



Regulatory Circular RG08-64

Date: May 19, 2008
To: Members and Member Firms
From: Member Firm Regulation
Re: Supplement to the Options Disclosure Document

On April 30, 2008, the SEC approved a supplement to the Options Disclosure Document ("the ODD"). The ODD contains general disclosures on the characteristics and risks of trading standardized options. The recently approved supplement ("ODD Supplement") provides additional disclosures regarding certain binary options, also known as fixed-return options, and delayed start options. The ODD Supplement also amends the front cover page of the ODD to update the list of U.S. exchanges that trade options issued by the Options Clearing Corporation.

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 ODD 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 ODD Supplement to a customer, who has already received the ODD, with the first confirmation of a transaction involving an options contract.

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

Copies of the ODD or the ODD 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.