

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 19b-4

Proposed Rule Change
by

THE OPTIONS CLEARING CORPORATION

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

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Item 1. Text of the Proposed Rule Change

The Options Clearing Corporation (“OCC”) proposes to amend Article XII, Section 3 of its By-Laws as set forth below to conform to certain proposed changes to Article VI, Section 11A previously filed by OCC with the Commission. The proposed changes included herein will ensure that in the event of a stock dividend, stock distribution or stock split, stock futures contracts can be adjusted in a manner consistent with adjustments made for stock option contracts on the same underlying security. Material proposed to be added is underlined and material proposed to be deleted is bracketed.

THE OPTIONS CLEARING CORPORATION

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BY-LAWS**ARTICLE XII – FUTURES AND FUTURES OPTIONS**

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Section 3. Adjustments to Futures and Futures Options**Section 3. (a) – (c)** [no change]

(d) In the event an underlying security has any series of option contracts having exercise prices stated in fractions of one dollar (e.g., 1/8) rather than in decimals:

(i) It [Subject to paragraph (c) of this Section 3, it] shall be the general rule that in the case of a stock dividend, stock distribution or stock split whereby [one or more whole numbers of] either one or three additional whole shares of the underlying security are issued with respect to each outstanding share (e.g., a 2 for 1 or 4 for 1 stock split), each stock future covering that underlying security shall be increased by the same number of additional stock futures as the number of additional shares issued with respect to each share of the underlying security, the last settlement price established immediately before such event shall be

proportionately reduced, and the unit of trading shall remain the same. However, if options on the underlying security are adjusted in accordance with Article VI, Section 11A(d)(ii), the foregoing general rule shall not apply and stock futures on such underlying security shall instead be adjusted in accordance with subparagraph (ii) of this paragraph (d).

(ii) It shall be the general rule with respect to any stock dividend, stock distribution or stock split for which an adjustment is not made pursuant to subparagraph (i) above that each stock future covering the affected underlying security shall be adjusted, solely for purposes of determining the property deliverable upon exercise of the stock futures, by increasing the unit of trading so as to include the number of shares or amount of property distributed (or decreasing the unit of trading to reflect the number of shares eliminated, in the case of a reverse stock split, combination of shares, or similar event). If an adjustment is made in accordance with the preceding sentence, the unit of trading for all such adjusted series of stock futures shall remain unchanged for purposes of determining the aggregate settlement price of the futures and for purposes of determining the premium for any such futures purchased and sold.

(e) In the event an underlying security has any series of option contracts having exercise prices that are stated in decimals:

(i) It shall be the general rule that in the case of a stock dividend, stock distribution or stock split whereby a whole number of additional shares of the underlying security is issued with respect to each outstanding share, each stock future covering that underlying security shall be increased by the same number of additional stock futures as the additional number of shares issued with respect to each share of the underlying security, the last settlement price established immediately before such event shall be proportionately reduced, and the unit of trading shall remain the same.

(ii) It [Subject to paragraph (c) of this Section 3, it] shall be the general rule that in the case of a stock dividend, stock distribution or stock split whereby other than a whole number of shares of the underlying security is issued in respect of each outstanding share, the last settlement price established immediately before such event shall be proportionately reduced[, and conversely, in the case of a reverse stock split or combination of shares, last settlement price established immediately before such event shall be proportionately increased. Whenever the settlement price with respect to a stock future has been reduced or increased in accordance with this paragraph (e),] and the unit of trading shall be proportionately increased [or reduced, as the case may be].

(iii) It shall be the general rule that in the case of reverse stock splits, combinations of shares, or similar events, stock futures shall be adjusted as provided in subparagraph (d)(ii).

(f) – (h) [no change]

(i) It shall be the general rule that (i) all adjustments of the settlement price of an outstanding stock future shall be rounded to the nearest adjustment increment, (ii)

when an adjustment causes a settlement price to be equidistant between two adjustment increments, the settlement price shall be rounded up to the next highest adjustment increment, (iii) all adjustments of the unit of trading shall be rounded down to eliminate any fraction, and (iv) if the adjustment is made pursuant to subparagraph (d)(ii) above, the value of the fractional share so eliminated as determined by the Corporation shall be added to the unit of trading, or if the adjustment is made pursuant to subparagraph (e)(ii) above, if the unit of trading is rounded down to eliminate a fraction, the adjusted settlement price [shall] may be further adjusted, to the nearest adjustment increment, to reflect any diminution in the value of the stock future resulting from the elimination of the fraction.

(j) [no change]

Item 2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by OCC's Board of Directors at a meeting held on March 2, 2006.

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

On January 12, 2006, OCC filed with the Commission a Proposed Rule Change on Form 19b-4, File No. SR-OCC-2006-01 (the "January 2006 Proposed Rule Change"). Pursuant to the January, 2006 Proposed Rule Change, OCC proposed, *inter alia*, amending its adjustment rules with respect to stock option contracts for stock dividends, stock distributions and stock splits (as provided in Article VI, Section 11A). The Commission has not yet acted on the January, 2006 Proposed Rule Change. In anticipation of (and subject to) the Commission approving the January, 2006 Proposed Rule Change, the proposed rule changes described herein to Article XII, Section 3 are

intended to ensure stock futures contracts can be adjusted in a manner consistent with adjustments made to stock option contracts on the same underlying security.

As provided in the January, 2006 Proposed Rule Change, OCC desires to change certain of its adjustment rules with respect to stock option contracts to eliminate the need to round strike prices and/or units of trading in the event of certain stock dividends, stock distributions and stock splits. The January, 2006 Proposed Rule Change describes the rationale for OCC's proposed changes to the adjustment rules for stock options. The adjustment rules for stock futures as currently provided in Article XII, Section 3 parallel the adjustment rules for stock options provided in Article VI, Section 11A (excluding the proposed rules changes included in the January, 2006 Proposed Rule Change). This uniformity ensures stock futures contracts can be adjusted in a manner consistent with adjustments made to stock option contracts on the same underlying security. The proposed rule changes included herein to Article XII, Section 3 are made solely to track the changes proposed to be made to Article VI, Section 11A, and are intended to ensure adjustments made for stock dividends, stock distributions and stock splits to stock options and to stock futures will remain consistent with respect to an underlying security.

As noted above, the central purpose of the changes proposed in the January, 2006 Proposed Rule Change is to eliminate inequities which result from certain rounding practices currently required by OCC's By-Laws because stock option strike prices are quoted in, and therefore rounded to, the nearest one-eighth. Stock futures do not have the same issue because they are quoted in decimals. Nevertheless, in order to

ensure adjustments for stock options and stock futures remain consistent, OCC proposes revising the adjustment rules with respect to stock futures to match the proposed revised adjustment rules with respect to stock options for stock dividends, stock distributions and stock splits.

OCC will not implement the proposed rule changes described herein until implementation of the January, 2006 Proposed Rule Change, and in the event any changes are made to the January, 2006 Proposed Rule Change, OCC will seek approval for conforming parallel changes (as applicable) to the proposed rule changes included herein.

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The proposed rule changes are consistent with Section 17A of the Securities Exchange Act of 1934, as amended (the "Act"), because they are intended solely to keep the adjustment rules with respect to stock futures for stock dividends, stock distributions and stock splits consistent with the adjustment rules with respect to stock options for such events. 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

OCC does not consent to an extension of the time period specified in Section 19(b)(2) of the Securities Exchange Act of 1934. OCC will not implement this rule change until implementation of the January, 2006 Proposed Rule Change.

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

Not applicable.

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

Not applicable.

Item 9. Exhibits

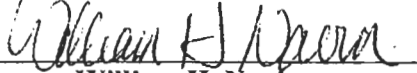
Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the self-regulatory organization has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

THE OPTIONS CLEARING CORPORATION

By: 
William H. Navin
Executive Vice President and
General Counsel