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SR-OCC-2005-06; Amendment No. 1

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PARTIAL AMENDMENT

The Options Clearing Corporation ("OCC") hereby submits this partial amendment, constituting Amendment No. 1, to its rule filing SR-OCC-2005-06, filed on May 10, 2005, in which OCC proposed to amend its rules to accommodate short term options. This partial amendment amends the Item 3 description of the rule filing to identify the American Stock Exchange ("AMEX") as an exchange also proposing to trade short term options. As discussed with the staff, OCC proposes to replace the three full paragraphs¹ in Item 3 of the rule change with the following:

The purpose of this proposed rule change is to amend OCC's By-Laws and Rules to accommodate short term options proposed for trading by the American Stock Exchange ("AMEX"), the Chicago Board Options Exchange ("CBOE"), the International Securities Exchange ("ISE"), and the Pacific Stock Exchange ("PCX"). The Securities and Exchange Commission (the "Commission") on February 9, 2005 published notice of a proposal by CBOE to amend its rules to permit the listing of options series that expire one week after being opened for trading.³ The CBOE has since that time submitted two amendments to clarify certain provisions related to the listing of short term options. In addition, the AMEX, the ISE, and the PCX have also submitted proposals to amend their rules to permit the listing of short term options. Under OCC's current proposal, a series of short term options could be opened in any class of options that otherwise satisfies the applicable listing criteria of any participant exchange having rules for the trading of short term options. Short term option series could be either European Style or American style. Short term options would ordinarily be opened on Friday and expire the following Friday.

¹ Newly added text is marked by double underlining.

If a Friday is not a business day, the series may be opened (or would expire) on the first business day immediately prior to that Friday.

Under the AMEX, CBOE, ISE, and PCX proposals, short term options series listed on currently approved index option classes shall settle, specifically A.M.-settled or P.M.-settled, in the same manner as do the monthly expiration series in the same option class. No short term option series on an option class may expire in the same week in which monthly option series of the same class expire.

Under the AMEX, CBOE, ISE, and PCX proposals, short term options will be traded initially under a one-year pilot program. This is intended to ensure that the addition of new series under the pilot will have a negligible impact on systems capacities of the exchanges and the Options Price Reporting Authority. Under the terms of the pilot, AMEX, CBOE, ISE, and PCX could each select up to five option classes on which short term option series may be opened on any short term option opening date. Each exchange also would be allowed to list those short term option series on any option class that is selected by other securities exchanges that participate in the pilot program.