



THE OPTIONS CLEARING
CORPORATION

C.F.T.C.
OFFICE OF THE SECRETARIAT

2010 SEP 15 PM 3 25

September 15, 2010

VIA E-MAIL

Mr. David A. Stawick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Rule Filing SR-OCC-2010-16 Rule Certification

Dear Mr. Stawick:

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



Mr. David A. Stawick
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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

OCC-2010-16 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 (“OCC” or the “Corporation”) proposes to amend its By-Laws and Rules as set forth below for the purpose of accommodating options that expire on (a) any Friday of a calendar month other than the third Friday such calendar month (“Weekly Options”) or (b) on the last trading day of a calendar month (“Monthly Options”). Except where otherwise indicated, material proposed to be added to OCC’s By-Laws and Rules as currently in effect is underlined and material proposed to be deleted is enclosed in bold brackets.

THE OPTIONS CLEARING CORPORATION**BY-LAWS****ARTICLE I****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. – D. [No change]

E.

(1) – (19) [No change]

Expiration Date

(20) The term "expiration date" in respect of a stock option contract, other than a flexibly structured option, a short term option, a quarterly option, a monthly option, a weekly option, or a BOUND, means the Saturday immediately following the third Friday of the expiration month of such option contract, unless expiration is accelerated pursuant to Rule 807.

(21) – (23) [No Change]

D. – L. [No change]

M.

(1) – (13) [No change]

Monthly Option

(14) The term “monthly option” means an option of a series of stock options or index options that expires on the last trading day of a calendar month. The term “monthly index option” means a monthly option on an index.

(14) [Renumbered as (15); otherwise no change]

N. – V. [No change]

W.

Weekly Option

(1) The term “weekly option” means an option of a series of stock options or index options that expires on any Friday of a calendar month other than the third Friday of such calendar month. The term “weekly index option” means a weekly option on an index.

(1) – (2) [Renumbered as (2) – (3); otherwise no change]

X. – Z. [No change]

* * *

RULES

* * *

Chapter VIII

Exercise and Assignment

* * *

Exercise of Options

RULE 801 Issued and unexpired option contracts may, subject to Exchange Rules and the By-Laws, be exercised as follows:

(a) [No change]

(b) Any expiring American option contract may be exercised on its expiration date in accordance with Rule 805. Any capped or European option contract may be exercised (other than automatically exercised in the case of a capped option) only on its expiration date in accordance with Rule 805. Any binary options that meet the exercise parameters set forth in Rule 1501 will be automatically exercised in accordance with that rule. Notwithstanding the foregoing, any expiring flexibly structured index option contract, quarterly index option contract, monthly index

option contract, weekly index option contract, or short term index option contract that meets the exercise parameters set forth in Rule 1804(c) will be automatically exercised on its expiration date in accordance with that rule. No expiring option contract other than an American style flexibly structured option contract, a foreign currency option contract, a short term option contract, a quarterly option contract, a monthly option contract, a weekly option contract, a cross-rate foreign currency option contract or a futures option contract may be exercised on the business day immediately preceding its expiration date.

(c) – (d) [No change]

* * *

Expiration Date Exercise Procedure

RULE 805

(a) – (j) [No change]

Interpretations and Policies:

.01 – .02 [No change]

.03 The exercise procedures set forth in Rule 805 shall apply to the exercise of flexibly structured equity options, quarterly equity options, monthly equity options, weekly equity options and short term equity options, except that the time when the Corporation makes an Expiration Exercise Report available pursuant to paragraph (a) of Rule 805, and the time specified by the Corporation as the deadline for the submission of exercise instructions pursuant to paragraph (b) of Rule 805 for such options, may be different from the corresponding times that apply to standard [flexibly structured] options[, quarterly options or short term options].

* * *

Chapter XVIII

Index Options and Certain Other Cash-Settled Options

* * *

Expiration Date Exercise Procedure for Index Options

RULE 1804. (a) – (b) [No change]

(c) A Clearing Member shall be automatically deemed to have exercised, immediately prior to the Expiration Time on each expiration date, every expiring flexibly structured index option contract, quarterly index option contract, monthly index option contract, weekly index option contract, and short term index option contract listed in the Clearing Member's Expiration Exercise Report that has an exercise settlement amount of \$1.00 or more per contract, or such

other amount as the Corporation may from time to time establish on not less than 30 days prior notice to all Index Clearing Members.

(d) [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 December 8, 2009.

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 primary purpose of this proposed rule change is to accommodate Weekly Options and Monthly Options. The Chicago Board Options Exchange, Incorporated ("CBOE") is proposing to trade Weekly Options and Monthly Options on broad-based indexes ("Weekly Index Options" and "Monthly Index Options," respectively).¹ Series of Weekly Index Options will expire on any Friday of a calendar month, other than the third Friday, and Monthly Index Options will expire on the last trading day of a calendar month. If the last trading day of the month is a Friday, CBOE would opt to list Monthly Index Options over Weekly Index Options. Weekly Index Options and Monthly Index Options would be European-style, P.M.-settled contracts. CBOE proposes for these contracts to be subject to "automatic exercise procedures," meaning that these contracts would automatically be exercised at expiration, without the

¹ See Amendment No. 2 to File SR-CBOE-2009-075, filed July 29, 2010 and the related Notice of Proposed Rule Change, Release No. 34-62658 (August 5, 2010).

opportunity for the relevant clearing member to submit contrary exercise instructions, if immediately prior to expiration the contract's settlement amount meets or exceeds a certain predetermined amount.

Weekly Options and Monthly Options can be cleared and settled by OCC with relatively minor revisions to the current by-laws and rules.² Those revisions would provide for options that expire on a monthly or weekly schedule as proposed by CBOE. Therefore, OCC proposes amending Article I, Section 1 of its by-laws to include definitions covering Weekly and Monthly Options. Changes to Rule 801, which relates to the submission of exercise notices, are needed to permit a Weekly or Monthly Option to be exercised on the business day before its expiration date and to include Weekly Index Options and Monthly Index Options in the listing of options series subject to automatic exercise. Changes to Interpretation and Policy .03 to Rule 805 (relating to expiration date exercise processing) are required to permit OCC to specify time frames for submitting exercise instructions and furnishing reports in respect of Weekly and Monthly Options on equity interests that are different than those in effect for conventional options.³ A conforming change to Rule 1804, which supplements Rule 805, also is needed to add Weekly Index Options and Monthly Index Options to the list of options series subject to automatic exercise.

* * *

² OCC's by-laws and rules already accommodate equity and index options that expire on a day other than a Saturday following the third Friday of the month. For example, they accommodate quarterly options, which expire on the last business day of a calendar quarter, and short term options, which expire a week after their introduction for trading. Quarterly index options and short term index options are also subject to automatic exercise procedures.

³ Interpretation .03 is also amended to clarify that it covers equity options with non-conventional expiration dates as opposed to index options with non-conventional expiration dates which are subject to automatic exercise as described in Rule 1804.

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 ("Exchange Act"), because they are designed to permit OCC to perform clearing services for products that are subject to the jurisdiction of the SEC without adversely affecting OCC's obligations with respect to the prompt and accurate clearance and settlement of securities transactions or the protection of investors and the public interest. They accomplish this purpose by applying substantially the same rules and procedures to transactions in Monthly Index Options and Weekly Index Options as OCC applies to transactions in other options with a non-conventional expiry date, including Quarterly Index Options. The proposed rule change is not inconsistent with any rules of OCC, including any 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 have any material impact 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 has 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 Act.

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

To the extent necessary, OCC requests the Commission to find good cause to accelerate the effectiveness of the proposed rule change pursuant to Section 19(b)(2) so that it is approved no later than the time the Commission approves CBOE's rule filing, SR-CBOE-2009-075, as amended. Without such approval, CBOE will not be able to commence trading Weekly Index Options or Monthly Index Options.

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

The proposed rule change is not based on a rule of another securities self-regulatory organization.

Item 9. Exhibits

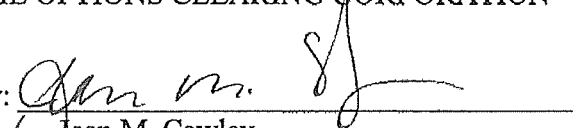
Exhibit 1 Completed notice of the proposed rule change for publication in the Federal Register.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, The Options Clearing Corporation has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

THE OPTIONS CLEARING CORPORATION

By:

A handwritten signature in cursive script, appearing to read "Jean M. Cawley", is written over a horizontal line.

Jean M. Cawley
Senior Vice President
and Deputy General Counsel

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-OCC-2010-16

SELF-REGULATORY ORGANIZATION

Proposed Rule Change By
The Options Clearing Corporation

Relating to Weekly Options
And Monthly Options

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 _____, 2010, 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 accommodate Weekly Options and Monthly 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 primary purpose of this proposed rule change is to accommodate Weekly Options and Monthly Options. The Chicago Board Options Exchange, Incorporated (“CBOE”) is proposing to trade Weekly Options and Monthly Options on broad-based indexes (“Weekly Index Options” and “Monthly Index Options,” respectively).¹ Series of Weekly Index Options will expire on any Friday of a calendar month, other than the third Friday, and Monthly Index Options will expire on the last trading day of a calendar month. If the last trading day of the month is a Friday, CBOE would opt to list Monthly Index Options over Weekly Index Options. Weekly Index Options and Monthly Index Options would be European-style, P.M.-settled contracts. CBOE proposes for these contracts to be subject to “automatic exercise procedures,” meaning that these contracts would automatically be exercised at expiration, without the opportunity for the relevant clearing member to submit contrary exercise instructions, if immediately prior to expiration the contract’s settlement amount meets or exceeds a certain predetermined amount.

¹ See Amendment No. 2 to File SR-CBOE-2009-075, filed July 29, 2010 and the related Notice of Proposed Rule Change, Release No. 34-62658 (August 5, 2010).

Weekly Options and Monthly Options can be cleared and settled by OCC with relatively minor revisions to the current by-laws and rules.² Those revisions would provide for options that expire on a monthly or weekly schedule as proposed by CBOE. Therefore, OCC proposes amending Article I, Section 1 of its by-laws to include definitions covering Weekly and Monthly Options. Changes to Rule 801, which relates to the submission of exercise notices, are needed to permit a Weekly or Monthly Option to be exercised on the business day before its expiration date and to include Weekly Index Options and Monthly Index Options in the listing of options series subject to automatic exercise. Changes to Interpretation and Policy .03 to Rule 805 (relating to expiration date exercise processing) are required to permit OCC to specify time frames for submitting exercise instructions and furnishing reports in respect of Weekly and Monthly Options on equity interests that are different than those in effect for conventional options.³ A conforming change to Rule 1804, which supplements Rule 805, also is needed to add Weekly Index Options and Monthly Index Options to the list of options series subject to automatic exercise.

* * *

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 ("Exchange Act"), because they are designed to permit OCC to perform clearing services for products that are subject to the jurisdiction of the SEC without adversely affecting OCC's obligations with respect to the prompt and accurate clearance and settlement of securities

² OCC's by-laws and rules already accommodate equity and index options that expire on a day other than a Saturday following the third Friday of the month. For example, they accommodate quarterly options, which expire on the last business day of a calendar quarter, and short term options, which expire a week after their introduction for trading. Quarterly index options and short term index options are also subject to automatic exercise procedures.

³ Interpretation .03 is also amended to clarify that it covers equity options with non-conventional expiration dates as opposed to index options with non-conventional expiration dates which are subject to automatic exercise as described in Rule 1804.

transactions or the protection of investors and the public interest. They accomplish this purpose by applying substantially the same rules and procedures to transactions in Monthly Index Options and Weekly Index Options as OCC applies to transactions in other options with a non-conventional expiry date, including Quarterly Index Options. The proposed rule change is not inconsistent with any rules of OCC, including any 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

Pursuant to Section 19(b)(2) of the Exchange Act, OCC has requested the Commission to accelerate the effectiveness of the proposed rule change.

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-2010-16 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-OCC-2010-16. 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-2010-16 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: _____