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OFC. OF THE SECRETARIAT

SR-OCC-2006-07; Amendment No. 1
Date Submitted: July 21, 2006
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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-2006-07, filed on May 15, 2006, in which OCC proposed to implement a surcharge to the monthly service fee charged to non-clearing member subscribers of OCC’s Data Distribution Service (DDS) that have not converted to the new DDS format by the revised mandated conversion date of September 29, 2006. (SR-OCC-2006-06, which was filed for immediate effectiveness, applied this same surcharge to clearing member DDS subscribers.) This partial amendment modifies the Item 3 description of the rule filing to state that OCC has determined that it will terminate all legacy DDS transmissions after March 30, 2007, the last business day of the month. Accordingly, OCC is adding a sentence (marked by double underlining) to the section entitled “Discussion” in Item 3 of the rule filing so that it reads as follows:

Discussion

In December, 2004, OCC informed all DDS subscribers that OCC was requiring them to convert to the new ENCORE³ DDS format by February 28, 2006. Although OCC has been diligently working with subscribers to facilitate their implementation of the new DDS format, it became apparent that subscribers needed additional time in order to complete their systems work. Accordingly, in December, 2005, OCC announced an extension of the mandated conversion date to September 29, 2006. After this mandated conversion date, OCC will continue to support the legacy data service distribution system. However, for non-clearing member subscribers that do not meet the revised conversion date of September 29, 2006, OCC proposes to charge a monthly ancillary service fee surcharge of \$1,000 per month in order to reasonably allocate the costs of continuing to support the legacy data distribution system.⁴ The surcharge will be imposed starting with the October, 2006 billing cycle and continue until the non-clearing member subscriber converts to the new DDS format and ceases to receive all legacy data service distribution transmissions. For the same reasons, OCC also will impose the \$1,000 per month surcharge (effective October, 2006) to clearing member DDS subscribers that likewise have failed to meet the mandated conversion date. If this filing is not approved by October, 2006, OCC will defer implementing the surcharge as to such clearing members until the Commission approves this filing. OCC’s Schedule of Fees also will be amended to reflect this surcharge (See Exhibit 5). In addition, OCC has determined that it will terminate all legacy data service transmissions after March 30, 2007, the last business day of the month.

³ ENCORE is OCC’s clearing system.

⁴ All non-clearing member subscribers DDS subscribers are business entities.