



THE OPTIONS CLEARING
CORPORATION

September 28, 2009

OFFICE OF THE SECRETARIAT
C.F.T.C.
2009 SEP 28 PM 4 38

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-2009-16 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

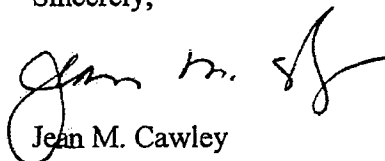
JCAWLEY@THEOCC.COM WWW.OPTIONSCLEARING.COM



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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-2009-16 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 Rules as set forth below for the purpose of accommodating a change in the settlement mechanism relating to “dividend equivalent payments” (as defined in Item 3 below) that a lending clearing member is entitled to receive with respect to loaned stock during the term of a stock loan transaction effected under OCC’s Market Loan Program (governed by Article XXIA of OCC’s By-Laws and Chapter XXIIA of OCC’s Rules). Material proposed to be added to OCC’s Rules as currently in effect is underlined. Material proposed to be deleted is enclosed in bold brackets.

THE OPTIONS CLEARING CORPORATION**RULES**

* * *

CHAPTER XXIIA**MARKET LOAN PROGRAM****Dividends and Distributions; Rebates****RULE 2206A. (a)(i) [No change.]**

(ii) Dividend equivalent payments shall be effected primarily through the facilities of the Depository, utilizing its Dividend Service. However, the Corporation, in its discretion, is authorized to remove a Market Loan from the Depository’s Dividend Service and/or void and nullify any obligation to effect dividend equivalent payments through the Depository’s facilities in which case dividend equivalent payments for such Market Loan shall be effected through the Corporation’s cash settlement system on the business day following the expected dividend or distribution payment date. Notwithstanding the preceding provisions of this Rule, the Corporation shall guarantee a dividend equivalent payment only to the extent that the

Corporation has collected margin equal to such dividend equivalent payment from the responsible Borrowing Clearing Member(s) prior to the time that any such Borrowing Clearing Member defaults. [Notwithstanding the foregoing, the Loan Market shall be solely responsible for calculating, in respect of Market Loans originated through such Loan Market, the amount of dividend equivalent payments that each Market Loan Clearing Member is entitled to receive or obligated to pay on each expected payment date.] The amount of margin that the Corporation [shall] collects in respect of dividend equivalent payments shall be solely based on calculations provided by the Loan Market [effect collection and payment of such amounts as instructed by the Loan Market from Clearing Members on the expected payment date, provided that the Corporation shall guarantee a dividend equivalent payment only to the extent that the Corporation has collected margin equal to such dividend equivalent payment from the responsible Market Loan Clearing Member(s) prior to the time that any such Market Loan Clearing Member defaults.] The Corporation shall have no responsibility to verify the accuracy of the Loan Market's calculations and shall not be liable to Clearing Members for any errors in such calculations. In the event that the Loan Market subsequently confirms that dividend equivalent payments were not distributed on the expected payment date, the Loan Market shall instruct the Corporation to reverse the payments[collections and payments following the same process as described herein].

(iii) [No change.]

(b) [No change.]

... **Interpretations and Policies:** [No change.]

* * *

Item 2. Procedures of the Self-Regulatory Organization

The proposed rule change was authorized by the Board of Directors of OCC at a meeting held on May 20, 2008.

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

Purpose of Rule Change

With respect to a stock loan effected under OCC's Market Loan Program (a "Market Loan"), OCC guarantees payments in lieu of cash dividends and distributions ("dividend equivalent payments") that a lending clearing member is entitled to receive with respect to the loaned stock during the term of such Market Loan; provided that OCC's guaranty is limited to the amount for which OCC has collected margin from the responsible borrowing clearing member(s) prior to the expected payment date. Up until now, OCC has effected collections and payments of dividend equivalent payments between the relevant clearing members through its daily cash settlement system. However, clearing members participating in the Market Loan Program are now requesting that dividend equivalent payments be made through the facilities of The Depository Trust Company (the "Depository"), via the Depository's automatic dividend tracking services ("Dividend Service"). In order to accommodate such request, OCC proposes to amend its Rules as described below.

Description of Proposed Changes

OCC proposes to amend paragraph (a)(ii) of Rule 2206A so that dividend equivalent payments would be effected through the facilities of the Depository on each payment date by transfers to and from the relevant clearing members, with such transfers flowing through OCC's account at the Depository in order to maintain anonymity between lenders and

borrowers.¹ In order to provide reasonable assurance that there would not be any net settlement obligations against OCC's account at the end of any day, OCC has reserved the authority to remove a Market Loan from the Dividend Service and/or void and nullify any obligation to effect such payments through the Depository's facilities. Once such authority was exercised, dividend equivalent payments for such Market Loan would no longer be settled through the Depository's facilities. Instead, they would be settled through OCC's cash settlement system on the next business day to the extent that, as described above, OCC had already collected sufficient margin from the responsible borrowing clearing member(s). The new procedure for processing dividend equivalent payments will be applied to Market Loans effected on and after October 2, 2009.

Although OCC will no longer serve as the primary channel through which collections and payments of dividend equivalent payments are made, OCC will continue to collect margin with respect to such dividend equivalent payments based on calculations provided by a loan market. It also remains unchanged that OCC will not be responsible or liable to the clearing members for any errors in a loan market's calculations. Accordingly, OCC also proposes to amend Paragraph (a)(ii) of Rule 2206A to provide clarification for such purposes.

* * *

The proposed changes to OCC's Rules are consistent with the purposes and requirements of Section 17A of the Securities Exchange Act of 1934, as amended, because they

¹ Preserving anonymity between lenders and borrowers is important to the operation of the Market Loan Program because the Market Loan Program is intended to provide a framework within which securities lending transactions will be executed, mostly on an anonymous basis, through electronic trading systems.

are designed to promote the prompt and accurate clearance and settlement of stock loan transactions by permitting dividend equivalent payments to flow through the facilities of the Depository, thereby fostering cooperation and coordination with persons engaged in the clearance and settlement of such transactions, and removing impediments to and perfecting the mechanism of a national system for the prompt and accurate clearance and settlement of such transactions. The proposed rule change is not inconsistent with the existing 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 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 specified in Section 19(b)(2) of the Securities Exchange Act of 1934.

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

OCC is filing the proposed rule change for immediate effectiveness pursuant to Section 19(b)(3) of the Exchange Act and Rule 19b-4(f)(4) thereunder on the basis that the

proposed rule change effects a change in OCC's existing service of clearing stock loan transactions that does not (i) adversely affect the safeguarding of securities or funds in OCC's custody or control or for which OCC is responsible or (ii) significantly affect the respective rights or obligations of OCC or persons using the service. The new procedure for processing dividend equivalent payments will be applied to Market Loans effected on and after October 2, 2009.

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

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

Item 9. Exhibits

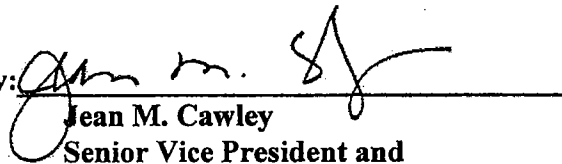
Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

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:

A handwritten signature in black ink, appearing to read "Jean M. Cawley", is written over a solid horizontal line.

Jean M. Cawley
Senior Vice President and
Deputy General Counsel