

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-62684; File No. SR-OCC-2010-11)

August 10, 2010

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify the Definition of the Term Representative

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> notice is hereby given that on July 29, 2010, The Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change described in Items I and II below, which items have been prepared primarily by OCC. OCC filed the proposal pursuant to Section 19(b)(3)(A)(i) of the Act<sup>2</sup> and Rule 19b-4(f)(1)<sup>3</sup> thereunder so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the rule change from interested parties.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change would broaden the definition of the term “Representative” found in Article I, Section 1 of OCC’s By-Laws.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, OCC 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

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78s(b)(3)(A)(i).

<sup>3</sup> 17 CFR 240.19b-4(f)(1).

below. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.<sup>4</sup>

(A) Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of this rule change is to broaden the definition of the term “Representative” found in Article I, Section 1 of OCC’s By-Laws. “Representative” is defined as a director, senior officer, principal, or general partner of a Clearing Member Organization.<sup>5</sup> OCC’s By-Laws require that a Member Director on OCC’s board of directors (“Board”) be either a Clearing Member<sup>6</sup> or a Representative of a Clearing Member Organization.<sup>7</sup> This same qualification requirement is applied to members of the Board’s nominating committee (“Nominating Committee”).<sup>8</sup>

In certain instances, otherwise qualified candidates for the Board or the Nominating Committee were found to be ineligible because they were associated with an affiliate of a Clearing Member rather than with the Clearing Member itself. OCC does not believe a qualified candidate should be precluded from service on either the Board or Nominating Committee due to a technicality and therefore proposes to broaden the definition of “Representative” to include a

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<sup>4</sup> The Commission has modified the text of the summaries prepared by OCC.

<sup>5</sup> Clearing Member Organization means a Clearing Member that is a legal entity rather than a natural person. Article I, Section 1 of OCC’s By-Laws.

<sup>6</sup> The term “Clearing Member” is defined in OCC’s By-Laws as a person or organization that has been admitted to membership in OCC pursuant to the provisions of the By-Laws and Rules. Article I, Section 1 of OCC’s by-laws.

<sup>7</sup> Article III, Section 2 of OCC’s by-laws.

<sup>8</sup> Article III, Section 4 of OCC’s by-laws.

representative of an entity that controls, is controlled by, or under common control with a Clearing Member.

2. Statutory Basis

OCC believes that the proposed rule change is consistent with Section 17A of the Act,<sup>9</sup> as amended, because it fosters the fair representation of Clearing Members in the administration of OCC's affairs. It accomplishes this purpose by expanding the pool of qualified candidates eligible for Board and Nominating Committee service to include directors, senior officers, principals, or general partners of an affiliate of a Clearing Member. 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 will have any impact or 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 relating to the proposed rule change were not and are not intended to be solicited or received. OCC will notify the Commission of any written comments received by OCC.

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<sup>9</sup> 15 U.S.C. 78q-1.

### III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing proposed rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(i) of the Act<sup>10</sup> and Rule 19b-4(f)(1)<sup>11</sup> thereunder because the proposed rule change constitutes an interpretation with respect to the meaning, administration or enforcement of an existing rule. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change 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 SR-OCC-2010-11 on the subject line.

#### Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(i).

<sup>11</sup> 17 CFR 240.19b-4(f)(1).

All submissions should refer to File Number SR-OCC-2010-11. 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 Web site viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filings also will be available for inspection and copying at the principal office of OCC and on OCC's Web site at [http://www.optionsclearing.com/components/docs/legal/rules\\_and\\_bylaws/sr\\_occ\\_10\\_11.pdf](http://www.optionsclearing.com/components/docs/legal/rules_and_bylaws/sr_occ_10_11.pdf).

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-2010-11 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>12</sup> 17 CFR 200.30-3(a)(12).