

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimants

National Australia Bank Limited
TSL (USA) Inc.

Case Number: 12-04099

vs.

Respondent

Goldman, Sachs & Co.

Hearing Site: New York, New York

Nature of the Dispute: Customers vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants National Australia Bank Limited and TSL (USA) Inc., hereafter referred to as "Claimants": Jonathan E. Pickhardt, Esq., Quinn Emanuel Urquhart & Sullivan LLP, New York, New York.

For Respondent Goldman, Sachs & Co.: Jonathan D. Schiller, Esq., Boies, Schiller & Flexner LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: December 3, 2012.

Amended Statement of Claim filed on or about: April 23, 2013.

Claimants' Reply and Answer to Counterclaims filed on or about: June 24, 2013.

National Australia Bank Limited signed the Submission Agreement: December 3, 2012.

TSL (USA) Inc., signed the Submission Agreement: April 15, 2013.

Respondent's Statement of Answer and Counterclaims filed on or about: February 25, 2013.

Respondent's Statement of Answer and Counterclaims to the Amended Statement of Claim filed on or about: May 23, 2013.

Goldman, Sachs & Co., signed the Submission Agreement: February 25, 2013.

CASE SUMMARY

In the Statement of Claim and Amended Statement of Claim, Claimants asserted the following causes of action: common law fraud; violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder; violation of FINRA Conduct Rule 2020; negligent misrepresentation; and unjust enrichment. The causes of action relate to Collateralized Debt Obligations in Hudson Mezzanine Funding 2006-1, Ltd. and GSC ABS Funding 2006-3g, Ltd.

Unless specifically admitted in its Answer and its Answer to the Amended Statement of Claim, Respondent denied the allegations made in the Statement of Claim and Amended Statement of Claim and asserted various affirmative defenses.

In its Counterclaims, Respondent asserted the following causes of action: breach of contract and fraud.

In their Reply to the Statement of Answer and Counterclaims, Claimants denied the allegations made in the Counterclaims and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim and Amended Statement of Claim, Claimants requested rescinding the purchase of the Hudson and GSC Funding Securities; in the alternative, awarding Claimants compensatory and punitive damages in amounts to be determined at hearing, but in any event not less than \$230 million, together with appropriate interest at the New York judgment rate (9% per annum); reasonable costs and expenses, including attorneys' fees; and hearing session fees or other costs or expenses associated with this arbitration.

At the hearing, Claimants requested compensatory damages in the amount of \$80,000,000.00 and interest in the amount of \$60,000,000.00.

Respondent requested that the Claimants' claims be dismissed with prejudice.

In its Counterclaims, Respondent requested damages in an amount to be proven at hearing.

Claimants requested that the Counterclaims be denied in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

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

On April 23, 2013, the Statement of Claim was amended to add TSL (USA) Inc., as a Claimant.

Prior to the hearing, Claimants withdrew their claim against Respondent relating to GSC ABS Funding 2006-3g, Ltd.

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

ARBITRATORS' REPORT

The Panel finds that there were knowing and material omissions and misstatements in the marketing materials on which National Australia Bank Limited relied, as to Goldman Sachs' multiple purposes in creating Hudson Mezz-1 CDO, that masked a significant conflict of interest with its clients. Therefore, National Australia Bank Limited is entitled to the return of its \$80 million investment.

Because of National Australia Bank Limited's delay in pursuing its legal claims and the realistic rates of interest since December 5, 2006, the panel awards interest from that date at the rate of 3%.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimants the amount of \$80,000,000.00.
2. Respondent is liable for and shall pay to Claimants interest on the award at the rate of 3% per annum from December 5, 2006 until the award is paid in full.
3. Respondent's Counterclaims are denied in their entirety.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial Claim Filing Fee	= \$ 1,800.00
Counterclaim Filing Fee	= \$ 1,500.00

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

Member Fees

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

Member Surcharge	= \$ 3,750.00
Pre-Hearing Processing Fee	= \$ 750.00
Hearing Processing Fee	= \$ 5,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

November 4, 5, 7, 11, 12, 14, 18, 19, 21 and December 2, 3 and 5, 2014 adjournment by parties	Waived
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Hearing Session Fees and Assessments

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

Four (4) Pre-hearing sessions with Arbitrator @ \$450.00	= \$ 1,800.00
Pre-hearing conferences: November 19, 2013	1 session
January 23, 2014	1 session
February 27, 2014	1 session
September 4, 2014	1 session
One (1) Pre-hearing session with Panel @1,200.00	= \$ 1,200.00
Pre-hearing conferences: July 11, 2013	1 session

Twenty (20) Hearing sessions @ \$1,200.00 = \$ 24,000.00

Hearing Dates:	April 8, 2015	2 sessions
	April 9, 2015	2 sessions
	April 10, 2015	2 sessions
	April 13, 2015	2 sessions
	April 14, 2015	2 sessions
	April 16, 2015	2 sessions
	April 17, 2015	2 sessions
	April 21, 2015	2 sessions
	April 22, 2015	2 sessions
	April 24, 2015	2 sessions

Total Hearing Session Fees = \$ 27,000.00

1. The Panel has assessed \$13,500.00 of the hearing session fees jointly and severally to Claimants.
2. The Panel has assessed \$13,500.00 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Susan C. Lushing	-	Public Arbitrator, Presiding Chairperson
Amy Banet	-	Public Arbitrator
Alfred John Del Rey, Jr.	-	Public Arbitrator

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

Concurring Arbitrators' Signatures



Susan C. Lushing
Public Arbitrator, Presiding Chairperson

May 6, 2015
Signature Date

Amy Banet
Public Arbitrator

Signature Date

Alfred John Del Rey, Jr.
Public Arbitrator

Signature Date

May 7, 2015

Date of Service (For FINRA Dispute Resolution office use only)


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Public Arbitrator

Signature Date


Signature Date

Alfred John Del Rey, Jr.
Public Arbitrator

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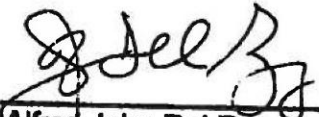
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Public Arbitrator, Presiding Chairperson

Signature Date

Amy Banet
Public Arbitrator

Signature Date



Alfred John Del Rey, Jr.
Public Arbitrator

5/5/15

Signature Date

May 7, 2015

Date of Service (For FINRA Dispute Resolution office use only)