

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SEP 11 2006

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Washington, D.C. 20549

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

As described more fully in Item 3 below, the purpose of this rule change is to amend OCC's Schedule of Fees to include a \$200.00 per month escrow program fee to be charged to all OCC approved escrow banks.

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 May 23, 2006.

Questions regarding the proposed rule change should be addressed to Jean M. Cawley, First 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 the proposed rule change is to amend OCC's Schedule of Fees to include a \$200.00 per month escrow program fee to be charged to all OCC approved escrow banks.

Background

OCC's escrow deposit program allows a custodian bank that has entered into an escrow agreement with OCC (an "escrow bank") to make deposits of eligible collateral on behalf of its customers in respect of stock option contracts and index option contracts carried in short positions and to "rollover" and withdraw such deposits by submitting electronic instructions to

OCC via OCC's escrow deposit system.¹ Escrow deposits² are pledged to both the customer's clearing member and to OCC in order to satisfy the customer's obligation to deposit customer level margin at the clearing member, and the clearing member's obligation to deposit clearing level margin at OCC in respect of a specified short position in stock or index options. Under OCC's form of escrow agreement, an escrow bank is obligated to hold the deposited collateral subject to the lien of OCC and the clearing member until such liens are released.

Discussion

In 2005, the escrow deposit system was integrated into OCC's clearing system, which allowed Internet access to the escrow system by escrow banks. Before the integration, escrow banks were required to lease or buy a personal computer which was configured by OCC to provide secure access to the escrow deposit system. Banks that elected the lease alternative are charged a \$200.00 monthly fee of which \$150.00 is an equipment leasing fee and \$50.00 is an access fee.³ Banks that (i) elected the purchase alternative or (ii) became escrow banks after the system integration are charged only the access fee, which is intended to cover the costs associated with administering the escrow program. Costs to administer the program include:

- Legal costs related to addressing the contractual aspects of the program;
- Audit costs related to ensuring compliance with the external audit reporting requirements of the program; and

¹ Escrow banks also use the escrow deposit system to receive and review OCC and relevant clearing member responses and to access reports.

² Escrow deposits may include: (i) the underlying securities for any stock option contract, (ii) cash, short-term U.S. Government securities, and/or common stocks for any index call option contract, and (iii) cash and/or short-term U.S. Government securities for stock or index put options.

³ OCC has continued to charge current escrow banks with leased equipment the \$200.00 per month total fee as they have retained such equipment as a back-up to Internet access to the escrow system. However, a different back-up solution is being implemented for all escrow banks, rendering the leased equipment obsolete for purposes of accessing the escrow system.

- Staff costs related to servicing program users (i.e., escrow banks and clearing members).

In connection with reviewing different back-up solutions to Internet access, OCC also examined its costs to administer the escrow program and concluded they greatly exceed the \$50.00 per month access fee. Accordingly, OCC has determined to charge all escrow banks a \$200.00 per month escrow program fee, which would be reflected in OCC's Schedule of Fees. The proposed program fee will allow OCC to partially offset its escrow program administration costs, but will not affect the overwhelming majority of escrow banks which already pay \$200.00 per month in aggregate fees.

* * *

The proposed change is consistent with Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), because it amends OCC's Schedule of Fees to include a reasonable fee to be charged to escrow banks that utilize OCC's escrow deposit system to partially offset OCC's cost to administer the escrow program. 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)

Not applicable.

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.

Exhibit 5. OCC's Schedule of Fees

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

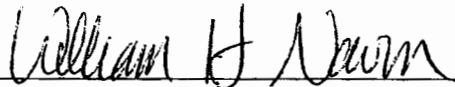
By: 
William H. Navin
Executive Vice President and
General Counsel

EXHIBIT 5 TO FILE NO. SR-OCC-2006-12

OCC Schedule of Fees - June 2006

CLEARING MEMBER**Clearing****Clearing Fees**

Trades with contracts of:

1 - 500	\$.05
501 - 1,000	\$.04
1,001 - 2,000	\$.03
Greater than 2,000	\$ 55.00 per trade

Market Maker / Specialist

Scratch per side	\$.02
Minimum Monthly Clearing Fee	\$ 200.00
Exercise Fee - per line item on exercise notice	\$ 1.00

New Products

First calendar month traded:
\$.00

Second calendar month traded:

Cleared trades w/contracts of:
1 - 4,400 \$.01
Greater than 4,400 \$ 40.00 per trade

Third calendar month traded:

Cleared trades w/contracts of:
1 - 2,200 \$.02
Greater than 2,200 \$ 40.00 per trade

Fourth calendar month traded:

Reverts to clearing fees specified above

Membership

New Clearing Member
Qualification Fee \$ 4,000.00

STAMPS

Clearing Member Authorization Stamp \$ 23.00 per stamp

Ancillary Services**TIER I****For First Clearing Number:**

- ENCORE Access
- MyOCC Access
- Data Service (includes transmission to service bureau)
- Report Bundle
- Series File
- Adjusted Position File
- Open Interest File
- Prices File
- Special Settlement File
- Stock Loan File
- Monthly Reports on CD-ROM (2 copies)
- Leased line charges are additional \$ 2,100.00 per month

For Each Additional Clearing Number
(Applies to TIERS I, II, III)

- ENCORE Access
- MyOCC Access

TIER II

- ENCORE Access
- MyOCC Access
- Data Service
- Report Bundle
- Monthly Reports on CD-ROM (2 copies)
- Leased line charges are additional \$ 1,650.00 per month

TIER III

- ENCORE Access
- MyOCC Access
- Monthly Reports on CD-ROM (2 copies)
- \$ 950.00 per month

TIER IV (Stock Loan only)

- ENCORE Access
- MyOCC Access
- \$ 400.00 per month

- Data Service
- Report Bundle
- Adjusted Position File
- Monthly Reports on CD-ROM (2 copies)
\$ 850.00 per clearing number,
per month

Leased Line Services

- T1 line to a Midwest Destination \$ 1,500.00 per month, per line
- T1 line to an East Coast Destination \$ 2,500.00 per month, per line
- T1 line to a West Coast Destination \$ 3,500.00 per month, per line

CLEARING MEMBER / NON-CLEARING MEMBER

Publications/Brochures

Disclosure Documents	\$.45
"Understanding Stock Options" (quantities of 99 or less)	\$ 1.00
(quantities of 100 or more)	\$.90
"Taxes & Investing: A Guide for the Individual Investor" (quantities of 99 or less)	\$ 1.00
(quantities of 100 or more)	\$.90
"LEAPS® (Long-Term Equity Anticipation Securities®)" (quantities of 99 or less)	\$ 1.00
(quantities of 100 or more)	\$.90
OCC/ICC By-Laws and Rules (Updates can be obtained on a subscription basis for \$47.00 per year.)	\$ 47.00

Theoretical Profit and Loss Values

Computer Interface

- Monthly fee (per broker) \$ 2,000.00
- Month-end only (per class group for all class groups in the database (per broker)) (approximately 2000-3000 class groups) \$.10

Dial-Up Access

- (Via Theoretical Information Online System)
per class group per day per broker (\$200.00 minimum and \$2,000.00 maximum per month per broker) \$.10

"Per broker" essentially means, per separate net capital calculation; does not mean that the charges apply to each market-maker/specialist whose positions are taken into account calculating a broker's net capital

NON-CLEARING MEMBER

Series Information

Non-Clearing Member	
- Non-Distribution	\$ 1,750.00
- Distribution	\$ 3,000.00

Prices Information

Non-Clearing Member	\$ 3,000.00
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ESCROW BANKS

Escrow Program Fees

Escrow Bank Monthly Program Fee	\$ 200.00
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ALL FEES ARE SUBJECT TO CHANGE

Clearing Members and Non-Clearing Members

For all subscribers to OCC's data service that have not converted to the new DDS format and terminated their receipt of legacy data service distribution transmissions by September 29, 2006, OCC will charge such subscribers an additional \$1,000 per month surcharge to the applicable monthly fees until such time as the subscribers has converted to the new DDS format and terminated all legacy data service transmissions. The effective date of the \$1,000 per month surcharge shall be the later of (i) the October, 2006 billing cycle or (ii) the issuance of an order by the SEC approving such surcharge for Non-Clearing Members.

For further information, contact Member Services at 1-800-621-6072 or refer to OCC's Member Services Brochure.

Alternative Schedule*

Future Exchanges (except CFE)

Trades with contracts of:		Market Maker / Specialist	
1 - 500	\$.07	Scratch per side, All:	\$.02
501 - 1,000	\$.06	Minimum Monthly Clearing	
1,001 - 2,000	\$.05	Fee:	\$ 200.00
Greater than 2,000	\$ 85.00 per trade		

New Products

First calendar month traded:	
	\$.00
Second calendar month traded:	
	\$.025
Third calendar month traded:	

The lessor of the total at \$.05 per contract or
\$ 85.00

Fourth calendar month traded:

Reverts to clearing fees specified above

CFF Schedule

There will be no product fee discount.

Trades with contracts of:

1 - 500 \$.07

501 - 1,000 \$.06

1,001 - 2,000 \$.05

Greater than 2,000 \$.03

Market Maker / Specialist

Scratch per side: \$.02

Minimum Monthly Clearing

Fee: \$ 200.00

The executor of a giveup trade will be charged on the original trade at the rates above.

*Markets trading futures products can elect OCC's standard or alternative fee schedule. Because clearing fees are discounted under the alternative schedule, fees collected under it are excluded from any other rebates or discounts offered by OCC and from any year-end refund of clearing fees.