



THE OPTIONS CLEARING
CORPORATION

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OFFICE OF THE SECRETARIAT

May 24, 2007

VIA E-MAIL

Ms. Eileen A. Donovan
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Rule Filing SR-OCC-2007-07 Rule Certification

Dear Ms. Donovan:

Attached is a copy of the above-referenced rule filing, which The Options Clearing Corporation ("OCC") is submitting pursuant to the self-certification procedures of Commission Regulation 40.6. This rule filing has been, or is concurrently being, submitted to the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act").

In conformity with the requirements of Regulation 40.6(a)(3), OCC states the following: The text of the rule is set forth at Item 1 of the enclosed filing. The date of implementation of the rule is when the proposed rule has been approved by the SEC. No substantive opposing views were expressed to OCC by governing board or committee members, clearing members of OCC, or market participants, that were not incorporated into the rule.

OCC hereby certifies that the rule set forth at Item 1 of the enclosed filing complies with the Commodity Exchange Act and the Commission's regulations thereunder.

JEAN M. CAWLEY

SENIOR VICE PRESIDENT AND DEPUTY GENERAL COUNSEL

ONE N. WACKER DRIVE, SUITE 500 CHICAGO, ILLINOIS 60606 TEL 312.322.6269 FAX 312.322.6280

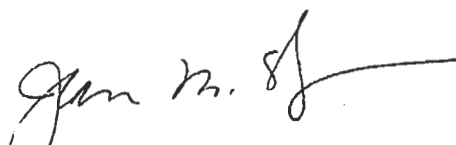
JCAWLEY@THEOCC.COM WWW.OPTIONSCLEARING.COM



Ms. Eileen A. Donovan
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Should you have any questions regarding this matter, please do not hesitate to contact the undersigned at (312) 322-6269.

Sincerely,


Jean M. Cawley

Attachments

cc: CFTC Central Region (w/ enclosure)
525 West Monroe Street, Suite 1100
Chicago, IL 60661
Attn: Frank Zimmerle

2007-07 cftc.ltr

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 proposes to amend Sections 3 and 4 of Article XVI of its by-laws as set forth below. Material to be added is underlined. Material to be deleted is enclosed in brackets.

THE OPTIONS CLEARING CORPORATION

BY-LAWS

ARTICLE XVI

Yield-Based Treasury Options

Adjustments

SECTION 3. (a) - (b) (unchanged)

(c) If an Exchange shall increase or decrease the multiplier for any class of yield-based Treasury option contracts, the Corporation shall proportionately consolidate or subdivide each such option contract outstanding prior to the increase or decrease or shall make such other adjustment as the Corporation in its sole discretion deems fair to both the holders and the writers of such contracts.

(d) (unchanged)

Unavailability or Inaccuracy of Settlement Value of Underlying Yield

SECTION 4. (a) If the Corporation shall determine that the settlement value of the underlying yield for any series of yield-based Treasury options (the "affected series") is unreported, inaccurate, unreliable, unavailable, or inappropriate for purposes of calculating the exercise settlement amount for exercised contracts of the affected series, then, in addition to any other actions that the Corporation may be entitled to take under the By-Laws and Rules, the Corporation shall be empowered to do any or all of the following:

(1) (unchanged)

(2) The Corporation may fix the exercise settlement amount for exercised contracts of an affected series. The exercise settlement amount[value] shall be

fixed by a panel consisting of two designated representatives of each Exchange on which the affected series is open for trading (one of whom shall be such Exchange's representative on the Securities Committee provided for in Article VI, Section 11 of the By-Laws) and the Chairman of the Corporation. The panel shall fix the exercise settlement amount[value] based on its judgment as to what is appropriate for the protection of investors and the public interest, taking into account such factors as fairness to holders and writers of options of the affected series, the maintenance of a fair and orderly market in such affected series of options, consistency of interpretation and practice, and consistency with actions taken in related futures or other markets. Without limiting the generality of the foregoing, the panel may fix the exercise settlement amount[value] using: (i) the reported value of the underlying yield at the close of regular trading hours (as determined by the Corporation) on the last preceding trading day for which such a value was reported by the reporting authority; (ii) the reported value of the underlying yield at the opening of regular trading hours (as determined by the Corporation) on the next trading day for which such an opening value is reported by the reporting authority; or (iii) a value for the underlying yield at such other time, or representing a combination or average of values at such time or times, as the Corporation deems appropriate. The provisions of Article VI, Section 11(c[k]) of the By-Laws with respect to the vote required to constitute the determination of an adjustment panel, the voting rights of members of adjustment panels, the ability of such panels to conduct their business by telephone, and the ability of the Chairman of the Corporation and Exchange representatives to designate others to serve in their place on such panels shall apply equally to panels convened pursuant to this Section. Every determination of a panel convened pursuant to this Section shall be within the sole discretion of such panel and shall be conclusive and binding on all investors and not subject to review.

(3) If an adjustment panel acting pursuant to subsection (2) above delays fixing an exercise settlement amount[value] for a series of options past the last trading day before expiration of that series, the expiration date exercise procedures of Rules 805 and 1704 shall not apply to expiring options of the affected series, and each Clearing Member shall be deemed to have properly and irrevocably tendered to the Corporation prior to the Expiration Time an exercise notice with respect to each expiring contract of the affected series carried in a long position in each account of the Clearing Member if, and only if, the exercise settlement amount[value] fixed by the panel for options of that series [results in an exercise settlement amount of] is \$1.00 or more. The exercise settlement date for such options shall be postponed until the business day next following the day on which the exercise settlement amount[value] is fixed. Options for which the [resulting] exercise settlement amount fixed by the panel is less than \$1.00 shall be deemed to have expired unexercised.

(b) (unchanged)

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 25, 2004. No further Board action is required.

Questions regarding the proposed rule change should be addressed to Jean M. Cawley, Senior 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 make minor technical changes to Sections 3 and 4 of Article XVI of OCC's by-laws, pertaining to yield-based Treasury options. In File No. SR-OCC-2004-11 OCC updated Sections 3 and 4 of Article XVI to conform those sections to the corresponding by-law provisions governing index options. The Commission approved the changes made in OCC-2004-11 in Release No. 34-50895 (December 20, 2004). However, OCC delayed implementing these changes until they were disclosed in a supplement to the options disclosure document, entitled Characteristics and Risks of Standardized Options. Distribution of such a supplement recently began (see Release 34-55702), and in connection with preparing it, OCC determined that minor technical changes to Sections 3 and 4 of Article XVI were warranted in order to more precisely conform these Sections to the disclosures made in the supplement. OCC also determined to correct an erroneous cross-reference to another by-law provision.

* * *

The proposed change is consistent with Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), because it more precisely conforms the terms of

Sections 3 and 4 of Article XVI to disclosures made in a supplement to the options disclosure document, thereby increasing the protection of investors and promoting the prompt and accurate clearance and settlement of yield-based Treasury options. 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)

Pursuant to Section 19(b)(3)(A), the proposed rule change is filed for immediate effectiveness inasmuch as 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

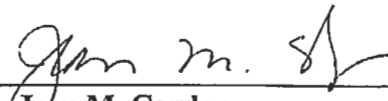
Federal Register.

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: _____



Jean M. Cawley
Senior Vice President and
Deputy General Counsel

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-OCC-2007-07

SELF-REGULATORY ORGANIZATION

Proposed Rule Change By
The Options Clearing Corporation

Relating to Yield-Based Treasury Securities

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1), notice is hereby given that on _____, 2007, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

The proposed rule change would make minor technical changes to Sections 3 and 4 of Article XVI of OCC's by-laws, pertaining to yield-based Treasury options.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. 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 make minor technical changes to Sections 3 and 4 of Article XVI of OCC's by-laws, pertaining to yield-based Treasury options. In File No. SR-OCC-2004-11 OCC updated Sections 3 and 4 of Article XVI to conform those sections to the corresponding by-law provisions governing index options. The Commission approved the changes made in OCC-2004-11 in Release No. 34-50895 (December 20, 2004). However, OCC delayed implementing these changes until they were disclosed in a supplement to the options disclosure document, entitled Characteristics and Risks of Standardized Options. Distribution of such a supplement recently began (see Release 34-55702), and in connection with preparing it, OCC determined that minor technical changes to Sections 3 and 4 of Article XVI were warranted in order to more precisely conform these Sections to the disclosures made in the supplement. OCC also determined to correct an erroneous cross-reference to another by-law provision.

* * *

The proposed change is consistent with Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), because it more precisely conforms the terms of Sections 3 and 4 of Article XVI to disclosures made in a supplement to the options disclosure

document, thereby increasing the protection of investors and promoting the prompt and accurate clearance and settlement of yield-based Treasury options. The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

B. Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change would impose any burden on competition.

C. 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.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-OCC-2007-07 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-OCC-2007-07. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 100F Fifth Street, N.E., Washington, D.C. 20549-1090. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-OCC-2007-07 in the caption above and should be submitted on or before [insert date 21 days from publication in the Federal Register.] _____.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

Secretary

Dated: _____