state or local lobbying expenditures are already reported as required by relevant rules.

d. The Company's Lobbying Expenditures Are Subject to Appropriate Oversight and Disclosure. While not significant to the Company's operations, as a matter of good governance, the Company already maintains management and Board oversight procedures related to, and provides disclosure regarding, the Lobbying Expenditures and related matters. For example:

- The Company maintains a Statement on Policy Engagement and Political Participation, which is reviewed annually by the Board's Public Responsibilities Committee and is available on the Company's website. The Statement provides public disclosure about the Company's lobbying policies and procedures and the Board's oversight of such activities.

- The Company publicly discloses, on a quarterly basis, U.S. federal lobbying activity and dues attributable to lobbying by its trade association memberships, as required by the Lobbying Disclosure Act, and posts links in its Statement on Policy Engagement and Political Participation to the U.S. disclosure website where this information can be reviewed. Any other lobbying activities that may be required to be disclosed by relevant rules are also publicly disclosed, as required. These efforts are subject to oversight by the OGA, the compliance and legal departments, and by senior management. The Board's Public Responsibilities Committee also reviews an annual report regarding our U.S. federal lobbying expenditures.

- The Company's trade association memberships, including membership fees and dues paid in excess of $30,000, are reviewed annually by the Executive Vice

President, Chief of Staff and Secretary to the Board and by the Board's Public Responsibilities Committee.

e. The Company Limits How Trade Associations Use the Company's Membership Dues. The Company instructs the trade associations of which it is a member not to use its membership dues to conduct any election-related activity at the federal, state or local levels, including contributions and expenditures (including independent expenditures) in support of, or opposition to, any candidate for any office, ballot initiative campaign, political party, committee, or PAC.

f. Lack of Institutional Investor Commentary or Concern of the Company's Lobbying Practices and the Lobbying Expenditures. The Company generally has not received commentary or concerns in the course of its engagement with institutional shareholders regarding the Company's policies, procedures, oversight of and disclosure of payments related to lobbying, including the Lobbying Expenditures. Further, the Company has been well ranked in the CPA-Zicklin Index, which examines the disclosure practices of the S&P 500 companies on political spending.

D. Conclusion

Based on the foregoing, and in accordance with the text of Rule 14a-8(i)(5) and the framework set forth in SLB 14I, we believe that the Proposal properly may be excluded from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(5) because the Proposal relates to operations that account for less than five percent of the Company's total assets at the end of its most recent fiscal year, and for less than five percent of its net earnings and its gross sales for its most recent fiscal year, and is not otherwise significantly related to the Company's business. We also note that the Proposal's significance to the Company's business is not apparent on its face, as discussed in SLB 14I. While the Proposal references three news articles about the Company's lobbying activities and a survey on corporate reputations not specifically related to lobbying activities, these appear to be references to "[t]he mere possibility of reputational or economic harm," which SLB 14I notes "will not preclude no-action relief."[4] Accordingly, the Proposal is excludable under Rule 14a-8(i)(5).

* * *

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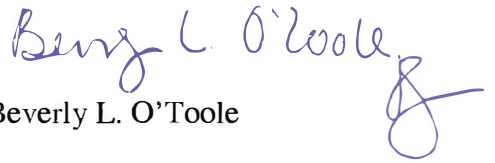
4 For example, according to the Harris Poll public website (http://www.theharrispoll.com/reputation-quotient), lobbying activities and/or lobbying expenditures were not among the "six dimensions of reputation" on which the 2017 Harris Corporate Reputation Survey was based.

Should you have any questions or if you would like any additional information regarding the foregoing, please do not hesitate to contact me (212-357-1584; Beverly.OToole@gs.com) or Jamie Greenberg (212-902-0254; Jamie.Greenberg@gs.com). Thank you for your attention to this matter.

Very truly yours,



Beverly L. O'Toole

Attachments

cc: Timothy Brennan, Unitarian Universalist Association
Sr. Rose Mare Stallbaumer, OSB, Monasterio Pan de Vida
Rev. Sèamus Finn, OMI, OIP Investment Trust

Exhibit A

By email:
shareholderproposals@gs.com

November 8, 2017

John F.W. Rogers
Secretary to the Board of Directors
The Goldman Sachs Group, Inc.
200 West Street
New York, NY 10282

Dear Mr. Rogers:

UNITARIAN UNIVERSALIST ASSOCIATION

Timothy Brennan
Treasurer and Chief Financial Officer

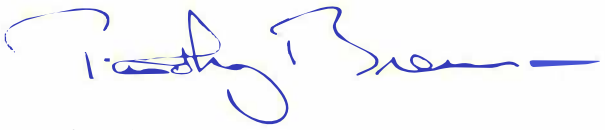
The Unitarian Universalist Association, a holder of 25 shares of Goldman Sachs Group, is hereby submitting the enclosed resolution for consideration at the upcoming annual meeting. The resolution requests that the Board authorize the preparation of a report, to be updated annually, disclosing the company's lobbying expenditures, policies and procedures.

The Unitarian Universalist Association ("UUA") is a faith community of more than 1000 self-governing congregations that brings to the world a vision of religious freedom, tolerance and social justice. With roots in the Jewish and Christian traditions, Unitarianism and Universalism have been forces in American spirituality from the time of the first Pilgrim and Puritan settlers. The UUA is also an investor with an endowment valued at approximately $184 million, the earnings from which are an important source of revenue supporting our work in the world. The UUA takes its responsibility as an investor and shareowner very seriously. We view the shareholder resolution process as an opportunity to bear witness to our values at the same time that we enhance the long-term value of our investments.

We submit the enclosed resolution for inclusion in the proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 for consideration and action by the shareowners at the upcoming annual meeting. We have held at least $2,000 in market value of the company's common stock for more than one year as of the filing date and will continue to hold at least the requisite number of shares for filing proxy resolutions through the stockholders' meeting.

Verification that we are beneficial owners of the requisite shares of Goldman Sachs Group is enclosed. If you have questions or wish to discuss the proposal, please contact me at (617) 948-4305 or tbrennan@uua.org.

Yours very truly,



Timothy Brennan

Enclosure: Shareholder resolution on lobbying disclosure
Proof of ownership

Whereas, we believe in full disclosure of Goldman Sachs's ("Goldman") direct and indirect lobbying activities and expenditures to assess whether its lobbying is consistent with its expressed goals and in the best interests of shareholders.

Resolved, the shareholders of Goldman request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.

2. Payments by Goldman used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.

3. Goldman's membership in and payments to any tax-exempt organization that writes and endorses model legislation.

4. Description of management's and the Board's decision making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Goldman is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Public Responsibilities Committee and posted on Goldman's website.

Supporting Statement

As shareholders, we encourage transparency and accountability in Goldman's use of corporate funds to influence legislation and regulation. Goldman spent $26.49 million from 2010 – 2016 on federal lobbying. This figure does not include lobbying expenditures to influence legislation in states, where Goldman also lobbies but disclosure is uneven or absent. For example, Goldman's lobbying in Florida has attracted media scrutiny ("Goldman Sachs Ramps up Florida Lobbying amid Talk of Venezuela Business Ban," *Politico*, August 3, 2017). And Goldman's federal lobbying has attracted attention ("Goldman Sachs Hires Trump Campaign Official as Lobbyist: Report," *The Hill*, May 10, 2017).

Goldman is a member of the Investment Company Institute, Managed Funds Association and Securities Industry and Financial Markets Association ("Gary Cohn's NEC Has Been Lobbied By Goldman Sachs-Backed Industry Groups," *International Business Times*, August 16, 2017), which together spent over $34 million on lobbying for 2015 and 2016. Goldman does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying. Goldman prohibits its payments to trade associations from being used for political contributions, but this does not cover payments used for lobbying. This leaves a serious disclosure gap, as trade associations generally spend far more on lobbying than on political contributions.

We are concerned that Goldman's lack of lobbying disclosure presents significant reputational risks. According to the *2017 Harris Corporate Reputation Survey*, Goldman ranked in the bottom ten of the 100 most visible companies, ranking 98th. Absent a system of accountability, company assets could be used for objectives contrary to Goldman's long-term interests.

usbank

All of us serving you

November 8, 2017

To Whom It May Concern:

The Unitarian Universalist Association currently holds 25 shares of Goldman Sachs Group Inc., CUSIP=38141G104.

The Unitarian Universalist Association holds 25 shares in account xxxxxx***

The shares have been held in custody for more than a one year period preceding and including November 8, 2017, previously with State Street Bank and now with US Bank NA since 3/9/17.

The Unitarian Universalist Association is the beneficial owner of the shares. US Bank's DTC participant number is 2803.

Please contact me if you have any questions or require further information

Thank you,

Lynn S. Shotwell
Assistant Vice President | Account Manager
p. 302.576.3711 | f. 302.576.3718 | lynn.shotwell@usbank.com

U.S. Bank Institutional Trust & Custody
300 Delaware Avenue, Suite 901 | Wilmington, DE 19801 | www.usbank.com

*** FISMA & OMB Memorandum M-07-16

Monasterio Pan de Vida

Apdo. Postal 105-3
Torreón, Coahuila C.P. 27000
México
Tel./Fax (52) (871) 720-04-48
e-mail: monasterio@pandevidaosb.com
www.pandevidaosb.com

November 15, 2017

Gregory K. Palm
Corporate Secretary
Goldman Sachs Group
200 West Street
New York, NY 10282
Email: gregory.palm@gs.com
Fax: 212-482-3966

Dear Mr. Palm:

I am writing you on behalf of Monasterio Pan De Vida to co-file the stockholder resolution on Lobbying and Political Contributions. In brief, the proposal states **RESOLVED**, the shareholders of Goldman request the preparation of a report, updated annually, disclosing: Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications; payments by Goldman used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient; Goldman's membership in and payments to any tax-exempt organization that writes and endorses model legislation; and description of management's and the Board's decision making process and oversight for making payments.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Goldman is a member.Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels. The report shall be presented to the Public Responsibilities Committee and posted on Goldman's website.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with the Unitarian Universalist Association. I submit it for inclusion in the 2018 proxy statement for consideration and action by the shareholders at the 2018 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of 51 shares of Goldman Sachs Group.

We have been a continuous shareholder for one year of $2,000 in market value of Goldman Sachs Groupstock and will continue to hold at least $2,000 of Goldman Sachs Group stock through the next annual meeting. Verification of our ownership position will be sent by our custodian. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider the Unitarian Universalist Association the lead filer of this resolution and, as so, is authorized to act on our behalf in all aspects of the resolution including negotiation and withdrawal. Please note that the contact person for this resolution/proposal will be Tim Brennan of the Unitarian Universalist Association who may be reached by phone 617-948-4305 or by email:tbrennan@uua.org.

As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Sincerely,

Rose Marie Stallbaumer OSB

Rose Mara Stallbaumer, OSB, Investment Representative

Lobbying and Political Contributions
2018 – Goldman Sachs Group

WHEREAS, we believe in full disclosure of Goldman Sachs's ("Goldman") direct and indirect lobbying activities and expenditures to assess whether its lobbying is consistent with its expressed goals and in the best interests of shareholders.

RESOLVED, the shareholders of Goldman request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Goldman used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Goldman's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's and the Board's decision making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Goldman is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Public Responsibilities Committee and posted on Goldman's website.

SUPPORTING STATEMENT

As shareholders, we encourage transparency and accountability in Goldman's use of corporate funds to influence legislation and regulation. Goldman spent $26.49 million from 2010 – 2016 on federal lobbying. This figure does not include lobbying expenditures to influence legislation in states, where Goldman also lobbies but disclosure is uneven or absent. For example, Goldman's lobbying in Florida has attracted media scrutiny ("Goldman Sachs Ramps up Florida Lobbying amid Talk of Venezuela Business Ban," Politico, August 3, 2017). And Goldman's federal lobbying has attracted attention ("Goldman Sachs Hires Trump Campaign Official as Lobbyist: Report," The Hill, May 10, 2017).

Goldman is a member of the Investment Company Institute, Managed Funds Association and Securities Industry and Financial Markets Association ("Gary Cohn's NEC Has Been Lobbied By Goldman Sachs-Backed Industry Groups," International Business Times, August 16, 2017), which together spent over $34 million on lobbying for 2015 and 2016. Goldman does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying. Goldman prohibits its payments to trade associations from being used for political contributions, but this does not cover payments used for lobbying. This leaves a serious disclosure gap, as trade associations generally spend far more on lobbying than on political contributions.

We are concerned that Goldman's lack of lobbying disclosure presents significant reputational risks. According to the 2017 Harris Corporate Reputation Survey, Goldman ranked in the bottom ten of the 100 most visible companies, ranking 98th. Absent a system of accountability, company assets could be used for objectives contrary to Goldman's long-term interests.

Jody Herbert
Client Associate
Merrill Lynch
2959 N. Rock Rd., Suite 200
Wichita, KS 67226
316-631-3522

Merrill Lynch
Bank of America Corporation

November 15, 2017

Gregory K. Palm
Corporate Secretary
Goldman Sachs
200 West Street
New York, NY 10282

Email: Gregory.palm@gs.com
Fax: 212-482-3966

RE: Co-filing of shareholders resolution: Lobbying and Political Contributions

FAO: Benedictine Sisters of Monasterio Pan de Vida held in the Torreon Mission, TIN# 48-0548363

Dear Mr. Palm,

As of November 15, 2017, the Benedictine Sisters of Monasterio Pan de Vida held in the Torreon Mission Account and has held continuously for at least one year, 51 shares of Goldman Sachs common stock. These shares have been held with Merrill Lynch, DTC #8862.

Sincerely,

Jody Herbert, CA
Merrill Lynch, Pierce, Fenner & Smith Incorporated

Cc: Benedictine Sisters of Mount St. Scholastica, Inc.

OIP INVESTMENT TRUST
GUIDED BY FAITH

November 14, 2017

Gregory K. Palm
Corporate Secretary
Goldman Sachs Group
200 West Street
New York, NY 10282

Email: gregory.palm@gs.com

Dear Mr. Palm:

I am writing you on behalf the OIP Investment Trust to co-file the stockholder resolution on Lobbying and Political Contributions. In brief, the proposal states **RESOLVED**, the shareholders of Goldman request the preparation of a report, updated annually, disclosing: Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications; payments by Goldman used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient; Goldman's membership in and payments to any tax-exempt organization that writes and endorses model legislation; and description of management's and the Board's decision making process and oversight for making payments.

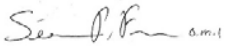
For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Goldman is a member. Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels. The report shall be presented to the Public Responsibilities Committee and posted on Goldman's website.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with the Unitarian Universalist Association. I submit it for inclusion in the 2018 proxy statement for consideration and action by the shareholders at the 2018 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of 50 Goldman Sachs Group shares.

We have been a continuous shareholder for one year of $2,000 in market value of Goldman Sachs Group stock and will continue to hold at least $2,000 of Goldman Sachs Group stock through the next annual meeting. Verification of our ownership position from our custodian is enclosed. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

We truly hope that the company will be willing to dialogue with the filers about this proposal. We consider the Unitarian Universalist Association the lead filer of this resolution and as so is authorized to act on our behalf in all aspects of the resolution including negotiation and withdrawal. Please note that the contact person for this resolution/proposal will be Tim Brennan of the Unitarian Universalist Association who may be reached by phone 617-948-4305 or by email: tbrennan@uua.org. As a co-filer, however, we respectfully request direct communication from the company and to be listed in the proxy.

Respectfully yours,



Rev. Sèamus Finn, OMI
Chief of Faith Consistent Investing
OIP Investment Trust
Missionary Oblates of Mary Immaculate

391 Michigan Avenue, NE, Washington, DC 20017 -- Tel: 202-529-4505 Fax: 202-529-4572
Website: www.omiusajpic.org **Email:** seamus@omiusa.org

Lobbying and Political Contributions
2018 – Goldman Sachs Group

WHEREAS, we believe in full disclosure of Goldman Sachs's ("Goldman") direct and indirect lobbying activities and expenditures to assess whether its lobbying is consistent with its expressed goals and in the best interests of shareholders.

RESOLVED, the shareholders of Goldman request the preparation of a report, updated annually, disclosing:

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4. Description of management's and the Board's decision making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Goldman is a member.

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Goldman is a member of the Investment Company Institute, Managed Funds Association and Securities Industry and Financial Markets Association ("Gary Cohn's NEC Has Been Lobbied By Goldman Sachs-Backed Industry Groups," International Business Times, August 16, 2017), which together spent over $34 million on lobbying for 2015 and 2016. Goldman does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying. Goldman prohibits its payments to trade associations from being used for political contributions, but this does not cover payments used for lobbying. This leaves a serious disclosure gap, as trade associations generally spend far more on lobbying than on political contributions.

We are concerned that Goldman's lack of lobbying disclosure presents significant reputational risks. According to the 2017 Harris Corporate Reputation Survey, Goldman ranked in the bottom ten of the 100 most visible companies, ranking 98th. Absent a system of accountability, company assets could be used for objectives contrary to Goldman's long-term interests.

November 14, 2017

Fr. Seamus Finn
Justice, Peace and Integrity of Creation Office
Missionary Oblates of Mary Immaculate
United States Province
391 Michigan Avenue, NE
Washington, DC 20017

Re: Oblate International Pastoral Investment Trust – BAVF

Dear Fr. Seamus Finn:

These shares are held on behalf of the Missionary Oblates in nominee name and in the State Street Bank and Trust Company account at the Depository Trust Company (0997) –

Security	Shares	Acquisition Date	Fund
GOLDMAN SACHS GROUP INC	50	9/17/2013	BAVF

As you can see from the acquisition dates above, this security has been held more than a year.

If you have any questions or need additional information, please call me at (617) -985-4215.

Sincerely,

George A. Collins
Client Service Officer
State Street Corporation