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File No. SR-OCC-2006-13

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

Item 1. Text of the Proposed Rule Change

The Options Clearing Corporation (“OCC” or “the Corporation”) proposes to amend its By-Laws and Rules as set forth below in order to reflect the change in name of (i) OCC’s Membership/Margin Committee to the Membership/Risk Committee, and (ii) the Nasdaq National Market to the Nasdaq Global Market. Material to be added is underlined and material to be deleted is enclosed in bold brackets.

THE OPTIONS CLEARING CORPORATION

ARTICLE I

Definitions

Definitions

SECTION 1. Unless the context requires otherwise (or except as otherwise specified in the By-Laws), the terms defined herein shall, for all purposes of these By-Laws and the Rules of the Corporation, have the meanings herein specified.

A. – I. [Unchanged]

G. (1) – (4) [Unchanged]

GSE Debt Securities

(5) The term “GSE debt securities” means such debt securities issued by Congressionally chartered corporations as the Membership/[Margin]Risk Committee may from time to time approve for deposit as margin.

H. – Z. [Unchanged]

* * *

ARTICLE III

Board Directors

Number of Directors

Committees

SECTION 9. At the first meeting of the Board of Directors following each annual meeting, the Board of Directors shall designate the Chairman of the Board, the Vice Chairman of the Board, and at least three other Member Directors of the Corporation, on a basis that shall not discriminate against any Exchange, to serve on a Membership/[Margin]Risk Committee having the powers and duties set forth in Article V of these By-Laws and Chapter VI of the Rules.

* * *

ARTICLE V

Clearing Members

Qualifications

SECTION 1.

...Interpretations and Policies:

.01 Financial Responsibility

The Membership/[Margin]Risk Committee will not recommend the approval of any application for clearing membership if:

a. – c. [Unchanged]

.02 Operational Capability

The Membership/[Margin]Risk Committee will not recommend the approval of any application for clearing membership unless:

a. the applicant:

1. [Unchanged]

2. [Unchanged]

b. – d. [Unchanged]

.03 Experience and Competence

The Membership/[Margin]Risk Committee will not recommend the approval of any application for clearing membership if:

a. the applicant or any person associated with the applicant is subject to a “statutory disqualification,” as defined in Section 3 of the Securities Exchange Act of 1934, as amended, or, in the case of an applicant primarily regulated as a futures commission merchant, the applicant or any person associated with the applicant is subject to statutory disqualification under Section 8a(2)-(4) of the Commodity Exchange Act, and the Membership/[Margin]Risk Committee finds that there are no special circumstances warranting the waiver of such disqualification with respect to such applicant;

b. [Unchanged]

c. the applicant lacks substantial experience in clearing the kind(s) of cleared contracts that the applicant proposes to clear or related kinds of transactions (e.g., stock transactions where the applicant proposes to clear physically-settled options or futures on individual stocks or futures transactions where the applicant proposes to clear futures options), and has failed, in the opinion of the Membership/[Margin]Risk Committee, to employ back-office personnel with sufficient experience to compensate for the applicant’s lack of such experience.

An applicant or associated person convicted of a felony or misdemeanor within ten years prior to the filing of an application for clearing membership shall be deemed subject to a statutory disqualification, within the meaning of clause (a) above, if the Membership/[Margin]Risk Committee finds that the felony or misdemeanor was of a type specified in clause (i), (ii), or (iv) of Section 15(b)(4)(B) of the Securities Exchange Act of 1934, as amended.

The terms "associated person" and "person associated with an applicant" as used in these Interpretations and Policies means any partner, officer, director, or branch manager of such applicant (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under

common control with such applicant, or any employee of such applicant.

In respect of clause (c) above, an applicant for clearing membership or at least one associated person of applicant:

a. – d. [Unchanged]

If an applicant elects to use an associated person to satisfy the requirements of the foregoing clauses applicable to such applicant, that associated person shall be a full-time employee of the applicant. The Membership/[Margin]Risk Committee may exempt from the applicable requirements of the foregoing clauses any applicant for clearing membership which entered into a facilities management agreement in accordance with Interpretation and Policy .04 below. Upon the written request of an applicant, the Membership/[Margin]Risk Committee may, in exceptional cases and where good cause is shown, waive the foregoing requirements and accept other standards as evidence of an applicant's experience in clearing securities, futures options or futures transactions.

In addition, the Membership/[Margin]Risk Committee will not recommend the approval of any application for clearing membership unless:

d. [Unchanged]

e. if the applicant has not applied for authorization to clear all types of transactions (i.e., customer transactions, firm transactions, market-maker and JBO Participant transactions), or all kinds of transactions (e.g., transactions in stock options, Treasury securities options, foreign currency options, cross-rate foreign currency options, cash-settled options, futures options and futures), or has not applied to carry positions in its accounts on a routine basis, or has not applied to be a Hedge Clearing Member, the applicant shall have undertaken to apply to the Membership/[Margin]Risk Committee for further approval before commencing to clear any type or kind of transaction for which approval is not currently being sought, before carrying positions in its accounts on a routine basis, or before participating in the Stock Loan/Hedge Program, as applicable.

In the event that expedited treatment is requested for an application submitted pursuant to clause (e) above, the Chairman, the Management Vice Chairman, or the President shall have the authority to approve or disapprove such application on a temporary basis. Thereafter, at the next scheduled meeting of the Membership/[Margin]Risk Committee, the Membership/[Margin]Risk Committee shall independently review

the submitted application and shall determine de novo whether to approve or disapprove such application. Should the Membership/[Margin]Risk Committee's determination result in the modification or reversal of the action taken by the Chairman, the Management Vice Chairman, or the President, any acts taken by the Corporation prior to such modification or reversal shall not be invalidated nor shall any rights of any person arising out of such acts be affected.

.04 Facilities Management

In determining whether the requirements of Sections .02, .03c, .03d, and .03e of this Interpretation have been satisfied by an applicant, the Membership/[Margin]Risk Committee will consider the provisions of a written agreement ("facilities management agreement") between the applicant and another Clearing Member ("Managing Clearing Member"), which is in a form acceptable to the Corporation, pursuant to which the Managing Clearing Member agrees to perform certain of the applicant's obligations as a Clearing Member for (i) the transaction of business with the Corporation and other Clearing Members and (ii) the maintenance of required books and records. The Corporation shall not approve a facilities management agreement in which a Clearing Member acts as Managing Clearing Member unless:

a. The agreement clearly sets forth the specific facilities management services (the "managed services") which are to be performed by the Managing Clearing Member on behalf of a Clearing Member (the "Managed Clearing Member") and the respective duties and obligations of the Managing Clearing Member and Managed Clearing Member. The Membership/[Margin]Risk Committee will not approve any application for membership unless the applicant demonstrates in accordance with this Interpretation that it has the operational capability, experience and competence to perform those duties and obligations which are not required under the terms of the agreement to be performed by the Managing Clearing Member.

b. [Unchanged]

c. [Unchanged]

.05 Additional Membership Criteria

If the Membership/[Margin]Risk Committee determines that the applicant's

may be evidenced by (i) the delivery to the Corporation of a depository receipt issued by an approved depository in a form prescribed by the Corporation or (ii) receipt by the Corporation of confirmation satisfactory to it that the securities have been pledged to the Corporation through an EDP Pledge System with the same legal effect as if a depository receipt were filed in accordance with clause (i) hereof. Any interest or gain received or accrued on such securities shall belong to the contributing Clearing Member.

* * *

Financial and Operations Personnel

RULE 214. (a) [Unchanged].

(b) Notwithstanding paragraph (a) of this Rule 214, the Membership/[Margin]Risk Committee may exempt from the requirements of this Rule any Clearing Member which is a "Managed Clearing Member," as that term is defined in Rule 309. Additionally, upon the written request of a Clearing Member, the Membership/[Margin]Risk Committee may, in exceptional cases and where good cause is shown, waive the foregoing requirements and accept other standards as evidence of a Clearing Member's experience in clearing securities or futures transactions.

...Interpretations and Policies:

.01 [Unchanged]

.02. Should a separation occur between the only associated person who meets the requirements of this Rule and the Clearing Member, such Clearing Member shall have three months from the effective date of the separation to comply with this Rule. The Clearing Member shall give the Corporation prompt written notice of such a separation. In the event that a Clearing Member has not complied with the requirements of the first sentence of this paragraph, the Membership/[Margin]Risk Committee, in its discretion, may: (1) require such Clearing Member to execute a facilities management agreement that will be in effect until such time that the Clearing Member does comply; or (2) require such Clearing Member to make additional Clearing Fund deposits and/or margin deposits, in such amounts as the Membership/[Margin]Risk Committee shall determine, for the protection of the Corporation, other Clearing Members or the public.

* * *

Minimum Net Capital

RULE 302. [Unchanged.]

...Interpretations and Policies:

.01 [No change].

.02 Every Clearing Member that was a Clearing Member as of October 1, 2003 shall meet the minimum net capital requirement of \$2 million by October 1, 2004. The Membership/[Margin] Risk Committee shall have the discretion to extend that deadline to a date no later than October 1, 2006 for Clearing Members admitted to membership by June 9, 2004 provided that such Clearing Members undertake not to do a CMTA execution business during the period of such extension.

Restrictions on Certain Transactions, Positions and Activities

RULE 305.

(a) – (b) [Unchanged]

(c) Any action taken by the Chairman, the Management Vice Chairman, or the President with respect to a Clearing Member pursuant to paragraph (a) or (b) shall be subject to review by the Membership/[Margin] Risk Committee of the Corporation upon submission by the Clearing Member of a request for review to the Secretary of the Corporation within five business days of the date such action is taken. The Membership/[Margin]Risk Committee shall schedule an early hearing. The Clearing Member shall be given not less than one day's notice of the place and time of such hearing. At the hearing, the Clearing Member shall be afforded an opportunity to be heard and to present evidence in its behalf and may be represented by counsel. A verbatim record of the hearing shall be prepared and the cost of the transcript may, in the discretion of the Membership/[Margin]Risk Committee, be charged in whole or in part to the Clearing Member if the Membership/[Margin]Risk Committee does not modify the action of the Chairman, the Management Vice Chairman, or President. The Clearing Member shall be notified in writing of the outcome of the Membership/[Margin]Risk Committee's review.

(d) The filing of a request for review pursuant to paragraph (c) of this Rule shall not impair the validity or stay the effect of the action which the Clearing Member seeks

to have reviewed, and the Clearing Member shall be obligated to comply with such action without delay notwithstanding the pendency of such request for review. Any modification or reversal by the Membership/[Margin]Risk Committee of any action taken pursuant to paragraph (a) or (b) hereof shall not invalidate any acts taken by the Corporation prior to such modification or affect any rights of any person arising out of any such acts.

* * *

Managing Clearing Members and Managed Clearing Members

RULE 309. (a) – (d) [Unchanged]

(e) In the event that a facilities management agreement is to be terminated, the Managed Clearing Member will be required to withdraw from membership in OCC, effective as of the business day immediately preceding the termination date of the agreement, unless the Membership/[Margin]Risk Committee has determined in accordance with Article V, Section 1 of the By-Laws either that the Managed Clearing Member has the operational capability, experience and competence to perform the managed services required of a Clearing Member or that the Managed Clearing Member has entered into a facilities management agreement, which is in a form approved by OCC, which provides for the performance of the managed services and which will become effective on or before such termination date.

CHAPTER VI

Margins

Introduction

RULE 601.

...Interpretations and Policies:

.01 For the purposes of paragraphs (b)(4), (b)(6), and (b)(8) of Rule 601, the actions that are to be or that may be performed by the Corporation may be performed by the Chairman, the Management Vice Chairman, the President or the Membership/MarginRisk Committee.¹

.02 - .05 [Unchanged.]

**Margin on Positions in Non-Equity Options
and Stock Loan Baskets and Stock Borrow Baskets; Risk Margin on Positions in Non-
Equity Futures²**

RULE 602.

...Interpretations and Policies:

.01 For the purposes of paragraphs (b)(4), (b)(6), and (b)(8) of Rule 602, the actions that are to be or that may be performed by the Corporation may be performed by the Chairman, the Management Vice Chairman, the President or the Membership/MarginRisk Committee.

.02 - .06 [Unchanged.]

Membership/MarginRisk Committee

RULE 603. The Membership/MarginRisk Committee may, from time to time, increase the amount of margin which may be required in respect of any cleared contract, open short position or exercised contract if in the discretion of the Membership/MarginRisk Committee such increase is advisable for the protection of the Corporation, the Clearing Members, or the general public.

¹ Proposed changes to Rule 601, Interpretation and Policy .01 were made in Filing No. SR-OCC-2004-20, which was approved on February 15, 2006, SEC Release No. 34-53322. However, pending the installation of related system changes, OCC has deferred implementing Filing No. SR-OCC-2004-20. Because the changes to Interpretation and Policy .01 have not been implemented, this filing (which is filed for immediate effectiveness) makes a conforming change to Rule 601 as currently in effect. Once Filing No. SR-OCC-2004-20 is implemented, Interpretation and Policy .01 will read as follows: "A Clearing Member may direct the Corporation to combine positions carried in firm lien accounts for the purpose of calculating a single combined margin requirement for such accounts pursuant to this Rule 601."

² Filing No. SR-OCC-2004-20 proposed to delete Rule 602 in its entirety. For the reason stated in footnote 1 above, OCC is making a conforming change to Rule 602 in this filing.

Forms of Margin

RULE 604.

[Introductory language unchanged]

(a) [Unchanged]

(b) *Securities*. The types of securities specified in subparagraphs (1) - (4) of this paragraph (b) may be deposited with the Corporation in the manner specified for each:

(1) [Unchanged]

(2) *GSE Debt Securities*. Clearing Members may deposit, as hereinafter provided, GSE debt securities which are free from any limitation as to negotiability. GSE debt securities shall be valued for margin purposes at (1) 99% of the current market value for maturities of up to one year; (2) 97% of the current market value for maturities in excess of one year through five years; (3) 95% of the current market value for maturities in excess of five years through ten years; and (4) 93% of the current market value for maturities in excess of ten years. Such GSE debt securities deposited pursuant hereto shall be deposited by the Clearing Member in an approved depository either in the name of the Corporation or under irrevocable arrangements (i) permitting such securities to be promptly sold by or upon the order of the Corporation and the proceeds to be paid over to the Corporation for the account of the Clearing Member without notice and (ii) requiring the Clearing Member to pay all fees and expenses incident to the ownership or sale of such securities or the arrangement with the depository. GSE debt securities shall be deemed to be deposited with the Corporation at the time the Corporation is furnished with the depository's receipt for such deposit or, at the time the Corporation receives confirmation satisfactory to it that such securities have been pledged to the Corporation through an EDP Pledge System. All interest or gain received or accrued on such GSE debt securities prior to any sale or negotiation thereof shall belong to the depositing Clearing Member. Current market value shall be determined by the Corporation at such intervals as the Membership/[Margin]Risk Committee shall from time to time prescribe, but not less often than daily on the basis of the quoted bid prices therefor supplied by a source designated by the Corporation.

(3) *Money Market Fund Shares*. [Unchanged]

(ii) - (iii) [Unchanged]

(iv) No more than 5% of the total number of outstanding shares of any one Fund will be accepted for deposit from a Clearing Member. In determining

whether a Clearing Member's deposit of a Fund's shares exceeds the foregoing limitation, the Corporation will aggregate the Clearing Member's deposit of such Fund's shares across all of the Clearing Member's accounts. MMF Shares deposited by a Clearing Member will be valued by the Corporation on a daily basis at 98% of current market value or such lower value as the Membership/[Margin]Risk Committee may prescribe from time to time. If a Fund fails to meet any qualification set forth in subparagraph (i) of this subparagraph (b)(3), the Corporation may prescribe on a daily basis a lesser valuation for such Fund's shares.

(4) *Equity and Debt Issues.* (i) Clearing Members may deposit, as hereinafter provided, common and preferred stocks ("stocks") and corporate bonds which meet the standards prescribed below. In order to be eligible for deposit, stocks must have a market value greater than \$10 per share and must be (A) traded on a national securities exchange (B) traded in the Nasdaq [National]Global Market or (C) traded in The Nasdaq Capital Market. Corporate bonds must (A) be listed on a national securities exchange and not in default, (B) have a current market value that is readily determinable on a daily basis, and (C) be rated in one of the four highest rating categories by a nationally recognized statistical rating organization. An issue that is suspended from trading by, or subject to special margin requirements under the rules of, the market that listed or qualified the issue for trading because of volatility, lack of liquidity or similar characteristics, may not be deposited as margin with the Corporation. If the issue is listed or traded on more than one market and the markets do not take the same action, the Corporation will use its discretion to determine which market's actions will be definitive for purposes of this Rule. Each deposit pursuant to this Rule 604 (b)(4) shall be made with respect to a designated account of the Clearing Member. Deposited stocks and bonds shall be valued on a daily basis at 70% of current market value or such lower value as the Membership/[Margin]Risk Committee of the Corporation may prescribe from time to time with respect to such stocks or bonds, or any of them. In valuing any stock or bond for the purposes of this Rule 604 (b)(4), its current market value shall be deemed to be its price at the close of regular trading hours (as determined by the Corporation) on such national securities exchange or other domestic security market as the Corporation shall determine during the preceding trading day. If such stock or bond was not traded on such market during regular trading hours, the current market value shall be deemed to be the lowest reported bid quotation for such stock or bond at or about the close of regular trading hours on such day. Equity and debt issues of any one issuer shall not be valued at an amount in excess of 10% of the margin requirement in the account for which such securities are deposited. Common stocks deposited pursuant to Rule 610 shall have no value as margin for the purposes of this Rule 604 (b)(4).

Interpretations and Policies...

.01 - .10 [Unchanged]

.11 Classes of fund shares shall be approved for deposit as margin by the Membership/[Margin] Risk Committee.

.12 - .13 [Unchanged]

Chapter XI

Open Positions

RULE 1106. (a) – (e) [Unchanged].

(f) *Protective Action.* If the Chairman, the Management Vice Chairman, or the President of the Corporation shall (i) determine that the Corporation is unable, for any reason, to close out in a prompt and orderly fashion any unsegregated long positions or short positions in options or BOUNDS, or long or short positions in futures, or to convert to cash any margin deposits of a suspended Clearing Member, or (ii) elect pursuant to Rule 1106(e) not to close out any such positions or pursuant to Rule 1104(b) not to convert to cash any such margin deposits, such officer may authorize the execution from time to time for the account of the Corporation, solely for the purpose of reducing the risk to the Corporation resulting from the continued maintenance of such positions or the continued holding of such margin deposits, of hedging transactions, including, without limitation, the purchase or sale of underlying interests or interests deemed similar thereto or option contracts or futures contracts on any such underlying or similar interests. Such officer may delegate to specified officers or agents of the Corporation the authority to determine, within such guidelines, if any, as such officer shall prescribe, the nature and timing of such hedging transactions. Any authorization of hedging transactions shall be reported to the Board of Directors within 24 hours, and any such transactions that are executed shall be reported to the Membership/[Margin]Risk Committee on a daily basis. Any costs or expenses, including losses, sustained by the Corporation in connection with transactions effected for its account pursuant to this paragraph shall be charged to the Liquidating Settlement Account of the suspended Clearing Member, and any gains realized on such transactions shall be credited to such Liquidating Settlement Account; provided, however, that (i) costs, expenses, and gains allocable to the hedging of positions in a Market-Maker's account or a customers' lien account shall be charged or credited, as the case may be, to that account, and only the excess, if any, of such costs

and expenses over the funds available in that account shall be charged to the Liquidating Settlement Account; (ii) costs, expenses, and gains allocable to the hedging of positions in a segregated futures account shall be charged or credited, as the case may be, to the Segregated Liquidating Settlement Account, and only the excess, if any, of such costs and expenses over the funds available in that account shall be charged to the Liquidating Settlement Account, and (iii) costs, expenses and gains allocable to the hedging of positions in an internal non-proprietary cross-margining account shall be charged or credited, as the case may be, to the Internal Non-Proprietary Cross-Margining Liquidating Settlement Account, and only the excess, if any, of such costs and expenses over the funds available in that account shall be charged to the Liquidating Settlement Account. Reasonable allocations of costs, expenses, and gains among accounts made by the Corporation for the purpose of implementing the proviso to the preceding sentence shall be binding on the Clearing Member and any persons claiming through the Clearing Member and their respective successors and assigns.

* * *

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 23, 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

The purpose of this proposed rule change is to reflect that OCC has renamed the Membership/Margin Committee as the Membership/Risk Committee, and that Nasdaq has renamed the Nasdaq National Market as the Nasdaq Global Market.

* * *

The proposed changes to OCC's by-laws and rules are consistent with the

purposes and requirements of Section 17A of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") because they reflect the appropriate titles of (i) an OCC Board committee and (ii) a securities marketplace. The proposed changes are not inconsistent with the existing by-laws and rules of OCC, including those 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) and Rule 19b-4(f)(1), this proposed rule change has become effective upon filing with the Commission in that it constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule.

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.

SIGNATURE

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

William H. Navin
Executive Vice President and
General Counsel