



DIVISION OF
TRADING AND MARKETS

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

June 4, 2012

Mr. James E. Brown
Executive Vice President
The Options Clearing Corporation
1 North Wacker Drive
Suite 500
Chicago, IL 60606

Dear Mr. Brown:

In your letter dated June 1, 2012 ("Letter"), on behalf of The Options Clearing Corporation, you request assurance that the staff of the Division of Trading and Markets would not recommend enforcement action to the Commission under Section 19(g)(1)(C) of the Securities Exchange Act of 1934 ("Exchange Act") if OCC waives the applicability of certain of its By-Laws and Rules, as identified in the Letter, and permits Broadridge Securities Processing Solutions, LLC ("BSPS") to act as a Managing Clearing Member of OCC for a limited period and under terms as set forth in the Letter. Capitalized terms used in this letter but not otherwise defined have the same meaning as in the Letter.

Based on the facts presented and the representations you have made, and without necessarily concurring in your conclusion, the staff will not recommend enforcement action to the Commission under Section 19(g)(1)(C) of the Exchange Act if OCC waives the applicability of certain of its By-Laws and Rules, as identified in the Letter, and permits BSPS to act as a Managing Clearing Member with respect to Managed Clearing Members for the period ending on the earlier of (a) the 90th calendar day following the date BSPS is permitted to commence activity as a Managing Clearing Member or such later date as to which OCC may consent, but in any event not longer than the 180th calendar day following the date BSPS is permitted to commence activity as a Managing Clearing Member, or (b) the date upon which BSPS transfers its rights and obligations with respect to its activity as a Managing Clearing Member to another Managing Clearing Member. The relief contained in this letter is conditioned upon the accuracy of the representations, and BSPS' compliance with the requirements and conditions, contained in the Letter.

This position concerns enforcement action only and does not represent a legal conclusion with respect to the applicability of statutory or regulatory provisions of the federal securities laws. Moreover, this position is based on the facts you have presented and the representations you have made, and any different facts or conditions may require a different response. In addition, this position is subject to modification or revocation if at any time the Commission or the staff determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act. Finally, the staff expresses no view with respect to any other questions that the

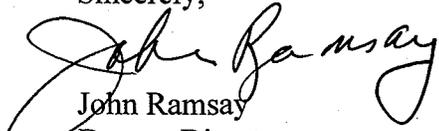
Mr. James E. Brown

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proposed activities may raise, including the applicability of other federal or state laws to those activities.

Sincerely,



John Ramsay
Deputy Director



James E. Brown
Executive Vice President
General Counsel and Secretary

June 1, 2012

Via e-mail: ramsayj@sec.gov

Mr. John Ramsay
Deputy Director
Division of Trading and Markets
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Mr. Ramsay:

We are writing to request that the Commission staff (the "Staff") confirm, on an expedited basis, that it will not recommend that the Commission take enforcement action against The Options Clearing Corporation ("OCC") under Section 19(g)(1)(C) of the Securities Exchange Act of 1934 as a result of OCC's waiving the applicability of certain of OCC's By-Laws and Rules as discussed below. This request is being made to facilitate a transaction involving the transfer, assignment and assumption of the securities correspondent clearing business of one OCC Clearing Member to another. The transferee of the correspondent clearing business, which currently acts as a Managing Clearing Member (as defined below) with respect to other Clearing Members that are Managed Clearing Members (as defined in OCC's Rule 309), will, in turn, transfer its business as Managing Clearing Member to Broadridge Securities Processing Solutions, LLC ("BSPS").

OCC intends to permit BSPS to act as a Clearing Member of OCC for a limited period, as may be extended for a limited period (the "Waiver Period") in accordance with the proposed Agreement for Limited Provisional Clearing Membership (the "Agreement") between OCC and BSPS, substantially in the form which has been separately provided to the Staff, and to the limited extent necessary to permit BSPS to act as a "Managing Clearing Member" (as defined in OCC Rule 309) with respect to other Clearing Members that are Managed Clearing Members, on the terms and conditions set forth in the Agreement. Ridge Clearing & Outsourcing Solutions, Inc. ("Ridge Clearing") is currently a Managing Clearing Member of OCC. Ridge Clearing is a party to various facilities management agreements ("FMAs") with other OCC Clearing Members, including Penson Financial Services, Inc. ("Penson"). On or about May 31, 2012, Ridge Clearing and certain other parties consummated a transaction (subject to regulatory approvals) that, when effective, would result in a change in ownership of Ridge Clearing that would facilitate the acquisition by Ridge Clearing of certain accounts from Penson (the "Ridge

THE FOUNDATION FOR SECURE MARKETS

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Transaction”).¹ As part of the Ridge Transaction, Ridge Clearing will transfer its rights and obligations under the FMAs to BSPS, as a result of which Ridge Clearing will not continue providing services under the FMAs (the “Services”) on or after June 4, 2012.

Because of the expedited nature of the transaction, and in order to assure seamless continuity with respect to the Services, BSPS will need to be in a position to act as a Managing Clearing Member to the limited extent necessary to perform its obligations under the FMAs. BSPS is not currently a “Clearing Member” of OCC (as defined in OCC By-Laws), nor is it a registered broker-dealer or other category of regulated entity eligible to become a Clearing Member under the By-Laws and Rules of OCC. Therefore, BSPS is not eligible to act as a Managing Clearing Member under OCC Rule 309. However, because of the time-sensitive nature of the current situation and the need for continuity under the FMAs, and in light of the restrictions set forth in the Agreement (as described below), OCC proposes to permit BSPS to act as a Clearing Member, for the Waiver Period and solely to the extent necessary to allow BSPS to carry out its obligations under the FMAs, and future facilities management agreements that BSPS may enter into in accordance with the terms of the Agreement, as a Managing Clearing Member. In order to do so, OCC must temporarily waive the applicability of certain OCC Rules and By-Laws in respect of BSPS.

OCC proposes to permit BSPS to act as a Managing Clearing Member effective upon the consummation of the Ridge Transaction (the “Effective Date”), subject to (i) receipt of BSPS’ initial Clearing Fund Deposit (as defined in OCC Rules and By-Laws), (ii) receipt of a guaranty (the “Parent Guaranty”) acceptable to OCC from BSPS’ parent corporation, Broadridge Financial Solutions, Inc. (a public company), of all obligations of BSPS to OCC, (iii) receipt of no-action relief from the Commission pursuant to this letter, and (iv) receipt of similar no-action relief from the Commodity Futures Trading Commission (“CFTC”).

The “Waiver Period” is the period beginning on the Effective Date of the Agreement and ending on the earlier of (a) the 90th calendar day following the Effective Date, or such later date as to which OCC may consent, subject to any determination, if necessary, of the Commission and the CFTC, and (b) the date on which BSPS transfers its rights and obligations under the FMAs, as set forth below.

During the Waiver Period:

- BSPS intends to transfer the rights and obligations under the FMAs to an entity that is (i) registered as a broker-dealer under Section 15(b) of the Securities Exchange Act of 1934, (ii) a Clearing Member of OCC and (iii) eligible to act as a Managing Clearing Member of OCC. BSPS will report to OCC as to its progress on such transfer on or about the 30th and again prior to the 60th calendar day following the Effective Date.
- BSPS agrees to be bound by all of the provisions of OCC’s By-Laws and Rules and all procedures of OCC, as the same may be in effect from time to time, that are applicable to

¹ In connection with the change in ownership, Ridge Clearing will be renamed “Apex Clearing Corporation”. References in this letter to “Ridge Clearing” relating to the period after the change in ownership are references to Apex Clearing Corporation.

BSPS' conduct of the business of a Managing Clearing Member, except as specified in the Agreement and summarized below. To the extent that any provision of the By-Laws and Rules is uninterpretable, ambiguous or impossible for BSPS to comply with until it is registered as a broker-dealer and becomes a Clearing Member, BSPS will comply with such alternative requirement, if any, that OCC may reasonably impose in order to achieve the purpose of such By-Law or Rule.

- BSPS will not act as a Clearing Member in any manner other than to act as a Managing Clearing Member with respect to Managed Clearing Members. Without limiting the generality of the foregoing, BSPS will not clear any Exchange transactions or otherwise perform any clearing services or carry positions in any cleared contract on behalf of itself or any customer or non-customer. BSPS will comply with the financial and reporting obligations of Chapter III of the OCC Rules as if BSPS were a registered broker-dealer, or alternative requirements reasonably acceptable to OCC (including, specifically, the Parent Guaranty); subject to the waivers described below.
- BSPS will be required to make Clearing Fund Deposits (as defined in OCC Rules and By-Laws) and will be subject to pro rata charges and additional assessments in accordance with the provisions of the By-Laws and Rules as if it were a regular Clearing Member.
- BSPS will grant to OCC all security interests, liens, rights, and remedies granted by a Clearing Member as set forth in the By-Laws and the Rules.
- BSPS will pay to OCC the fees provided for in the By-Laws and Rules of OCC for clearing and other services as if it were a regular Clearing Member, and after being afforded all rights and protections provided in the By-Laws and Rules of OCC, such fines as may be imposed in accordance with the By-Laws and Rules of OCC for the failure of BSPS to comply therewith.

During the Waiver Period, OCC would waive compliance by BSPS with certain provisions of OCC's By-Laws and Rules as follows:

- Requirements of Article V of the By-Laws that a Clearing Member be registered as a broker-dealer under the Securities Exchange Act of 1934 or be within one or more other enumerated categories of regulated entities.
- Requirements under Rule 214 that Clearing Members have "Financial and Operations Personnel" that are registered with specified self-regulatory organizations in specified capacities.
- Financial and reporting requirements of Chapter III of the Rules to the extent that BSPS complies with alternative requirements reasonably acceptable to OCC.
- Net capital requirements of Rules 301, 302, and 309(b), provided that OCC has received the Parent Guaranty referred to above and provided further that BSPS demonstrates compliance with such net capital requirements or such alternative requirements as OCC

and BSPS may agree to, at which time OCC may permit the Parent Guaranty to be terminated unless it is included in such alternative arrangements.

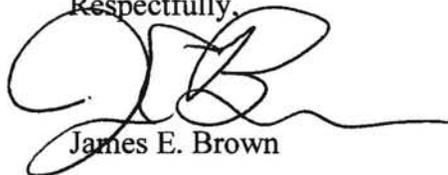
- The definition of “Clearing Member” to the extent it requires a person to have been admitted to membership through the regular procedures of OCC.
- Any other provisions of the By-Laws or Rules that OCC deems to be inconsistent with the arrangements set forth in the Agreement.

If, on or after the 60th day following the Effective Date, it appears that BSPS is not likely to transfer its obligations under the FMAs to an entity which will be in a position to act as a Managing Clearing Member by the end of the Waiver Period, OCC shall have the right to notify the relevant parties that the FMAs will be terminated as of the last day of the Waiver Period. If, at the end of a Waiver Period, OCC determines (in its reasonable discretion, after consultation with BSPS) that BSPS has diligently pursued the transfer of its operations support and outsourcing business to an approved Clearing Member, and that such transfer is likely to occur, OCC shall extend the Waiver Period by an additional 30 days.

OCC does not believe that the limited waiver of OCC Rules and regulations in respect of BSPS set forth above will have any direct or indirect adverse effect on OCC or any other OCC Clearing Member.

In view of the time-sensitive nature of the relief requested, OCC seeks an immediate response from the Staff. OCC believes that immediate relief is necessary in order to avoid significant disruption to Ridge Clearing’s current clearing operations and other market participants, as Ridge Clearing may be unable to continue providing the Services beginning on June 4, 2012.

Respectfully,

A handwritten signature in black ink, appearing to be 'JB', with a long horizontal line extending to the right.

James E. Brown

cc: Mr. Peter Curley
curleyp@sec.gov