



SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information**

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change**

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

**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 its by-laws as set forth below. Material proposed to be added is marked by underlining.

**ARTICLE I**

**Definitions**

**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.**

(1) [unchanged]

**Adjustment Increment**

(2) The term “adjustment increment” in respect of options means one-eighth in the case of exercise prices expressed in fractions or one cent in the case of exercise prices expressed in decimals. The term “adjustment increment” in respect of a series of futures other than stock futures means the minimum increment in settlement prices for such series and in respect of a series of stock futures means \$0.0001.

(3) – (15) [unchanged]

**B. – Z.** [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 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 purpose of this rule change is to accommodate a request made by OneChicago LLC ("ONE") to refine the adjustment increment when stock futures are adjusted in response to corporate actions. Currently, the adjustment increment for stock futures is the minimum increment in settlement prices, which is one cent (\$.01). ONE desires to change the adjustment increment for stock futures to one hundredth of a cent (\$.0001). Daily settlement prices and trade prices would continue to be expressed in pennies on a per-contract basis. This change would affect any corporate action for which settlement prices are adjusted, including cash distributions.<sup>1</sup>

As an example of the intended change, suppose a futures contract settlement price needs to be adjusted to reflect a \$0.125 per share cash dividend. If the per-share settlement price is \$50.00, the adjusted settlement price would be  $\$50.00 - \$0.125 = \$49.8750$ . If the closing settlement price the following day is \$50.05, a mark-to-market of  $\$50.05 - \$49.875 = \$0.1750$ , or \$17.50 per contract, would result. Prior to the change, the adjusted settlement price of

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<sup>1</sup> See Article XII, Section 3(a) for a description of the general rules applicable to adjustments on stock futures.

\$49.875 would be rounded to \$49.88. The resulting next day mark-to-market would be \$50.05 – \$49.88 = \$0.17, or \$17.00 per contract. In that case, \$0.50 in mark-to-market value would be not be accounted for.

\* \* \*

The proposed change is consistent with Section 17A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), because it facilitates the clearance and settlement of stock futures transactions by providing a more precise calculation of the impact of certain adjustments. 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) and Rule 19b-4(f)(4), the proposed rule change is filed for immediate effectiveness in that it effects a change OCC's existing service of clearing stock futures 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.

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

Not applicable.

**Item 9. Exhibits**

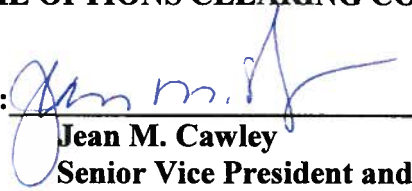
Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

**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:



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**Jean M. Cawley**  
**Senior Vice President and**  
**Deputy General Counsel**

**EXHIBIT 1**

**SECURITIES AND EXCHANGE COMMISSION**

**(Release No. 34-\_\_\_\_\_ ; File No. SR-OCC-2010-02**

**SELF-REGULATORY ORGANIZATION**

Proposed Rule Change By  
The Options Clearing Corporation

Relating to Adjustment Increments  
Applicable to Stock Futures

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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 amend the definition of adjustment increment applicable to stock futures.

## **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 accommodate a request made by OneChicago LLC (“ONE”) to refine the adjustment increment when stock futures are adjusted in response to corporate actions. Currently, the adjustment increment for stock futures is the minimum increment in settlement prices, which is one cent (\$.01). ONE desires to change the adjustment increment for stock futures to one hundredth of a cent (\$.0001). Daily settlement prices and trade prices would continue to be expressed in pennies on a per-contract basis. This change would affect any corporate action for which settlement prices are adjusted, including cash distributions.<sup>1</sup>

As an example of the intended change, suppose a futures contract settlement price needs to be adjusted to reflect a \$0.125 per share cash dividend. If the per-share settlement price is \$50.00, the adjusted settlement price would be  $\$50.00 - \$0.125 = \$49.8750$ . If the closing settlement price the following day is \$50.05, a mark-to-market of  $\$50.05 - \$49.875 = \$0.1750$ , or \$17.50 per contract, would result. Prior to the change, the adjusted settlement price of \$49.875 would be rounded to \$49.88. The resulting next day mark-to-market would be  $\$50.05 -$

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<sup>1</sup> See Article XII, Section 3(a) for a description of the general rules applicable to adjustments on stock futures.

\$49.88 = \$0.17, or \$17.00 per contract. In that case, \$0.50 in mark-to-market value would be not be accounted for.

\* \* \*

The proposed change is consistent with Section 17A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), because it facilitates the clearance and settlement of stock futures transactions by providing a more precise calculation of the impact of certain adjustments. 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](mailto:rule-comments@sec.gov). Please include File Number 2010-02 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-2010-02. 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-2010-02 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: \_\_\_\_\_