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# OneChicago ✕

141 West Jackson, Suite 1065  
Chicago, Illinois 60604

Via Electronic Mail

November 15, 2011

Mr. David Stawick  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

Re: Revisions to OneChicago Rules 510 and 605  
Name Changes from NASD and AMEX to FINRA and NYSE AMEX

Dear Mr. Stawick:

Pursuant to section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act"), and section 41.24 of the regulations promulgated by the Commission under the Act, submitted herewith is an amendment to OneChicago, LLC ("OneChicago") Rule 510, Risk Disclosure Statement; 605 Sales Practice Rules. The revisions are in technical in nature, merely updating the referenced organization name from NASD to FINRA and AMEX to NYSE AMEX.

The proposed revisions are included as Attachment A. Deleted text is shown by a strikethrough (---) and new text is underlined ( \_\_\_\_ ). These amendments will become effective on December 1, 2011.

The amendments are consistent with the Core Principle 7 in that they make technical corrections regarding names for other regulatory organizations, thus enhancing the accuracy of the OneChicago rules.

There is no new operational impact related to the amendments.

Comments on the OneChicago proposed rule change have not been solicited and none have been received.

On behalf of OneChicago, I hereby certify that a notice of pending rule certification with the Commission and a copy of the submission has been posted on the OneChicago website at [http://www.onechicago.com/?page\\_id=8917](http://www.onechicago.com/?page_id=8917)

On behalf of OneChicago, I hereby certify that the amendment complies with the Act and the regulations promulgated thereunder.

Respectfully submitted,

Thomas G. McCabe  
Chief Operating Officer  
OneChicago, LLC

Encl: Attachment A

## Attachment A

### **510. Risk Disclosure Statement**

In accordance with applicable requirements of the NFA (in the case of any Clearing Member, Exchange Member or Access Person that is registered with the NFA) or ~~the National Association of Securities Dealers, Inc. (the "NASD")~~ Financial Industry Regulatory Authority, Inc. ("FINRA") (in the case of any Clearing Member, Exchange Member or Access Person that is registered with the ~~NASD~~FINRA), each Clearing Member or, if applicable, Exchange Member or Access Person shall provide its Customers with a written disclosure statement in the form approved by the Exchange for purposes of Commission Regulations § 1.55 and § 41.42(b) and any other disclosure statement from time to time required by the Exchange.

### **605. Sales Practice Rules**

Without limiting the generality of Rule 604, each Clearing Member, Exchange Member (including its Related Parties) and Access Person shall comply with any and all sales practice rules (including those relating to bunched orders, opening and approval of accounts, suitability, use of discretion, supervision of accounts, risk disclosure document delivery, communications, monthly statements and confirmations, registration, qualification and continuing education, customer complaints and prohibition against guarantees and profit sharing) from time to time promulgated by the NFA (in the case of any Clearing Member, Exchange Member or Access Person that is registered with the NFA) or ~~the National Association of Securities Dealers, Inc.~~ Financial Industry Regulatory Authority, Inc. (in the case of any other Clearing Member, Exchange Member or Access Person) with respect to security futures within the meaning of Section 1a(31) of the CEA, which rules are hereby incorporated by reference into this Rule 605.

## Schedule A to Chapter 5

### Margin Levels for Offsetting Positions

	DESCRIPTION OF OFFSET	SECURITY UNDERLYING THE SECURITY FUTURE	INITIAL MARGIN REQUIREMENT	MAINTENANCE MARGIN REQUIREMENT
1	Long security future (or basket of security futures representing each component of a narrow-based securities index <sup>1</sup> ) and long put option <sup>2</sup> on the same underlying security (or index)	Individual stock or narrow-based security index	20% of the current market value of the long security future, plus pay for the long put in full.	The lower of: (1) 10% of the aggregate exercise price <sup>3</sup> of the put plus the aggregate put out-of-the-money <sup>4</sup> amount, if any; or (2) 20% of the current market value of the long security future.

<sup>1</sup> Baskets of securities or security futures contracts must replicate the securities that comprise the index, and in the same proportion.

<sup>2</sup> Generally, for the purposes of these rules, unless otherwise specified, stock index warrants shall be treated as if they were index options.

<sup>3</sup> "Aggregate exercise price," with respect to an option or warrant based on an underlying security, means the exercise price of an option or warrant contract multiplied by the numbers of units of the underlying security covered by the option contract or warrant. "Aggregate exercise price" with respect to an index option, means the exercise price multiplied by the index multiplier. *See, e.g., NYSE AMEX Rules 462 900 and 900C; CBOE Rule 12.3; and FINRA NASD Rule 4210 2522.*

<sup>4</sup> "Out-of-the-money" amounts shall be determined as follows:

- (1) for stock call options and warrants, any excess of the aggregate exercise price of the option or warrant over its current market value (as determined in accordance with Regulation T of the Board of Governors of the Federal Reserve System);
- (2) for stock put options or warrants, any excess of the current market value (as determined in accordance with Regulation T of the Board of Governors of the Federal Reserve System) of the option or warrant over its aggregate exercise price;
- (3) for stock index call options and warrants, any excess of the aggregate exercise price of the option or warrant over the product of the current index value and the applicable index multiplier; and
- (4) for stock index put options and warrants, any excess of the product of the current index value and the applicable index multiplier over the aggregate exercise price of the option or warrant. *See, e.g., NYSE Rule 431 (Exchange Act Release No. 42011 (October 14, 1999), 64 FR 57172 (October 22, 1999) (order approving SR-NYSE-99-03)); NYSE Amex Rule 462 (Exchange Act Release No. 43582 (November 17, 2000), 65 FR 71151 (November 29, 2000) (order approving SR-Amex-99-27)); CBOE Rule 12.3 (Exchange Act Release No. 41658 (July 27, 1999), 64 FR 42736 (August 5, 1999) (order approving SR-CBOE-97-67)); or NASD FINRA Rule 2520 4210 (Exchange Act Release No. 36-62482 43581 (July 12, 2010 November 17, 2000), 675 FR 4156270854 (July 16, 2010 November 28, 2000) (order approving SR-FINRA-2010-024 NASD 00-15)).*

	DESCRIPTION OF OFFSET	SECURITY UNDERLYING THE SECURITY FUTURE	INITIAL MARGIN REQUIREMENT	MAINTENANCE MARGIN REQUIREMENT
2	Short security future (or basket of security futures representing each component of a narrow-based securities index) and short put option on the same underlying security (or index)	Individual stock or narrow-based security index	20% of the current market value of the short security future, plus the aggregate put in-the-money amount, if any. Proceeds from the put sale may be applied.	20% of the current market value of the short security future, plus the aggregate put in-the-money amount, if any. <sup>5</sup>
3	Long security future and short position in the same security (or securities basket) underlying the security future	Individual stock or narrow-based security index	The initial margin required under Regulation T for the short stock or stocks.	5% of the current market value as defined in Regulation T of the stock or stocks underlying the security future.
4	Long security future (or basket of security futures representing each component of a narrow-based securities index) and short call option on the same underlying security (or index)	Individual stock or narrow-based security index	20% of the current market value of the long security future, plus the aggregate call in-the-money amount, if any. Proceeds from the call sale may be applied.	20% of the current market value of the long security future, plus the aggregate call in-the-money amount, if any.
5	Long a basket of narrow-based security futures that together tracks a broad-based index and short a broad-based security index call option contract on the same index	Narrow-based security index	20% of the current market value of the long basket of narrow-based security futures, plus the aggregate call in-the-money amount, if any. Proceeds from the call sale may be applied.	20% of the current market value of the long basket of narrow-based security futures, plus the aggregate call in-the-money amount, if any.
6	Short a basket of narrow-based security futures that together tracks a broad-based security index and short a broad-based security index put option contract on the same index	Narrow-based security index	20% of the current market value of the short basket of narrow-based security futures, plus the aggregate put in-the-money amount, if any. Proceeds from the put sale may be applied.	20% of the current market value of the short basket of narrow-based security futures, plus the aggregate put in-the-money amount, if any.

<sup>5</sup> "In-the-money" amounts must be determined as follows:

- (1) for stock call options and warrants, any excess of the current market value (as determined in accordance with Regulation T of the Board of Governors of the Federal Reserve System) of the option or warrant over its aggregate exercise price;
- (2) for stock put options or warrants, any excess of the aggregate exercise price of the option or warrant over its current market value (as determined in accordance with Regulation T of the Board of Governors of the Federal Reserve System);
- (3) for stock index call options and warrants, any excess of the product of the current index value and the applicable index multiplier over the aggregate exercise price of the option or warrant; and
- (4) for stock index put options and warrants, any excess of the aggregate exercise price of the option or warrant over the product of the current index value and the applicable index multiplier.

	DESCRIPTION OF OFFSET	SECURITY UNDERLYING THE SECURITY FUTURE	INITIAL MARGIN REQUIREMENT	MAINTENANCE MARGIN REQUIREMENT
7	Long a basket of narrow-based security futures that together tracks a broad-based security index and long a broad-based security index put option contract on the same index	Narrow-based security index	20% of the current market value of the long basket of narrow-based security futures, plus pay for the long put in full.	The lower of: (1) 10% of the aggregate exercise price of the put, plus the aggregate put out-of-the-money amount, if any; or (2) 20% of the current market value of the long basket of security futures.
8	Short a basket of narrow-based security futures that together tracks a broad-based security index and long a broad-based security index call option contract on the same index	Narrow-based security index	20% of the current market value of the short basket of narrow-based security futures, plus pay for the long call in full.	The lower of: (1) 10% of the aggregate exercise price of the call, plus the aggregate call out-of-the-money amount, if any; or (2) 20% of the current market value of the short basket of security futures.
9	Long security future and short security future on the same underlying security (or index)	Individual stock or narrow-based security index	The greater of: 5% of the current market value of the long security future; or (2) 5% of the current market value of the short security future.	The greater of: 5% of the current market value of the long security future; or (2) 5% of the current market value of the short security future.
10	Long security future, long put option and short call option. The long security future, long put and short call must be on the same underlying security and the put and call must have the same exercise price. (Conversion)	Individual stock or narrow-based security index	20% of the current market value of the long security future, plus the aggregate call in-the-money amount, if any, plus pay for the put in full. Proceeds from the call sale may be applied.	10% of the aggregate exercise price, plus the aggregate call in-the-money amount, if any.
11	Long security future, long put option and short call option. The long security future, long put and short call must be on the same underlying security and the put exercise price must be below the call exercise price (Collar)	Individual stock or narrow-based security index	20% of the current market value of the long security future, plus the aggregate call in-the-money amount, if any, plus pay for the put in full. Proceeds from call sale may be applied.	The lower of: (1) 10% of the aggregate exercise price of the put plus the aggregate put out-of-the money amount, if any; or (2) 20% of the aggregate exercise price of the call, plus the aggregate call in-the-money amount, if any.
12	Short security future and long position in the same security (or securities basket) underlying the security future	Individual stock or narrow-based security index	The initial margin required under Regulation T for the long stock or stocks.	5% of the current market value, as defined in Regulation T, of the long stock or stocks.
13	Short security future and long position in a security immediately convertible into the same security underlying the security future, without restriction, including the payment of money	Individual stock or narrow-based security index	The initial margin required under Regulation T for the long security.	10% of the current market value, as defined in Regulation T, of the long security.
14	Short security future (or basket of security futures representing each component of a narrow-based securities index) and long call option or warrant on the same underlying security (or index)	Individual stock or narrow-based security index	20% of the current market value of the short security future, plus pay for the call in full.	The lower of: (1) 10% of the aggregate exercise price of the call, plus the aggregate call out-of-the-money amount, if any; or (2) 20% of the current market value of the short security future.

	DESCRIPTION OF OFFSET	SECURITY UNDERLYING THE SECURITY FUTURE	INITIAL MARGIN REQUIREMENT	MAINTENANCE MARGIN REQUIREMENT
15	<b>Short security future, Short put option and long call option. The short security future, short put and long call must be on the same underlying security and the put and call must have the same exercise price. (Reverse Conversion)</b>	Individual stock or narrow-based security index	20% of the current market value of the short security future, plus the aggregate put in-the-money amount, if any, plus pay for the call in full. Proceeds from put sale may be applied.	10% of the aggregate exercise price, plus the aggregate put in-the-money amount, if any.
16	<b>Long (short) a basket of security futures, each based on a narrow-based security index that together tracks the broad-based index and short (long) a broad-based index future</b>	Narrow-based security index	5% of the current market value for the long (short) basket of security futures.	5% of the current market value of the long (short) basket of security futures.
17	<b>Long (short) a basket of security futures that together tracks a narrow-based index and short (long) a narrow-based index future</b>	Individual stock and narrow-based security index	The greater of: (1) 5% of the current market value of the long security future(s); or (2) 5% of the current market value of the short security future(s).	The greater of: (1) 5% of the current market value of the long security future(s); or (2) 5% of the current market value of the short security future(s).
18	<b>Long (short) a security future and short (long) an identical security future traded on a different market.<sup>6</sup></b>	Individual stock and narrow-based security index	The greater of: (1) 3% of the current market value of the long security future(s); or (2) 3% of the current market value of the short security future(s).	The greater of: (1) 3% of the current market value of the long security future(s); or (2) 3% of the current market value of the short security future(s).

<sup>6</sup> Two security futures will be considered "identical" for this purpose if they are issued by the same clearing agency or cleared and guaranteed by the same derivatives clearing organization, have identical contract specifications, and would offset each other at the clearing level.