

Goldman, Sachs & Co. | 85 Broad Street | New York, New York 10004
Tel: 212-357-7580 | Fax: 212 -357-0445 | e-mail: stewart.pomerantz@gs.com

Stewart A. Pomerantz
Vice President & Associate General Counsel

Goldman
Sachs

July 18, 2006

BY FAX AND CERTIFIED MAIL

Attention: Ms. Caroline Farmer
Consumer Protection Division
North Carolina Attorney General's Office
North Carolina Department of Justice
9001 Mail Service Center
Raleigh, NC 27699-9001

Dear Ms. Farmer:

The Goldman Sachs Group, Inc. is providing your office this notice pursuant to the North Carolina Identity Theft Protection Act of 2005 (the "Act"), as we are notifying more than 1,000 individuals of a security breach involving their personal information.

Goldman Sachs has been informed by BISYS-RK Alternative Investment Services, Inc. that on June 8, 2006, the vehicle of a BISYS-RK employee containing unlabeled backup storage tapes was stolen in New Jersey. BISYS-RK had been engaged to provide fund administration, accounting and tax services to the Goldman Sachs Private Equity Group; consequently, the tapes contained the names, addresses and social security numbers of individual investors in some of the Goldman Sachs sponsored investment funds. The vehicle theft was reported to New Jersey local law enforcement authorities on the date of the theft, and the authorities' investigation is continuing.

A copy of Goldman Sachs's notice to affected individuals is attached hereto. We commenced mailing the notices on July 18, 2006. The number of total affected individuals (US residents and non-US residents) is approximately 3,127. Of this number, approximately 20 individuals are North Carolina residents. Pursuant to the Act we are also notifying the national consumer reporting agencies of this matter.

If your office has any questions about this matter, you may contact me at the address and phone number above.

Very truly yours,



Stewart A. Pomerantz

enclosure

**North Carolina Security Breach Reporting Form
Pursuant to the Identity Theft Protection Act of 2005**

Name of Business Owning or Licensing Information Affected by the
Breach: The Goldman Sachs Group, Inc. ("GS")

Address: 85 Broad Street
New York, New York 10004

Telephone: See contact information
below

Fax: See contact information
below

Email: See contact information
below

PLEASE SUBMIT FORM TO:
Consumer Protection Division
NC Attorney General's Office
9001 Mail Service Center
Raleigh, NC 27699-9001
Telephone: (919) 716-6000
Toll Free in NC: (877) 566-7226
FAX: (919) 716-6050

Date Security Breach Reporting Form submitted: August 17, 2006. This form supplements GS's original July 18, 2006 letter to the NC Attorney General's Office ("GS Letter"), which attached a copy of the notice to affected individuals.

Date the Security Breach was discovered: June 28, 2006 (discovery by GS). BISYS-RK Alternative Investment Services, Inc. discovered the Security Breach during the period June 8- June 12, 2006.

Estimated number of affected individuals: Same as noted in GS Letter

Estimated number of NC residents affected: Same as noted in GS Letter

Name of business maintaining or possessing information that was the subject of the Security Breach, if the business that experienced the Security Breach is not the same entity as the business reporting the Security Breach (pursuant to N.C.G.S. § 75-65(b): BISYS-RK Alternative Investment Services, Inc. ("BISYS-RK")

Describe the circumstances surrounding the Security Breach and state whether the information breached was in electronic or paper format: Same as noted in GS Letter. The information was in electronic format.

Regarding electronic information breached, state whether the information breached or potentially breached was password protected or encrypted in some manner. No If so, please describe the security measures protecting the information: Not applicable

Describe any measures taken to prevent a similar Security Breach from occurring in the future: BISYS-RK has informed GS that after the Security Breach it began employing Iron Mountain, a nationally recognized secure storage vendor, to pick up BISYS-RK backup tapes daily; that it would no longer have such tapes transported by BISYS-RK employees; that it had engaged the privacy practice of a nationally recognized consulting firm to review all of its procedures; and that it is committed to implementing further recommended changes.

Since learning of the Security Breach, the GS Private Equity Group has been working closely with

BISYS-RK to monitor the progress and methodology of BISYS-RK data security procedures to minimize the risk of a similar occurrence in the future. Our Private Equity Group, in conjunction with the GS Technology Division, Management Controls Department and the Information Security Department, is performing a review of the data security procedures employed by the Private Equity Group's vendors. The reviews focus on communication methods, remote and mobile access, entitlements, network and application management, data leakage, and applicable security policies and procedures. To the extent not already discussed with the applicable vendor, any perceived gaps in controls will be addressed with the vendor immediately. In addition, as part of the vendor review, the Private Equity Group is reviewing its internal procedures for sharing personal data with the vendors.

Date affected NC residents were/will be notified: Notices to the entire pool of affected individuals were mailed commencing July 18, 2006, and the mailing for the vast majority was complete by July 20, 2006; a small number of individual mailings or re-mailings occurred after that date.

If there has been any delay in notifying affected NC residents, describe the circumstances surrounding the delay pursuant to N.C.G.S. § 75-65(a) and (c): BISYS-RK did not inform GS of the Security Breach until June 28, 2006. There was no additional law enforcement-related delay.

If the delay was pursuant to a request from law enforcement pursuant to N.C.G.S. § 75-65(c), please include the written request or the contemporaneous memorandum.

How NC residents were/will be notified?

(pursuant to N.C.G.S. § 75-65(e))

Please attach copy of the notice if in written form or a copy of any scripted notice if in telephonic form.

- written notice
 electronic notice (email)
 telephone notice
 substitute notice

Signature: _____

2006

Date: August 17,

Contact Person, Title: Stewart A. Pomerantz, Vice President and Associate General Counsel, Goldman, Sachs & Co.

Address: 85 Broad Street, New York, New York
10004

(if different from above) _____

Telephone: 212 357-7580 (direct) Fax: 212 357-

0445

Email: stewart.pomerantz@gs.com

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Stewart A. Pomerantz
Vice President & Associate General Counsel

Goldman
Sachs

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August 17, 2006

BY FAX AND CERTIFIED MAIL

Attention: Kim D'Arruda, Esq.
Consumer Protection/Antitrust Division
North Carolina Attorney General's Office
North Carolina Department of Justice
9001 Mail Service Center
Raleigh, NC 27699-9001

Dear Ms. D'Arruda:

As we discussed recently, The Goldman Sachs Group, Inc. is providing you the enclosed North Carolina Security Breach Reporting Form in response to your July 28, 2006 letter. The enclosed form supplements our original notice letter to your office dated July 18, 2006. We will use the new reporting form for any incidents we need to report to your office in the future.

If you have any further questions about this matter, please feel free to contact me.

Very truly yours,


Stewart A. Pomerantz

enclosure