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U.S. Securities and Exchange Commission

Concerns and Opposition to Proposed Rule Change by OCC

To Whom It May Concern,

I hope this letter finds you well. I am writing to express my profound concerns and opposition to the proposed rule change by the Options Clearing Corporation (OCC), specifically pertaining to the adjustments in parameters for calculating margin requirements during periods of high market volatility.

While I understand the need for adaptive risk management measures, the lack of transparency in the redacted materials associated with the proposed rule is disconcerting. Transparency is a cornerstone of market integrity and fosters trust among market participants. The undisclosed information raises apprehensions regarding the adequacy and accuracy of the proposed adjustments, potentially undermining the stability of the options market.

Furthermore, the adjustment of margin requirements during periods of heightened volatility raises questions about the potential impact on market stability. The OCC's role as a central clearinghouse is crucial for maintaining a robust and secure financial system. Any modifications to margin requirements must be thoroughly scrutinized to ensure that they do not inadvertently contribute to systemic risk or compromise the stability of the options market.

One notable concern is the inherent conflict of interest associated with the Financial Risk Management (FRM) Officer's role in this process. The FRM Officer is entrusted with the responsibility of managing financial risks within the OCC. However, the conflict arises from the

dual role of implementing risk management measures while simultaneously serving the OCC's financial interests. This conflict of interest may compromise the objectivity and independence required for effective risk management.

To safeguard the interests of market participants and ensure the stability of the financial markets, I urge the SEC to thoroughly reconsider the proposed rule change. In doing so, I propose the following:

1. **Enhanced Transparency:** Request the OCC to provide full disclosure of redacted materials and any additional relevant information to enable market participants to assess the appropriateness of the proposed adjustments.
2. **Independent Review:** Advocate for an independent and comprehensive review of the proposed rule change, involving external experts and stakeholders, to ensure a thorough examination of potential risks and consequences.
3. **Conflict of Interest Mitigation:** Encourage the OCC to establish mechanisms to mitigate the inherent conflict of interest associated with the FRM Officer's role in the rule change process. This may involve appointing an independent party to oversee or validate the risk management decisions.

I firmly believe that these recommendations will contribute to a more transparent, accountable, and stable financial market. The well-being of the broader market should be prioritized, and any rule changes should align with the principles of fairness, transparency, and risk mitigation.

Thank you for your attention to this matter. I trust that [SEC/Relevant Regulatory Body] will carefully consider these concerns and take appropriate measures to uphold the integrity and stability of the options market.

Sincerely,

Zeek Morrow