



Regulatory Circular RG08-123

Date: October 1, 2008

From: Division of Regulatory Services

To: Member Firms

Re: Supplement to the Options Disclosure Document

On September 19, 2008, the Securities and Exchange Commission ("SEC") approved a supplement to the Options Disclosure Document ("ODD"). The ODD contains general disclosures on the characteristics and risks of trading standardized options. The recently approved supplement ("ODD Supplement") provides disclosures regarding variability and strategy-based options. The ODD Supplement also contains disclosures regarding the adjustment of stock option contracts to reflect cash dividends or distributions on the underlying securities.

Member Firms should be aware that Exchange Rule 9.15 requires that each customer who was previously furnished an ODD be furnished with a copy of an amendment to the current ODD. Member firms may comply with this requirement in various ways including, but not limited to, one of the following:

- (1) The firm may choose to deliver the Supplement to all of their approved customers who have already received the ODD. ***A firm may deliver the Supplement electronically to its customers, provided that such delivery comports with SEC Rules respecting electronic delivery.***
- (2) The firm may deliver the Supplement to a customer, who has already received the ODD, with the first confirmation of a transaction involving an option contract.

Further, a copy of the ODD as amended to include the supplement must be delivered to all new options customers.

Copies of the ODD or the supplement, including information on how to obtain a PDF of the supplement, may be obtained by contacting Dianne Svoboda of the Options Clearing Corporation at (312) 322-6212 or at dsvoboda@theocc.com. Questions about this memorandum may be directed to Lawrence J. Bresnahan at (312) 786-7713 or David E. Carlson at (312) 786-7052.