

COMMENTS SUBMITTED TO THE U.S. SECURITIES AND EXCHANGE COMMISSION

A SECOND VAULT, THE SAME LOCK: KEEPING CUSTOMER MARGIN SAFE AT CCUS

**Supportive comments on the Cboe Clear U.S. customer margin
exemption**

File No. 4-930

Release No. 34-106493

SUBMITTED BY

Shawn SN

October 13, 2026

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Ms. Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File No. 4-930, Release No. 34-106493
A SECOND VAULT, THE SAME LOCK: KEEPING CUSTOMER MARGIN SAFE AT CCUS

Dear Ms. Countryman:

Thank you for the chance to comment on the application of Cboe Clear U.S., LLC ("CCUS") for relief under Item 13 and Note F of the customer reserve formula. I support granting it, with key gaps noted. They are addressed to protect the customers whose margin the debit depends on.

I am a member of the public. My motive is to help. Nobody paid for this comment, and I have no financial interest in the outcome. I am not affiliated with CCUS, Cboe, the Options Clearing Corporation ("OCC"), a clearing member, or any broker-dealer that could use the debit. Every rule I quote comes from the Commission's notice, the current eCFR text, or CCUS's public Form CA-1 exhibits. Every figure either comes from those sources or is labeled as an illustration. None of them is a forecast. Where I suggest order text, I wrote it to sit beside the six conditions the Commission already published, and I made each piece stand alone so staff can take what helps and leave the rest.

The short version: the application asks for a second vault, and I support that. My main request is that the second vault get the same lock the Commission already requires elsewhere. The application leans on Note F, and Note F is one sentence about which kinds of assets count. The Commission's newer debit rules, Note G for security futures and Note H for Treasuries, say much more about who holds the money, who can touch it, and how it comes back. I ask the Commission to put the parts of that lock that fit binary options into the order, where a compliance officer or an examiner can point to them, and to keep the paperwork light.

The six requests

Request	What I ask	Where it goes
Narrow scope	Use the narrow words: binary options with a \$1.00 top payout. Do not use the broader "option contracts written or purchased."	Operative paragraph; Condition 2 (Provision 1)
Deposit, not promise	The debit is the lesser of what CCUS requires, what CCUS has received, and what the member collected. An unpaid call never counts.	New Conditions 7 and 8 (Provisions 2 and 3)
Custody	Hold customer margin to the standard the Commission set for Item 15: no lien beyond the customer class, no pledge for CCUS loans, a bank letter, and prompt return of excess.	New Conditions 9 to 11 (Provisions 4 to 6)

Request	What I ask	Where it goes
Show the numbers	Track the intraday gap. Put CCUS's size and its net or gross method on the record beside Note G.	New Condition 12 and the order's findings (Provisions 7 and 8)
Open the gate on purpose	Start after approval and a published notice. Add change control. End the debit if registration ends, with a short wind-down.	New Conditions 13, 14 and 16 (Provisions 9, 10 and 12)
Lean reporting	Four numbers a month for twelve months, then a short public summary.	New Condition 15 (Provision 11)

Why support is warranted

Picture a bank vault. The kind everyone trusts. Customer cash held by a broker-dealer has to be locked in a special reserve account so it can be handed back if the firm fails. Now suppose some of that cash must be posted as margin at a clearing agency. Item 13 says that margin, if it truly sits at OCC, counts as already set aside, so the firm does not lock the same dollars up twice. OCC made this point itself when the Commission proposed the matching security-futures debit in 2002: the money at the clearing organization is money the broker has already set aside for customer claims. CCUS asks for a second vault under the same arrangement. The dollars do not disappear. They change address (Figure 1).

That only works if the second vault has a lock as good as the first. I would rest the order on section 36(a)(1), which lets the Commission exempt where that is necessary or appropriate in the public interest and consistent with the protection of investors. The application also leans on section 17A(a)(2), and I would use it with care. That section does tell the Commission to maintain fair competition among clearing agencies, but in the same sentence it tells the Commission to have due regard for the protection of investors and the safeguarding of securities and funds. Its "equal regulation" sentence is about how the Commission regulates registered clearing agencies. I read it as a reason to hold CCUS to the same conditions as other registered clearing agencies, not only to give it the same benefit.

I would also not rest the order on the idea that Item 13 already covers CCUS. The rule names OCC. The application itself asks for an exemption, and an exemption with findings is the sturdier road. The Commission has to explain its choice either way: an agency must examine the relevant data and give a satisfactory explanation for its action (*Motor Vehicle Mfrs. Ass'n v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983)). The suggestions below are the pieces of that explanation I think the record is missing.

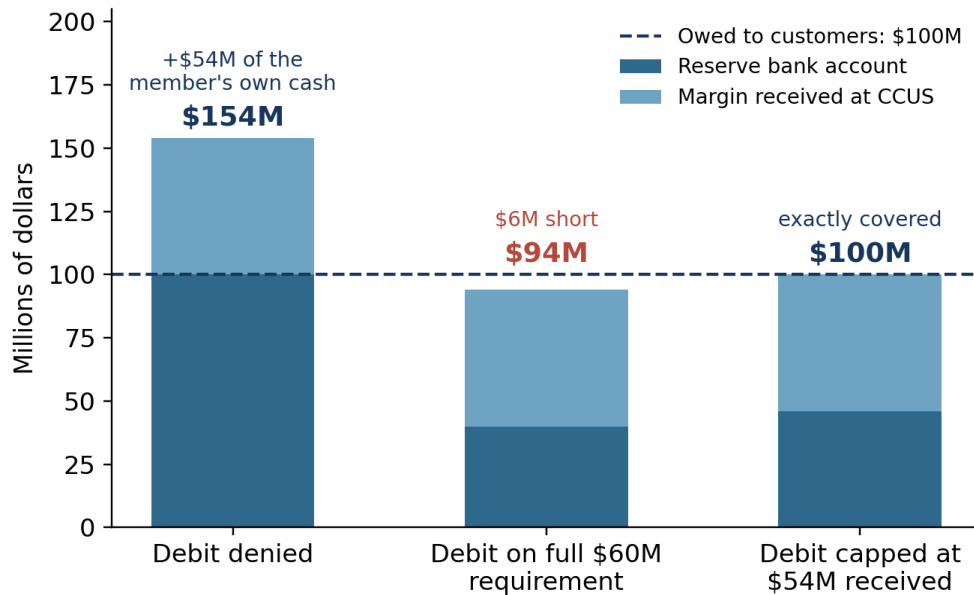


Figure 1. Where \$100 million of customer credits ends up under three treatments. Illustration only: \$60 million required, \$54 million received at CCUS, no other debits.

A word on cost

I held myself to one rule: everything I ask for has to come from data CCUS and its members already keep. CCUS's own rulebook, as posted in Exhibit E-2, already makes members reconcile all accounts and clear reconciling items on time (Rule 310(c)), keep enough liquid assets to meet any securities customer margin call the same day (Rule 308(f)), and report open positions every business day (Rule 304(a)(xii)). Exhibit J says CCUS monitors exposure in near real time. So the daily reconciliation and the gap record I ask for use numbers that already exist. The only new filing is one monthly report from one filer for twelve months, twelve reports in all. The notice gives no dollar estimate of compliance cost, so I do not invent one. I ask the Commission to request CCUS's own estimate.

The cost of the opposite choice is easier to see. If the debit is denied, a member funds the same dollars twice: once at CCUS and once in its reserve bank account. The application calls this a "reserve computation penalty." With round, illustrative numbers, \$54 million of customer margin at CCUS and a 4.5 percent cost of funds comes to about \$2.4 million a year (Figure 2). No OCC clearing member pays that for the same kind of margin. That is why I support the relief. But the arithmetic also cuts the other way. A debit that counts money not yet received leaves customers short (Figure 5). The conditions below are there to keep the relief on the right side of that line.

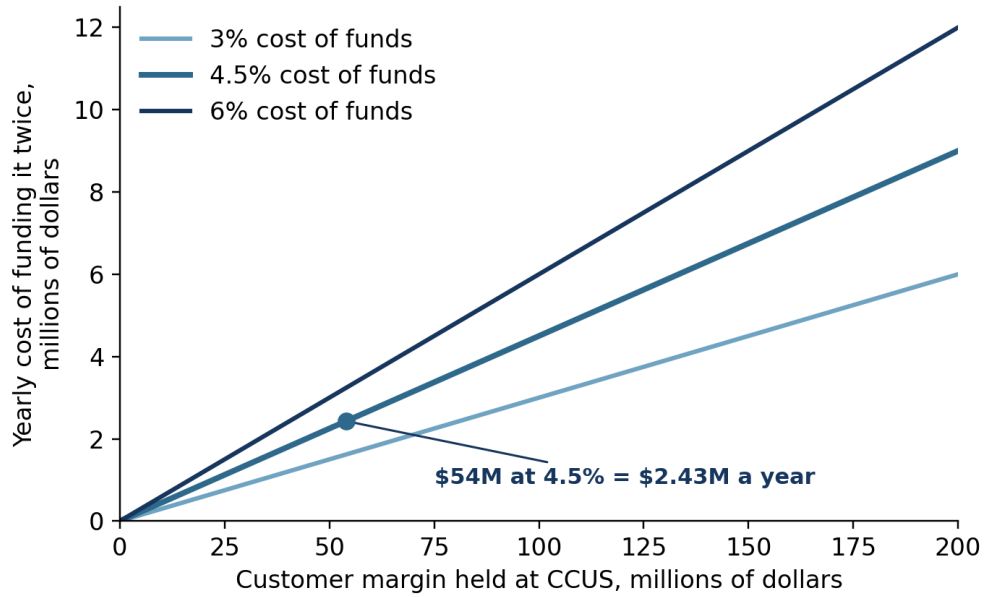


Figure 2. Yearly cost of funding customer margin twice, $K = r \times A$. The rates are illustrations, not market data or CCUS data.

How a margin dollar should earn the debit

Think of a deposit slip and a deposit. A slip says money is coming. Only the deposit puts it in the vault. Here is the path a dollar of margin should take before it reduces a member's reserve deposit. Figure 3 shows where each of my suggestions plugs into the Commission's own proposed conditions.

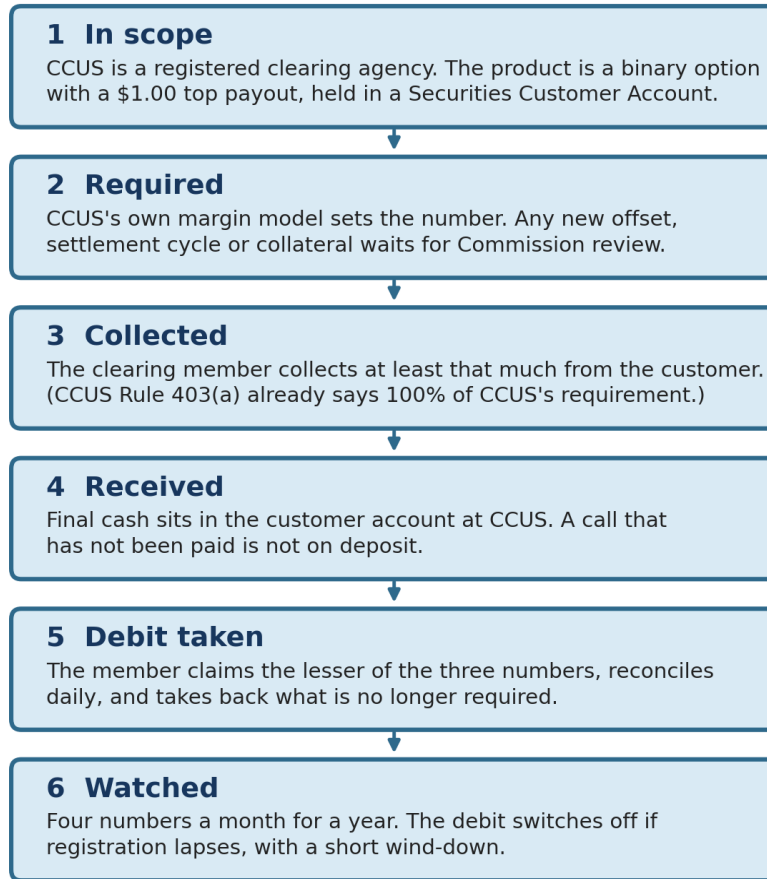


Figure 3. Author's synthesis of the proposed path for a margin dollar. Steps 1 and 2 follow the Commission's Conditions 1 to 3 and 6; steps 3 to 6 reflect my Provisions 2 to 12.

Where the application can be tightened

Same name is not the same lock.

Condition 5 says the relief is "subject to the same conditions set forth in Note F." I checked what Note F says. In full: Item 13 must include the amount of margin required and on deposit with OCC to the extent it is represented by cash, proprietary qualified securities, and letters of credit collateralized by customers' securities. That is a rule about the kind of asset. It says nothing about where the money sits, who can claim it, or how it comes back. Those questions were left to OCC's rules because OCC was the only clearing agency. For the clearing agencies that came later, the Commission wrote the lock out. The table compares what each rule asks for with what CCUS's public filings show.

Protection	Note F (Item 13, OCC)	Note G (Item 14, security futures)	Note H (Item 15, Treasuries)	CCUS as filed
Kind of asset	Cash, proprietary qualified securities, letters of credit on customer securities	Same three	Cash, Treasuries, or qualified customer securities	U.S. dollars only today (Exh. L). Rule 101(x) "Collateral" also lists Treasuries and Digital Assets.

Protection	Note F (Item 13, OCC)	Note G (Item 14, security futures)	Note H (Item 15, Treasuries)	CCUS as filed
Strength screen for the clearing agency	None stated	\$2B in deposits plus assessment power (at least \$500M in deposits), or \$3B in margin, or a Commission exemption	None stated; Commission approval and notice instead	Not in the public notice
Bank letter: exclusive benefit, no lien	None	Yes, Note G(b) (2)	Yes, Note H(b) (2) (iv)	Rule 309(g) leaves it "as prescribed"
Lien limited to customers' own cleared trades	None	None stated	Yes, Note H(b) (2) (iii) (D)	Rule 403(k) lien names Customer Accounts with all other classes
Limits on pledging or investing	None	Pledging allowed where rules permit	Cash invested only in Treasuries of one year or less	Rules 403(l) and 403(p) let CCUS pledge and invest at its own risk. Exh. L says no investing "currently."
Prompt return of excess	None	None	Yes, Note H(b) (2) (v)	Not seen in the posted rules
Yearly check by the broker-dealer	None	Yes, Note G(c)	Not required	Not proposed
Commission approval and published notice first	Not required	Not required	Yes, Note H(b) (3)	Not proposed; Condition 6 only requires the rulebook to comply

None of this says CCUS fails. It says the application does not yet show whether CCUS meets a lock the Commission has already designed. I would not ask for all of it. A size screen built for futures clearing houses may not fit a fully margined product, and Exhibit J says binary options cannot be stressed beyond their margin. But the Commission should say which parts it kept and which it left out, and why. That is what a reasoned order looks like.

A deposit slip is not money in the vault.

Item 13 already says "required and on deposit." The words that matter are "on deposit." Exhibit J says binary option margin need not be prefunded before trade execution, and that a member default while newly established positions have not yet settled would reach CCUS's default resources. CCUS answers with the \$1.00 payout cap, near-real-time monitoring, intraday calls, and its default waterfall. I accept those as answers to CCUS's risk. They do not answer the reserve question, which is different: is the money the formula counts as sitting in the second vault actually there? CCUS Rule 403(e) makes transfers irrevocable and unconditional when effected, and Rule 403(i) gives a member until the next banking hour after an intraday call. So there is a window in which a requirement exists and the money does not. The order should say in one sentence that the window never counts.

For the cap I borrowed the “lesser of” idea the Commission published for comment on July 24, 2026 for Item 15 (Release No. 34-105980, File No. S7-2026-26): the least of margin collected, margin required, and margin delivered. Two of those three are already implied by Item 13’s words “required and on deposit.” The third, margin collected from the customer, goes beyond what OCC clearing members face today. I offer it because Condition 3 already says members will collect margin, and because the Commission is looking at the same cap elsewhere. Provision 2 is written so it can be taken with or without that third cap.

Whose money is it? Check the lien, the pledge, and the investment clause.

Condition 4 requires CCUS to keep customer margin “separately and independently” from proprietary margin. I agree. Reading the posted rulebook, I found three clauses the order should address. Rule 403(k) gives CCUS a first-priority lien on collateral a member posts and names Customer Accounts next to Member Property Accounts. Rule 403(l) lets CCUS pledge or lend posted collateral, including collateral in Customer Accounts, to secure CCUS’s own borrowing “as permitted by” CFTC or SEC regulations. Rule 403(p) lets CCUS invest posted collateral at its own risk and keep the income.

Three things soften this. Rule 403(h) says that in a default, customer margin goes first to that member’s customer obligations. Rule 101(ttt) says Securities Customer Accounts are not subject to loss mutualization. And Exhibit L says CCUS today does not accept non-dollar collateral or invest customer funds. But “today” is not a rule. The Commission has used different standards in different years: Note G tolerates pledging if the rules allow it, while Note H, the newest, bars liens beyond the customer’s own cleared trades and limits investment to short Treasuries. I suggest Note H’s standard, because it is newest and because CCUS holds customer margin in omnibus accounts. One caution on the record: Exhibit L cites Rule 403(q) (i) and (q) (v) for margin and the lien, but in Exhibit E-2 as posted, Rule 403(q) is “Required Cash Deposits” and the lien is in 403(k). The Commission’s notice calls the application “as amended,” so the numbers may have moved. The order should point to the rule text as finally approved.

Cash only, binary only.

Exhibit L says CCUS accepts U.S. dollars only. But Rule 101(x) defines “Collateral” to include Treasuries and Digital Assets, and Rule 314(b) describes how Digital Asset collateral would be credited to a Customer Account. That is not a problem today. It is a reason for the order to name Note F’s list as the ceiling. The same goes for product. The application’s request paragraph says “option contracts written or purchased in customer accounts,” while Condition 2 says “binary options.” Only the second is meant. Exhibit J also says tokenized binary options would come later through Rule 19b-4 filings. The order should use the narrow words, cap the payout at \$1.00, and treat anything else as outside the relief until the Commission says otherwise.

Say the numbers.

The notice gives no figure for CCUS’s margin on deposit, its guaranty fund, or the dollar size of its assessment powers, which Exhibit J states only as 300 percent and 600 percent of members’ guaranty fund requirements. Note G’s yardsticks are \$2 billion and \$3 billion. OCC reported \$393 billion of margin and a \$21.9 billion clearing fund at the end of 2025. OCC’s margin alone was about 131 times Note G’s \$3 billion screen ($393 \div 3$). Item 13 never needed a size test because OCC was the only name in the rule. A second name is the first time the Commission has to decide whether size matters. Full margining may make it matter

much less. I would still put CCUS's numbers beside the screens and say so (Figure 4). Note G applies to Item 14, not Item 13, so Figure 4 is context and not a pass-fail test.

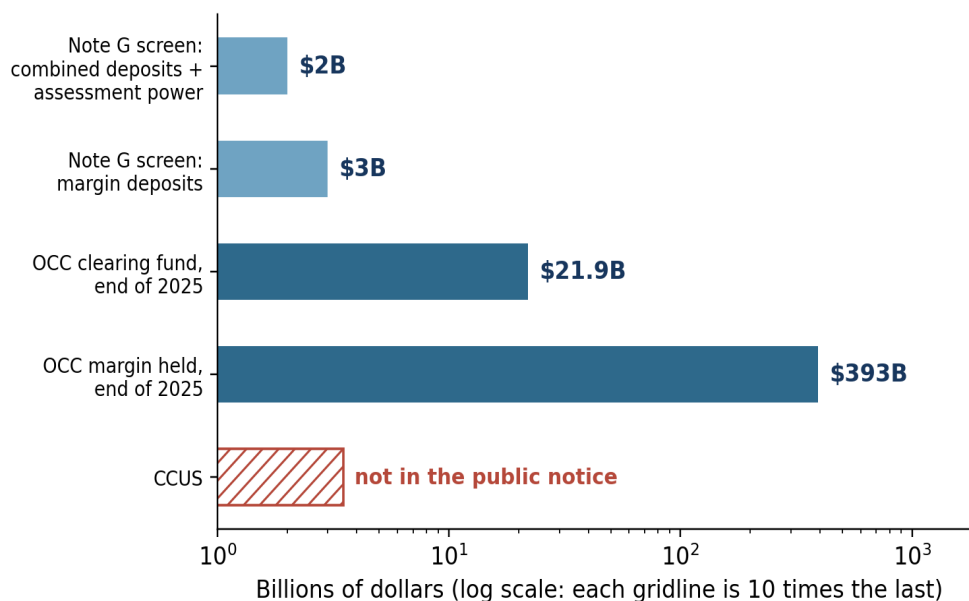


Figure 4. Note G's two screens against OCC's reported 2025 year-end figures. OCC figures are from its 2025 Annual Report. CCUS's figures are not in the public notice.

One more thing should be said out loud. The notice describes the OCC debit as based on margin calculated across all of a firm's customers, on a net or omnibus basis. For Treasuries, the Commission looked at that exact approach in 2023 and chose gross, customer-by-customer margin so that one customer's risk could not be offset by another's (Release No. 99149, 89 FR 2714, 2764-65, as described in Release No. 34-105980, note 17). The application does not say how CCUS calculates. Exhibit L says a member may use one omnibus account for all its securities customers, and Rule 404(a) offsets a member's opposite positions in the same contract. I expect fully margined, \$1.00-capped contracts blunt the concern. The order should say why.

Open the gate on purpose.

Condition 1 requires registration, but nothing says when the debit may start or what happens if registration ends. Exhibit J asks for temporary registration with full registration within 18 months, so the question is real. Note H(b) (3) offers a model: the debit starts only after the Commission has approved the clearing agency's rules and published a notice. Note G(c) offers another: the broker-dealer checks at least yearly that the clearing agency still meets the conditions. I would use both, add a short change-control list for anything that alters the risk (new offsets, a different settlement cycle, new collateral, a higher payout, tokenized products), and provide a short wind-down if the relief ends.

Keep the reporting lean.

The notice asks whether the conditions are enough. They govern entry but give the Commission no way to see how the relief behaves. Four numbers answer most of the questions: margin on deposit, the daily peak of the requirement that had arisen but was unpaid, the number and longest delay of intraday calls, and late or failed payments. Prompt notice of a default, assessment, tear-up, segregation

breach, or inability to return margin covers the rest. After twelve months, a short staff summary without names would let the public see how it went.

Objections I considered.

"These conditions go beyond OCC, so they are not parity." Parity should mean equal risk treatment, not equal paperwork. OCC's lock comes from OCC's rules and decades of oversight. For other clearing agencies the Commission wrote conditions down in Notes G and H. Section 17A(a)(2)(B) points toward equal regulation, which cuts both ways. I mark the one item that goes beyond the OCC baseline, the collected-margin cap, so it can be severed.

"It will slow CCUS's launch." Most of Conditions 7 to 12 use records CCUS and its members already keep. The new steps are a published notice and one monthly report. Note H shows the notice step has been used before.

"The Commission cannot condition relief on another party's rules." Section 36(a)(1) allows exemptions "conditionally or unconditionally," as the notice itself says in note 1. Proposed Condition 6 already requires CCUS to amend its rulebook to match the order. I am asking for more of the same.

Answers to the Commission's numbered questions

Question	My answer	Provisions
1. Do the application's reasons support a section 36 finding?	Yes, on a narrower footing. The strongest reason is that Items 14 and 15 already recognize registered clearing agencies that meet conditions. Rest the order on section 36(a)(1) findings and on those conditions, not on a reading that Item 13 already covers CCUS.	1, 2, 8
2. Are the conditions sufficient? What else?	Not yet. Condition 5 imports one sentence. Add Conditions 7 to 16: the lesser-of cap, what "on deposit" means, customer-property protections, a bank letter, reconciliation and return of excess, a gap record, change control, a start line, reporting, and wind-down. Keep Conditions 1, 3, 4 and 6 as proposed.	2 to 13
3. Competitive impact, costs, benefits, investor protection?	Positive if the conditions match Notes G and H where the risk is the same: it removes double funding (Figure 2). Negative if CCUS gets a lighter lock than other clearing agencies face. Investor protection is neutral to positive if the debit follows money actually deposited and separately held.	2, 4, 5, 8

A simple way to show the work

Let C be customer credits, D all other debits, M the debit a member claims for CCUS margin, Q the margin CCUS requires, A the margin CCUS has actually received, and L the margin the member collected from customers. The reserve deposit is:

$$R = \max(0, C - D - M)$$

The dollars protected for customers are the reserve plus what sits at CCUS:

$$P = R + A$$

If the debit is no bigger than what CCUS holds ($M \leq A$) and the formula produces a deposit, then $P = (C - D) + (A - M)$, which is at least $C - D$. Customers lose

nothing. If M is bigger than A , the same algebra gives $P = (C - D) - (M - A)$. The customers are short by exactly the part that has not arrived. If the debit is denied ($M = 0$), $P = (C - D) + A$. The member funds A from its own pocket, at a yearly cost of $K = r \times A$, where r is its cost of funds. The cap I suggest is:

$$M^* = \min(Q, A, L)$$

For the timing gap, if N contracts have been novated since the last settlement cycle and each carries at most a \$1.00 payout, the unpaid requirement cannot exceed:

$$E \leq N \times \$1.00$$

E is a ceiling, not a loss estimate. I do not forecast N . That is why Provision 7 asks CCUS to record it. The table works one example with $C = \$100$ million, $D = 0$, $Q = \$60$ million, and \$54 million received.

Case	Debit M	Reserve R	At CCUS A	Protected P	Versus \$100M owed
A. Debit denied	\$0	\$100M	\$54M	\$154M	+\$54M (member's own cash)
B. Debit on full \$60M requirement	\$60M	\$40M	\$54M	\$94M	-\$6M (short)
C. Lesser-of: debit capped at \$54M	\$54M	\$46M	\$54M	\$100M	Exactly covered
D. All \$60M received, debit \$60M	\$60M	\$40M	\$60M	\$100M	Exactly covered

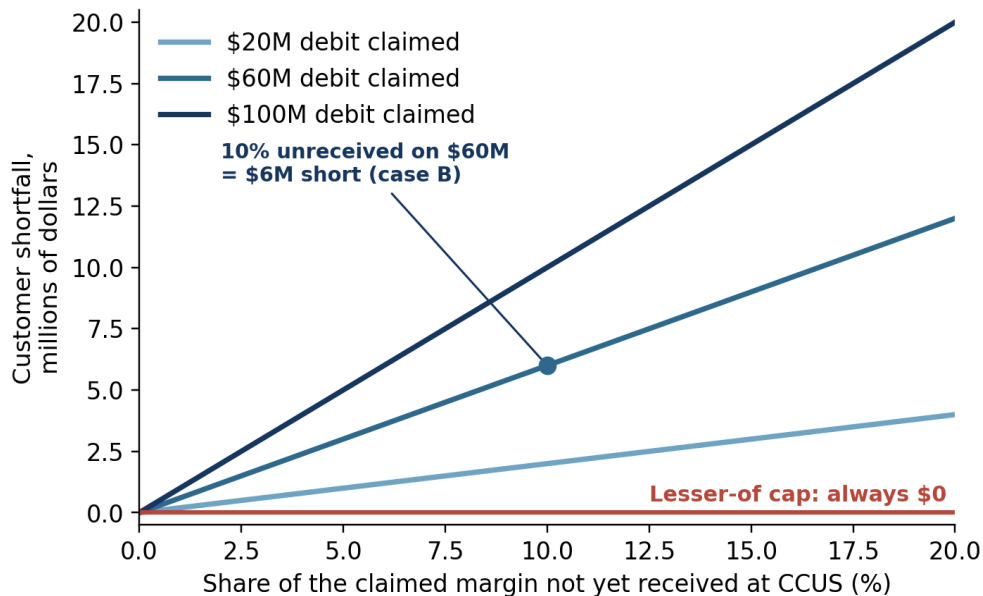


Figure 5. Customer shortfall if unreceived margin is counted as a deposit, $S = u \times M$. Under a lesser-of cap the shortfall is zero by construction. Illustration only.

Where each change goes

The order is not a rule, so the placement is against the six conditions the Commission published. The language in the next section is a starting draft for staff; I have not tried to match the Commission's order style.

Subject	Location	Action
Product scope	Operative paragraph; Condition 2	Replace (Provision 1)
Registration; margin model; segregation; rulebook	Conditions 1, 3, 4, 6	Keep as proposed
Note F	Condition 5	Keep, and add Conditions 7 to 11 for what Note F leaves unsaid
Debit cap and “on deposit”	New Conditions 7 and 8	Add (Provisions 2 and 3)
Customer property, bank letter, reconciliation	New Conditions 9 to 11	Add (Provisions 4 to 6)
Gap record	New Condition 12	Add (Provision 7)
Net or gross; size; Note F ceiling	Findings of the order	Add (Provision 8)
Change control; start line; reporting; end date	New Conditions 13 to 16	Add (Provisions 9 to 12)
Independence of conditions	Closing paragraph of the order	Add (Provision 13)

Proposed order text

Each provision stands alone. “Customer” includes PAB account holders and the customer and PAB computations are kept separate, as Note 2 to Rule 15c3-3a already requires for credits. Where I have not worked out a cross-reference, I say so.

Proposed Provision 1. Scope in the Commission’s own words

Where it goes in the order: Operative paragraph; replace proposed Condition 2.

2. The exemption applies only to margin required and on deposit with CCUS for binary options carried in customer accounts and PAB accounts. “Binary option” means a Securities Contract as defined in CCUS Rule 101(h), as approved by the Commission, whose fixed maximum payment does not exceed \$1.00 per contract.

Why it helps: It removes the broader phrase in the application’s request paragraph and ties the product to the \$1.00 payout cap that Exhibit J relies on.

Proposed Provision 2. Permitted debit

Where it goes in the order: New Condition 7, after proposed Condition 5.

7. A Clearing Member’s debit for margin at CCUS may not exceed the least of: (i) the margin CCUS requires for the customer positions; (ii) the margin CCUS has received and holds for those positions at the time of the computation; and (iii) the margin the Clearing Member has collected from those customers. The customer and PAB debits are calculated separately.

Why it helps: It turns “required and on deposit” into a check an examiner can run line by line. Clause (iii) goes beyond the OCC baseline and can be severed.

Proposed Provision 3. What “on deposit” means**Where it goes in the order:** New Condition 8.

8. Margin is on deposit only after CCUS has received it as final value in the Securities Customer Account or PAB Account, consistent with CCUS Rule 403(e). A requirement that has arisen but has not been paid, including one arising after novation and before the next settlement cycle or one from an intraday call, is not on deposit. Eligible margin is limited to the assets Note F lists that CCUS accepts for those accounts under its approved rules. A Digital Asset is not a Note F asset and may not be included.

Why it helps: It separates a promise to pay from money in the account, and it keeps the debit from drifting beyond Note F if CCUS’s collateral list grows.

Proposed Provision 4. Customer property**Where it goes in the order:** New Condition 9.

9. Margin that supports the debit must (i) be held for the exclusive benefit of the customers of the Clearing Member that posted it; (ii) secure only obligations arising from the same account class, except that CCUS may apply a defaulting member’s own excess to a shortfall in that member’s customer account, as Rule 403(h)(iii) provides; (iii) not be pledged, lent, or used in a repurchase agreement to secure CCUS’s own borrowing; and (iv) if invested, be invested only in cash or U.S. Treasury securities with a maturity of one year or less.

Why it helps: It brings the lien, pledge, and investment clauses in Rules 403(k), (l), and (p) up to the Note H standard. Because Exhibit L says CCUS does not invest customer funds today, clause (iv) costs nothing now. I have not worked out how clause (ii) fits CCUS’s default waterfall in Rule 502.

Proposed Provision 5. Bank letter**Where it goes in the order:** New Condition 10.

10. Each depository holding margin for Securities Customer Accounts or PAB Accounts must give CCUS a written notice, kept on file and available to the Commission, that the funds are held under Rule 15c3-3, kept separate from CCUS’s own accounts, and subject to no right, charge, security interest, lien, or claim of any kind in favor of the depository or anyone claiming through it.

Why it helps: Rule 309(g) leaves the acknowledgment “as prescribed.” This fills it in using the wording the Commission already used in Note H(b)(2)(iv).

Proposed Provision 6. Reconciliation and return of excess**Where it goes in the order:** New Condition 11.

11. On each business day a Clearing Member computes the debit, it must reconcile CCUS’s requirement, the amount collected, the amount CCUS has received, and the debit claimed. An unexplained difference must be cleared before the next computation or the debit reduced to the lowest of the figures. CCUS’s rules must provide systems and controls to return margin no longer required, and state the return time. I suggest the next business day after the member asks as a starting point, not as a finding.

Why it helps: If excess margin stays at CCUS with no debit, it counts as a credit again, which gives the member a reason to ask for it back. The Commission made the same point for Item 15.

Proposed Provision 7. Gap record

Where it goes in the order: New Condition 12.

12. CCUS must keep written, objective triggers for intraday margin calls. For each business day it must record, by Clearing Member and account class, the highest requirement that had arisen but not been paid between novation and receipt, and the time, size, and payment time of each intraday call.

Why it helps: Exhibit J says CCUS already monitors this in near real time. The order only asks it to be written down.

Proposed Provision 8. Findings the order should state

Where it goes in the order: The findings section of the order.

The Commission finds that: (i) CCUS calculates customer margin [net across a Clearing Member's customers] [customer by customer], and, if net, the concern the Commission identified in Release No. 99149 does not arise here because [reason]; (ii) CCUS's margin on deposit, guaranty fund, and assessment power are [figures], compared with the screens in Note G as follows [comparison], and the Commission [applies] [does not apply] those screens because [reason]; and (iii) the debit is limited to the assets Note F lists.

Why it helps: Bracketed items are for staff to fill from the Form CA-1 record. The order is much easier to defend if it states the facts and the choice, not only the result.

Proposed Provision 9. Change control

Where it goes in the order: New Condition 13.

13. A new offset or portfolio-netting method, a different settlement cycle, a form of collateral beyond those approved, a payout above \$1.00 per contract, a non-binary payout, or a tokenized binary option does not support a debit until the related CCUS rule change is effective under section 19(b) and Rule 19b-4 and Commission staff has published notice that the debit may be included. A new strike or expiration within an approved binary option class does not require new relief.

Why it helps: It keeps the debit tied to the margin design the Commission actually reviewed, without making every routine listing a new request.

Proposed Provision 10. Start line

Where it goes in the order: New Condition 14.

14. The debit is available only after (i) CCUS's registration as a clearing agency is effective, (ii) the Commission has approved CCUS rules that meet these conditions, and (iii) Commission staff has published a notice that Clearing Members may include the debit. Each Clearing Member must determine at least once a year that CCUS continues to meet these conditions.

Why it helps: It follows Note H(b) (3) for the start and Note G(c) for the yearly check, so both come from rules the Commission already wrote.

Proposed Provision 11. Lean reporting

Where it goes in the order: New Condition 15.

15. For twelve months after the notice in Condition 14, CCUS must send the Division of Trading and Markets a monthly report with four numbers for each account class: (i) margin on deposit; (ii) the daily peak of requirements that had arisen but were unpaid; (iii) the number of intraday calls and the longest time any took to pay; and (iv) late or failed payments. CCUS must promptly notify staff of a Clearing Member default or use of the default waterfall, an assessment, a tear-up, a

segregation breach, or an inability to return margin. After twelve months, staff should publish totals that do not identify any member or customer.

Why it helps: It gives the Commission the facts it will need for any later rulemaking with twelve reports from one filer.

Proposed Provision 12. Registration link and wind-down

Where it goes in the order: New Condition 16.

16. The debit is unavailable on any day CCUS's registration has expired, been suspended or revoked, or does not cover binary options. When the exemption ends or is suspended, a Clearing Member must stop adding to the debit at once and may keep the debit already included for no more than 30 days, or less if the Commission directs because of customer risk, while CCUS returns or transfers protected margin in an orderly way.

Why it helps: Ending the debit raises the reserve deposit overnight. Thirty days is my guess at the time needed to fund it, not a figure from data.

Proposed Provision 13. Independence of conditions

Where it goes in the order: Closing paragraph of the order.

The Commission would have adopted each of Conditions 1 to 16 separately. If any reporting condition proves impracticable, the registration, product, deposit, segregation, and reconciliation conditions remain in effect.

Why it helps: It protects the customer-protection conditions if a lesser one is later changed.

Authorities and method

I read the following. Rule text is from the eCFR, current to October 2, 2026. I did not rely on memory for any quotation or figure.

- Release No. 34-106493, File No. 4-930 (Sept. 25, 2026), including the CCUS application dated Sept. 18, 2026, and its six proposed conditions and three numbered questions.
- 17 CFR 240.15c3-3a: Items 13, 14 and 15; Notes F, G and H; PAB Notes 1 and 2. Exchange Act §§ 15(c)(3), 17A(a)(2) and (b)(3)(I), 19(b) and 36(a)(1) (15 U.S.C. 78o(c)(3), 78q-1, 78s, 78mm).
- CCUS Form CA-1: Exhibit E-2 (rulebook, labeled June 30, 2026 draft), Exhibit J (clearing activities), Exhibit L (safeguarding). Release No. 34-105960 (notice of the amended CA-1 application).
- Release No. 34-105980, File No. S7-2026-26 (July 24, 2026) (notice of the SIFMA application: the "lesser of" formula and the discussion of the 2023 gross-margin choice at note 17).
- Standards for Covered Clearing Agencies for U.S. Treasury Securities and Application of the Broker-Dealer Customer Protection Rule With Respect to U.S. Treasury Securities, Exchange Act Release No. 99149 (Dec. 13, 2023), 89 FR 2714 (Jan. 16, 2024), as described in Release No. 34-105980.
- OCC comment letter, File No. S7-34-02 (Oct. 23, 2002), on the proposed security-futures debit; OCC 2025 Annual Report (15.3 billion contracts cleared, including futures; \$393 billion margin and \$21.9 billion clearing fund at year end).
- Motor Vehicle Mfrs. Ass'n v. State Farm Mut. Auto. Ins. Co., 463 U.S. 29, 43 (1983).

Arithmetic notes. Figures 1, 2 and 5 and the table use the stated illustrative inputs: $C = \$100$ million, $D = 0$, $Q = \$60$ million, $A = \$54$ million, and rates of 3, 4.5 and 6 percent. Check: $54 \times 0.045 = 2.43$; $0.10 \times 60 = 6$; $393 \div 3 = 131$. Figure 3 is a diagram. Figure 4 uses Note G's thresholds and OCC's reported figures. No figure is a CCUS forecast.

Limits. I did not have confidential CA-1 material, member systems, depository agreements, or CCUS's financial figures. I read the rulebook as posted in Exhibit E-2, and Exhibit L cites different rule numbers, so some clause numbers may have moved. On the date of this letter the public comment page for File No. 4-930 showed no comments, so I could not respond to other commenters.

Conclusion

I support the relief. A second clearing agency for securities options is good for a free market, and a member that clears at CCUS should not have to fund the same customer dollars twice. The one thing I would not trade away is the lock. If the order says that the debit follows money that is required, collected, received, separately held, reconciled, and returnable, while also saying so in the Commission's own words, it will be easier to run, examine, and defend.

If the Commission adopts only a few of my suggestions, I would choose the trident: define "on deposit" so an unpaid call never counts (Provisions 2 and 3), hold customer margin to the Note H standard for liens, pledges and bank letters (Provisions 4 and 5), and state the findings on size and method (Provision 8). Thank you for considering these comments and for the public service this docket represents.

Respectfully submitted,

/s/ Shawn SN

Shawn SN

October 12, 2026