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File No. SR-OCC-2006-15  
Page 2 of 7

SECURITIES AND EXCHANGE COMMISSION

**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**

The Options Clearing Corporation (“OCC”) proposes to amend the Interpretations and Policies adopted under Rule 604 to eliminate the requirement that the Membership/Risk Committee approve classes of fund shares for deposit as margin. Material proposed to be added is underlined and material proposed to be deleted is bracketed.

**THE OPTIONS CLEARING CORPORATION**

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**RULES**

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**Chapter VI**

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**Forms of Margin Assets**

**RULE 604.** (unchanged)

*...Interpretations and Policies:*

.01 - .10 (unchanged)

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

(.12 and .13 renumbered as .11 and .12, respectively; but otherwise unchanged)

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**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 July 25, 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 rule change is to eliminate the requirement that the Membership/Risk Committee (the "Committee") approve classes of fund shares (e.g., ETFs) for deposit as margin. (The requirement is found in Interpretation and Policy .11 to Rule 604, which is proposed to be deleted.) Committee approval was deemed to be a prudent safeguard when OCC began accepting fund shares for deposit in 1996 because they had only been trading since 1993 and OCC was not as familiar with them as it is today. In 1997, OCC began clearing options on fund shares. Since then, fund shares have become a widely used investment tool, and OCC has developed a broad understanding of the fund share marketplace. In light of these developments, OCC believes that fund shares should be accepted as margin under the same conditions that apply to the deposit of other equity securities without the need for Committee approval.

\* \* \*

The proposed change is consistent with Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), because eliminates an unwarranted approval

process for the acceptance of fund shares as a form of margin asset, while employing the same safeguards that apply to the deposit of other equity securities as margin in order to assure the safeguarding of securities which are in OCC's custody or control. 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 for Commission action on the 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.

**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**