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SR-OCC-2005-08

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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**Form 19b-4**

**Proposed Rule Change**  
**by**

**THE OPTIONS CLEARING CORPORATION**

**Pursuant to Rule 19b-4 under the**  
**Securities Exchange Act of 1934**

**Item 1. Text of the Proposed Rule Change**

In File No. SR-OCC-2004-22, The Options Clearing Corporation (“OCC”) continued into 2005 the fee reduction for securities option contracts that was originally implemented in Filing No. SR-OCC-2004-12. Effective July 1, 2005, OCC proposes to further reduce its discounted clearing fees for securities options until its Board of Directors takes further action. The July 1, 2005 OCC Schedule of Fees is attached hereto as Exhibit 5. Material added to the OCC Schedule of Fees is marked by underlining. Material deleted therefrom is enclosed in brackets.

**Item 2. Procedures of the Self-Regulatory Organization**

The proposed rule change was approved by the Board of Directors of OCC at a meeting held on May 24, 2005.

Questions regarding the proposed rule change should be addressed to Jean M. Cawley, First Vice President and Deputy General Counsel, at (312) 322-6269.

**Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

The primary purpose of this rule change is to further reduce OCC’s currently discounted clearing fees for securities option contracts until the Board of Directors determines otherwise.<sup>1</sup> Effective July 1, 2005, OCC’s clearing fees for securities options will be:

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<sup>1</sup> In addition, OCC is deleting charges for 56.0kb lines as they are no longer a supported communications protocol. Other changes made to the Schedule of Fees are of a technical or conforming nature.

<u>Contracts/ Trade</u>	<u>Discounted Fee Effective July 1, 2005</u>
1-500	\$0.05/contract
501-1,000	\$0.04/contract
1,001-2,000	\$0.03/contract
>2,000	\$55.00 (capped)

The additional fee reduction recognizes the continued strong volume in securities options in 2005. OCC believes that this fee reduction will financially benefit clearing members and other market participants without adversely affecting OCC's ability to meet its expenses and maintain an acceptable level of retained earnings.

The discounted fees for new securities option products will be:

<u>Month</u>	<u>Contracts/ Trade</u>	<u>Discounted Fee Effective July 1, 2005</u>
1	N/A	No Fee
2	1-4,400	\$0.01
	>4,400	\$40.00
3	1-2,200	\$0.02
	>2,200	\$40.00
4	N/A	Regular Schedule

\* \* \*

The proposed rule change is consistent with Section 17A of the Securities Exchange Act of 1934, as amended (the "Act"), because it benefits clearing members by reducing clearing fees and allocates such fees among clearing members in a fair and equitable

manner. The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

**Item 4. Self-Regulatory Organization's Statement on Burden on Competition**

OCC does not believe that the proposed rule change would impose any burden on competition.

**Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others**

Written comments were not and are not intended to be solicited with respect to the proposed rule change and none have been received.

**Item 6. Extension of Time Period for Commission Action**

Not applicable.

**Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

Pursuant to Section 19(b)(3)(A) of the Exchange Act and Rule 19b-4(f) thereunder, the proposed rule change is effective upon filing inasmuch as it pertains to a reduction in fees imposed on clearing members. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**Item 8.                    Proposed Rule Change Based on Rule of Another  
Self-Regulatory Organization or of the Commission**

The proposed rule change is not based on a rule of another self-regulatory organization or of the Commission.

**Item 9.                    Exhibits**

Exhibit 1.        Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5.        OCC Schedule of Fees, July 1, 2005

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, The Options Clearing Corporation has caused this filing to be signed on its behalf by the undersigned hereunto duly authorized.

**THE OPTIONS CLEARING CORPORATION**

By: \_\_\_\_\_

**William H. Navin  
Executive Vice President and  
General Counsel**