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May 7, 2009

Mr. William C. Dudley  
President  
Federal Reserve Bank of New York  
33 Liberty Street  
New York, NY 10045

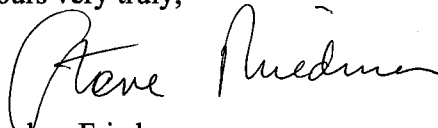
Dear Bill:

By copy of this letter to Chairman Bernanke, I hereby resign as a Class C Director and Chairman of the Board of the Federal Reserve Bank of New York, effective immediately.

Last Fall, after Goldman Sachs Group, Inc. became a bank holding company, I agreed to remain on the Board, pursuant to the waiver authority of the Board of Governors of the Federal Reserve System, to provide continuity during a time of financial market instability. Today, although I have been in compliance with the rules, my public service motivated continuation on the Reserve Bank Board is being mischaracterized as improper. The Federal Reserve System has important work to do and does not need this distraction.

Please convey my appreciation and respect to my fellow Directors and the Reserve Bank staff for their cooperation and their service. It has been a pleasure to work with you, your predecessor, and our distinguished Board, as well as the dedicated, hard-working men and women of the New York Fed. The New York Fed plays an extraordinary and vital role in restoring stability to the financial system during this very critical period, and it has been an honor to be part of the institution's effort. I also am grateful to Chairman Bernanke and the other Members and staff of the Board of Governors for their advice and support in connection with the search for a new Chief Executive Officer for the New York Fed.

Yours very truly,



Stephen Friedman

cc: The Honorable Ben S. Bernanke  
Chairman  
Federal Reserve Board of Governors  
Federal Reserve System  
Washington, DC 20551